

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
FEBRUARY 6, 2017**

I. CALL TO ORDER AND ROLL CALL

The Regular Quarterly Board Meeting of the Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees was held at the Village Hall Council Chambers, 345 Tequesta Drive, Tequesta, Florida, on February 6, 2017. The meeting was called to order at 8:30 a.m.

A roll call was taken by Pension Administrator Scott Baur. In attendance at the meeting were: Chairman Ed Sabin, Secretary John Terzakis, and Board Member Ray Giblin.

Also in attendance were Attorney Bonni Jensen, Pension Administrator Scott Baur, Investment Monitor Tyler Grumbles, and Actuary Jeffrey Amrose.

III. PUBLIC COMMENT

There was no public comment at this time.

III. APPROVAL OF AGENDA

The Administration of Oath was a typographical error and was removed.

MOTION:

Board Member Giblin made a motion to approve the Agenda as amended. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

IV. APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – November 7, 2016

MOTION:

Board Member Giblin made a motion to approve the November 7, 2016 Meeting Minutes as presented. Chairman Terzakis seconded the motion, which carried by unanimous 3-0 vote.

VI. PRESENTATIONS

2. Jeffrey Amrose, GRS
 - a. Actuarial Valuation Report October 1, 2016

Mr. Amrose presented to the Board the Actuarial Valuation Report as of October 1, 2015. Mr. Amrose stated the plan is in very good shape with a 97.5% funded Ratio compared to the mid 80% average. He stated the employees' contribution is 15% of the covered payroll which is also very favorable. He explained the historical reasons why this Fund is so favorable compared to other similar funds. He reviewed the state contributions and the recent benefit changes.

The police contribution is \$93,571 which is an increase from 11.96% to 30.08% of covered payroll. While the normal cost decreased dramatically, the mortality table assumptions increased funding. He noted the application of SB1128 requires payment on full normal cost since plans cannot take offsetting credits for negative unfunded liability.

The fire contribution is \$176,851 which is a decreased from 13.87% to 11.86%. The normal cost for fire decreased due to the reductions in benefits for new hires. He noted the mortality table helped in a similar manner as it did for police.

He reported that there was a net actuarial gain of \$286,595 for the year. He explained that the gain was primarily due to lower than expected salary increases and greater than expected member separations before retirement. Mr. Amrose reviewed the funded ratio in relationship to the market value and noted the assumptions used. He reviewed the direction of funding requirements and the smoothing process currently being used. He stated the Plan has \$304,434 unrecognized losses. The Police & Fire plan components had a slight different investment return. The slight difference resulted from the timing of the cash flow. He noted GRS has a money weighted return while And Co's reports are using a time weights return.

MOTION:

Board Member Giblin made a motion to approve the Actuarial Valuation as of October 1, 2017 as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

b. Expectant Rate of Return

Mr. Amrose reviewed the analysis of investment return assumption based off capital market forecasts by various firms. Mr. Grumble recommended 7.25% as a reasonable return assumption for the next year, the next several years and the long term thereafter.

MOTION:

Board Member Giblin made a motion to approve based on the advice of the investment consultant, the Board expected to achieve an investment rate of return of 7.25% for the next year, the next several years and the long term thereafter. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

3. Tyler Grumbles, & Co Consulting, LLC.

a. Quarterly Performance Report as of December 31, 2016

Tyler Grumbles explained what the Firm's new name and the strategy for rebranding. He also explained what it means and stated their client's always first priority. He briefly reviewed the performance of the market environment for major market indexes as of December 31, 2016. Mr. Grumbles reported that for quarter ending December 31, 2016 the Plan's market value was \$12,112,913 and the asset allocations were Domestic Equity 50.2, International Equity 14.2%, Domestic Fixed Income 20.5%, Global Fixed Income 5.1%, Real Estate 8.4%, and Cash Equivalent 1.4%. He reported that for quarter ending December 31, 2016 the Plan's Total Fund (Gross) was at -1.04% versus the benchmark at 1.30%. Total Equity was -1.53% versus the benchmark at 2.98%, Total Domestic Equity was -0.76% versus the benchmark at 4.21%, Total International Equity was -4.15% versus the benchmark at -1.20%, Total Fixed Income was at -0.43% versus the benchmark at -

3.24%, Domestic Fixed was -2.41% versus the benchmark at -2.98%, Global Fixed was 8.36% versus the benchmark at -4.89%, and Total Real Estate was at 0.78% versus the benchmark at 2.19%. He noted most of the relative under performance resulted from Brown. Mr. Grumbles recommended placing Brown on watch along with increase weight to index from 25% to 50%. He noted the Plan currently hold Vanguard total market index.

MOTION:

Board Member Giblin made a motion to approve the recommendation made by the investment consultant to move 50% of domestic equity, 25% from Brown & 25% Gamco totally 50% to the Vanguard Index Fund. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

Mr. Grumbles confirmed he will bring a manager search information to the next quarterly meeting to for replacement options for Brown. He reviewed the style and sector performance along with the markets environment.

MOTION:

Board Member Giblin made a motion to approve the Quarterly Performance Report as of December 31, 2016 as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

VII. UNFINISHED BUSINESS

None

VIII. STANDING REPORTS (INFORMATION ITEMS)

5. New applicants for participation in Pension Plan:

None

6. Request for withdrawal of contributions (employees terminating employment with the Village of Tequesta) – Ratification of withdrawals made since the last meeting.

None

7. Terminated employees who have not taken their contributions:

None

VIII. PAYMENTS TO BE RATIFIED (PAYMENTS MADE SINCE LAST MEETING)

8. Ratification of invoices paid since last quarterly meeting:

<u>Check#</u>	<u>Paid Date</u>	<u>Vendor / Description</u>	<u>Amount</u>
1258	11/21/2016	Pension Resource Center Administrative Fee - November 2016 Invoice# 15091 Date 10/31/16	\$950.00
1259	11/21/2016	GAMCO Management Fee - 3rd Quarter 2016	\$5,779.00

1260	11/21/2016	FPPTA 2017 Membership Renewal	\$600.00
1261	11/21/2016	Gabriel Roeder Smith & Company Consultants & Actuaries Svs through 9/30/16	\$6,889.00
1262	12/12/2016	Pension Resource Center Administrative Fee - December 2016 Invoice# 15154 Date 11-30-16	\$950.00
1263	12/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 9-30-16 Bill# 18844	\$374.25
1264	12/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 11-30-16 Bill# 19131	\$877.50
1265	12/12/2016	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 10-31-16 Bill# 18995	\$273.25
1266	12/12/2016	Garcia Hamilton & Associates L.P. Management Fee - 3rd Quarter 2016 Invoice# 27365 Date 10-11-16	\$1,593.27
1267	1/25/2017	And CO Consulting Fee - 4th Qtr 2016 Invoice #20251	\$4,500.00
1268	1/25/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 12-31-16 Invoice #19279	\$45.00
1269	1/25/2017	Pension Resource Center Administrative Fee - January 2017 Invoice# 15219 Date 1-3-17	\$950.00

Paid by Custodian

10/25/2016	Fiduciary Trust International - GHA 3rd Quarter Custody Fee 9/30/16 Cust# XXXX710 Invoice# S14800484642	\$372.98
10/25/2016	Fiduciary Trust International - GAMCO 3rd Quarter Custody Fee 9/30/16 Cust# XXXX720 Invoice# S14800484643	\$451.18
10/25/2016	Fiduciary Trust International - MTL FND 3rd Quarter Custody Fee 9/30/16 Cust# XXXX730 Invoice# S14800484644	\$792.05
10/25/2016	Fiduciary Trust International- Public Safety	\$19.99

Office
3rd Quarter Custoday Fee 9/30/16
Cust# XXXX700 Invoice# S14800484641

10/25/2016 Fiduciary Trust International- GHA \$170.00
3rd Quarter Admin Fee 9/30/16
Cust# XXXX700 Invoice# S14800486001

MOTION:

Board Member Giblin made a motion to approve the invoices to be ratified as presented. Board Member Terzakis seconded the motion, which carried by unanimous 3-0 vote.

IX. PAYMENT TO BE REVIEWED AND APPROVED

9. Payments to be reviewed and approved:

January 1, 2017	Gabriel, Roeder, Smith & Company	\$5,280.00
	Acturial Services Rendered through 12-31-16	
January 23, 2017	Gamco Asset Management	\$5,960.00
	Investment Management Fee - 4th Quarter 2016	

MOTION:

Board Member Terzakis made a motion to approve the invoices to be reviewed and approved as presented. Board Member Giblin seconded the motion, which carried by unanimous 3-0 vote.

X. NEW BUSINESS

10. Bonni Jensen, Klausner, Jensen & Levinson
a. 2017 IRS Mileage Rate Memorandum

Attorney Bonni Jensen reported that as of January 1, 2017 the IRS Standard Mileage Rate for 2017 is .535 cents per mile.

b. Pending FRS Mortality Table Memorandum

Agenda item was discussed during the Actuarial Valuation presentation.

c. Online Annual Report Memorandum

Chairman Sabin noted receiving letters from DMS regarding the online filing. Mr. Baur requested forwarding all letter of this nature in the future. There was brief discuss of the new process in place for filing the Annual Report electronically.

d. Request for Online Access to Fiduciary Trust

Ms. Jensen requested access for online viewing only at the fiduciary Trust to make sure certain class action matters are getting filed.

MOTION:

Board Member Giblin made a motion to approve online access for Klausner, Jensen & Levinson Firm to have online viewing access at Fiduciary Trust as requested. Board Member Giblin seconded the motion, which carried by unanimous 3-0 vote.

e. Attorney Fee Increase

Ms. Jensen reviewed the proposed fee increase. She stated the last fee increase was 3 years ago.

MOTION:

Board Member Terzakis made a motion to approve the attorney fee to be increased from \$225.00 to \$265.00 per hour as presented. Giblin seconded the motion, which carried by unanimous 3-0 vote.

Ms. Jensen reviewed the current fraud controls. She discussed the fraud situation at Miami Beach. She requested to have the finance director come to discuss the fraud controls in place within the Village. She also recommended cyber liability at renewal of the fiduciary liability policy.

She gave a brief overview of the pending legislation along with recently filed bills. She noted a bill which referred to different cancer presumption for Firefighters.

Ms. Jensen reviewed the Summary of Actions to be presented at the upcoming Village Commission meeting. Board member Terzakis volunteered to present at the meeting.

She noted a draft amendment will be composed for the name change of Mr. Grumble's firm. Ms. Jensen also stated the inclusion of public record language now required by law to be included.

MOTION:

Board Member Giblin made a motion to approve the execution of the & CO Consulting amendment to be drafted by Attorney Bonni Jensen. Terzakis seconded the motion, which carried by unanimous 3-0 vote.

XI. BUDGET REPORT

XII. ADMINISTRATIVE REPORT

11. FPPTA Upcoming Conference

MS. Jensen notified the Board of the Klausner, Jensen & Levinson Conference coming up on March 19, 2017.

12. Update Signature Cards for Fiduciary Trust

Mr. Baur stated the update is needed due to the appointment of new trustees.

MOTION:

Board Member Giblin made a motion to approve the updated signature cards as presented. Terzakis seconded the motion, which carried by unanimous 3-0 vote.

XI. ANY OTHER MATTER

XII. COMMUNICATIONS FROM CITIZENS

XIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,



Scott Baur

Administrator

Village of Tequesta Public Safety Officers' Pension Plan



Board Member

Village of Tequesta Public Safety Officers' Pension Plan