

**TEQUESTA PUBLIC SAFETY OFFICERS' PENSION TRUST FUND
REGULAR BOARD MEETING MINUTES
JULY 31, 2017**

CALL TO ORDER

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 July 31, 2017. The meeting was called to order at 8:31 a.m.

ROLL CALL

A roll call was taken by Pension Administrator Scott Baur. In attendance at the meeting were: Chairman Ed Sabin, Board Member Ray Giblin, Board Member Kyle Stone and Board Member Ray Korkowski (entered 8:42 am).

Also in attendance were Attorney Bonni Jensen, Pension Administrator Scott Baur, Investment Monitor Tyler Grumbles, John McCann and Custodian Representative Amed Avila.

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF AGENDA

MOTION:

Board Member Korkowski made a motion to approve the Agenda as presented. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

APPROVAL OF MINUTES

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – May 1, 2017

Mr. Grumbles requested the language change under item 2 to change reference to international equity versus equity bonds.

MOTION:

Board Member Giblin made a motion to approve the May 1, 2017 Meeting Minutes as amended. Board Member Stone seconded the motion, which carried by unanimous 3-0 vote.

PRESENTATIONS

2. Quarterly Performance Report as of June 30, 2017- Tyler Grumbles, And Co Consulting

Tyler Grumbles addressed the Board to present the performance of the market environment for major market indexes as of June 30, 2017. He introduced an associate, John McCann to the Board. He stated Mr. McCann lives locally and will be attending the participant workshop coming up in December. Mr. Grumbles reported that currency fluctuations boosted returns for international securities as the dollar fell. Both domestic

equity and fixed income mostly had gains, with spreads narrowing between corporate bonds and governmental bonds. He noted growth out performed value this quarter. He reviewed the cash flow and the asset allocation for the quarter. He confirmed ASB was funded with additional commitment during the quarter. The portfolio had \$13,172,629 total as June 30, 2017. The portfolio gained 3.27% gross for the quarter and 3.14% net compared to the 3.01% benchmark. Total Equity was 4.52% versus the benchmark at 3.70%, Total Domestic Equity was 3.60% versus the benchmark at 3.02%, Total International Equity was 7.68% versus the benchmark at 5.99%, Total Fixed Income was at 0.89% versus the benchmark at 1.63%, Domestic Fixed was 1.37% versus the benchmark at 1.45%, Global Fixed was -0.99% versus the benchmark at 2.79%, and Real Estate was at 0.66% versus the benchmark at 1.79%. He reviewed termination and hiring of new manager activity through the quarter. Grumbles stated there was no recommendation on rebalancing at this time.

3. Annual Custodian – Amed Avila, Fiduciary Trust

Amed Avila addressed Fiduciary Trust's cyber liability insurance and explained the coverage maintained by Fiduciary Trust. He then reviewed the SSAE-16 Report for Fiduciary Trust in detail. He reviewed the billing issue that had transpired and explained how it has been resolved. There was significant discussion on Fiduciary trusts cyber liability insurance specifically. Chairman Sabin stated preference of a local broker to be considered.

4. Liability Insurance Renewal Discussion

Ms. Jensen reviewed the purpose of cyber liability and explained the liability is still evolving. She suggested for Gehring Group to consider endorsement of notification coverage compared to standard cyber coverage. The Board also considered the split for premiums with the General Employees' Pension Fund. The Board reviewed the renewal quote in detail.

MOTION:

Board Member Giblin made a motion to approve the Fiduciary Liability Insurance renewal with Travelers. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

MOTION:

Board Member Stone made a motion to explore competing quotes from other local brokers. Board Member Giblin seconded the motion, which carried by unanimous 4-0 vote.

CONSENT AGENDA

5. Ratification of invoices paid since last quarterly meeting

| <u>Check#</u> | <u>Paid Date</u> | <u>Vendor / Description</u> | <u>Amount</u> |
|---------------|------------------|--|---------------|
| 1277 | 5/11/2017 | Pension Resource Center Administrative Fee - April 2017 Invoice# 15421 | \$950.00 |
| 1278 | 5/11/2017 | Klausner, Kaufman, Jensen & Levinson | \$598.06 |

Legal Services Rendered through 3/31/17
Bill# 19727

| | | | |
|------|-----------|--|------------|
| 1279 | 5/11/2017 | Gabriel Roeder Smith & Company Consultants & Actuaries Svs through 3/31/16 | \$7,578.00 |
| 1280 | 5/11/2017 | Garcia Hamilton & Associates, L.P. Investment Management Fee - 1st Quarter 2017 | \$1,594.14 |
| 1281 | 5/11/2017 | Garcia Hamilton & Associates, L.P. Investment Management Fee - 4th Quarter 2016 | \$1,555.34 |
| 1282 | 6/9/2017 | GAMCO Management Fee - 1st Quarter 2017 | \$3,224.00 |
| 1283 | 6/9/2017 | Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 4/30/17 Bill# 19906 | \$145.75 |
| 1284 | 6/9/2017 | Pension Resource Center Administrative Fee - May 2017 Invoice# 15486 | \$973.93 |
| 1285 | 6/9/2017 | Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 5/30/17 Bill# 20019 | \$511.25 |
| 1286 | 7/12/2017 | Pension Resource Center Administrative Fee - June 2017 Invoice# 15559 | \$950.00 |
| 1287 | 7/12/2017 | Pension Resource Center Administrative Fee - July 2017 Invoice# 15623 | \$950.00 |
| 1288 | 7/12/2017 | Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 6/30/17 Bill# 20169 | \$61.25 |
| 1289 | 7/12/2017 | And CO Consulting Fee - 2nd Qtr 2017 Invoice #22351 | \$4,500.00 |

6. Reporting of new applicants for participation in Pension Plan:
None

7. Approval of withdrawal of contributions:

None

8. Terminated employees who have not yet taken their contributions:
None

MOTION:

Board Member Giblin made a motion to approve the ratification of invoices as presented. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

OLD BUSINESS

9. Discussion On Use of 185 Tax Premium Money – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen reported on the communication with the Village regarding establishing a share account for members. She noted there is roughly \$333,315 to be allocated and there will not be any additional money to be allocated going forward. There will not be any additional active members to be added since the plan is closed. The Village will need to negotiate details with the bargaining unit. The police currently have 4 active members and 5 inactive members. Ms. Jensen considered mechanics of accounts. She recommended accounts similar to drop accounts which would get distributed to service retired members. She noted vested-deferred members typically do not get access to funds until commencing benefits.

NEW BUSINESS

10. Legislative Update – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen reviewed the memorandum on legislative update. She explained recent session did not directly impact the plan. She stated the legislature did address abuses on public records litigations. Ms. Jensen explained a notice to access public records will need to be posted at the Village, on the pension's website and the plan administrator's office.

Ms. Jensen also explained the new exemption for firefighters'. She stated first responder's receive a property tax exemption if injured in the line of duty and qualify for social security disability. She explained the mechanics for members to obtain exemption and required verification by the employer.

Ms. Jensen reviewed the summary of action to be presented to the Village Council in October. The Board decided Trustee Stone will present and Trustee Korkowski will assist.

XI. BUDGET REPORT

11. Administrative Budget – Plan Administrator Audrey Ross, Pension Resource Centers

The Board considered the administrative budget.

MOTION:

Board Member Stone made a motion to approve the Administrative Budget as presented. Board Member Giblin seconded the motion, which carried by unanimous 4-0 vote.

ADMINISTRATIVE REPORT

12. Upcoming Election from Ray Giblin's Expiring Term

Mr. Baur informed the Board of the upcoming expiration of Raymond Giblin's' term. His firm will handle the election process.

ANY OTHER MATTER

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:55 .m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "M. Baur", is written over a horizontal line.

Board Member

Village of Tequesta Public Safety Officers' Pension Plan