

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

**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 November 6, 2017. The meeting was called to order at 1:17 p.m.

**ROLL CALL**

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

Also in attendance were Attorney Bonni Jensen, Pension Administrator Kerry Dutton, Investment Monitor Tyler Grumbles, and ASB Real Estate Representative Georgette Baxter.

**PUBLIC COMMENT**

There was no public comment at this time.

**APPROVAL OF AGENDA**

Ms. Dutton requested the addition of the Re-appointment of John Terzakis as 5th Trustee.

**MOTION:**

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

**RE-APPOINTMENT OF 5<sup>th</sup> TRUSTEE: JOHN TERZAKIS**

**MOTION:**

Board Member Giblin made a motion to approve the re-appointment of John Terzakis as the 5<sup>th</sup> trustee. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.

**APPROVAL OF MINUTES**

1. Tequesta Public Safety Officers' Pension Trust Fund Board of Trustees Regular Quarterly Meeting Minutes – July 31, 2017

**MOTION:**

Board Member Giblin made a motion to approve the July 31, 2017 Meeting Minutes as presented. Board Member Stone seconded the motion, which carried by unanimous 4-0 vote.



## **PRESENTATIONS**

### **2. ASB Performance Report – Georgette Baxter**

Ms. Baxter approached the Board. Ms. Baxter reviewed the two institutional funds with over 360 investors. She reviewed the team structure with the firm reviewing the changes in leadership. She continued by reviewing the investor base. ASB just allocated \$150 million from Oregon's General Employees' Pension Fund which will be reflected by the end of the quarter. The return since inception was 4.33% and the return for the quarter ending September 30, 2017 was .79%. She reviewed the factors driving underperformance and explained the performance expected going forward. She stated the operating performance percentages as follows; industrial 55.9%, office 6.4%, residential 4.2%, and retail at 4.0%. Ms. Baxter confirmed the firm's retail selections are street front retail with high traffic locations. Ms. Baxter reviewed the full market cycle noting a full cycle is typically a 10 year period. There was a brief discussion on the markets driving the returns up after the downturn of the market. Ms. Baxter reviewed the asset allocations compared to the target allocations. She reviewed the investment criteria specifically the building structural attributes and desirable locations. She stated the new New York building was purchased with a line of credit and is already a 100% leased therefore the building will bring ASB up to 18% leverage. She noted with core real estate a high single digit return is to be expected. She briefly reviewed the property types broken out by location. ASB has queues for redemptions and incoming funds. There was brief discussion on the firm's forecast for the next 4 years. Ms. Baxter thanked the board.

### **3. Quarterly Performance Report as of September 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 September 30, 2017. He noted a great fiscal year. He stated the depreciation of the US dollar is helping the emerging market sector. International is now the best performing asset class at 19.6%, the S&P was up at 18.6% and the US aggregate was flat at 0.1%. Mr. Grumbles reviewed the market and sector performance for the quarter. He reviewed the cash flow and the asset allocation for the quarter. The portfolio had \$13,796,771 total as September 30, 2017. The portfolio gained 11.31% gross of fees for the fiscal year and 3.51% gross of fees for the quarter. Total Equity was 15.86% versus the benchmark at 19.11%, Total Domestic Equity was 14.45% versus the benchmark at 18.18.71%, Total International Equity was 20.63% versus the benchmark at 18.71%, Total Fixed Income was at 2.82% versus the benchmark at 0.46%, Domestic Fixed was 0.35% versus the benchmark at 13.81%, Global Fixed was 13.81% versus the benchmark at 2.82%, and Real Estate was at 3.60% versus the benchmark at 7.80%. Mr. Grumbles confirmed Fiduciary Trust has an auto rebalance letter to return back to targets on file. He stated the commission reception firm has lowered their fee and he brought an addendum to be signed today. There is no recommendations at this time.

## **CONSENT AGENDA**

### **4. Ratification of invoices paid since last quarterly meeting**

<u>Check#</u>	<u>Paid Date</u>	<u>Vendor / Description</u>	<u>Amount</u>
1290	8/14/2017	Pension Resource Center Administrative Fee - August 2017 Invoice# 15691	\$950.00
1291	8/14/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 7/31/17 Bill# 20315	\$717.25
1292	8/14/2017	Garcia Hamilton & Associates, L.P. Investment Management Fee - 2nd Quarter 2017	\$1,615.36
1293	8/14/2017	GAMCO Management Fee - 2nd Quarter 2017	\$3,125.00
1294	9/20/2017	Pension Resource Center Administrative Fee - Sept 2017 Invoice# 15761	\$950.00
1295	9/20/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 8/30/17 Bill# 20453	\$540.00
1296	9/20/2017	Gehring Group, Inc Fiduciary Liability Insurance Renewal 10/17-10/18	\$3,582.92
1297	10/12/2017	Pension Resource Center Administrative Fee - Oct 2017 Invoice# 15823	\$950.00
1298	10/12/2017	Klausner, Kaufman, Jensen & Levinson Legal Services Rendered through 9/28/17 Bill# 20589	\$45.00
1299	10/12/2017	And CO Consulting Fee - 3rd Qtr 2017 Invoice #23369	\$4,500.00
<b>Total:</b>			<b>\$16,975.53</b>
		<b>Custodian</b>	
	7/17/2017	ASB Capital Management 2nd Qtr 2017	\$3,237.96
	10/16/2017	ASB Capital Management 3rd Qtr 2017	\$3,883.19
	10/17/2017	Fiduciary Trust International 3rd Quarter 2017 Custodial Fee	\$182.18
	10/17/2017	Fiduciary Trust International - GH 3rd Quarter 2017 Custodial Fee	\$379.82

10/17/2017	Fiduciary Trust International - GAMCO 3rd Quarter 2017 Custodial Fee	\$252.09
10/24/2017	Fiduciary Trust International - MTL- FND 3rd Quarter 2017 Custodial Fee	\$1,171.43
<b>Total:</b>		<b>\$26,082.20</b>

5. Reporting of new applicants for participation in Pension Plan:

Joshua Kitzi

6. Approval of withdrawal of contributions:

None

7. Terminated employees who have not yet taken their contributions:

None

There was a brief discussion on actual fees and expenses.

**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.**

**NEW BUSINESS**

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

Ms. Jensen reviewed the federal public safety officer benefits program. She explained the one-time lump sum payment benefit is paid to eligible survivors of public safety officers who die from the direct result of a traumatic injury sustained in the line of duty. She also reviewed the education assistance program for public safety officers. She stated the program provides financial assistance to spouses and children of police, fire, and emergency public safety officers who have been killed or permanently disabled in the line of duty. She reviewed the health insurance benefits available not just for the injured but the benefits to the family of deceased members. Ms. Jensen also confirmed there is a workman's compensation benefit beyond the standard form. A discussion ensued regarding the benefit options available to members. Ms. Jensen reviewed situation of deceased West Palm police officer killed in the line of duty.

9. Annual Conference Cancellation – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen stated her Firm has decided to cancel the annual conference. She explained the impact of the hurricane caused damage to the hotel for which the conference was to be held. She explained the Firm will be sending the money which was to be used for the conference to the hurricane victims and recovery directly.



10. Discussion on Internal Procedures – *Attorney Bonni Jensen, Klausner, Kaufman, Jensen & Levinson*

Ms. Jensen reviewed the SOC and internal controls taking place at Fiduciary Trust. She stated the report includes details of the software Fiduciary Trust currently has in use.

Ms. Jensen notified the Board of the new Finance Director, Christopher Quirk.

## **BUDGET REPORT**

11. Quarterly Budget Report – *Plan Administrator Kerry Dutton, Pension Resource Centers*

The Board acknowledged the receipt and filed the quarterly budget report.

## **ADMINISTRATIVE REPORT**

12. Electronic Filing Requirement Letter

Ms. Jensen reviewed a new requirement by the state which requires the Actuarial Valuation to be inputted online and done so by the Actuary not the staff. She explained this applies to all Valuations and submission of paper copies to the State is no longer available.

### **MOTION:**

**Board Member Stone made a motion to approve the fee by GRS for electronic filing of the Actuarial Valuation as presented. Secretary Terzakis seconded the motion, which carried by unanimous 4-0 vote.**

13. Winter Trustees School – *Plan Administrator Kerry Dutton, Pension Resource Centers*

Mrs. Dutton reviewed the dates and location of the upcoming winter trustees school.

14. 2018 Calendar Schedule – *Plan Administrator Kerry Dutton, Pension Resource Centers*

Ms. Dutton reviewed the 2018 calendar.

## **ANY OTHER MATTER**

### **Gehring Group Presentation**

Mr. Rodney Louis addressed the board. He reviewed why cyber liability coverage is necessary. He stated standard commercial policies give little protection against electronic damages and the costs associated from cyber exposure. He explained the exposures covered by cyber liability insurance. Cyber security and privacy threats include hackers, attackers, intruders and malicious code. He explained the difference between first party and third party liability coverage. He stated third party coverage is often included with a tech professional's errors and omissions insurance. He reviewed the coverage limits per claim and aggregate. He explained the Village's coverage extends to the pension. There was a brief discussion on being a named insured.

Ms. Jensen reviewed the memorandum regarding the unused 185 money. The Village requested suggestions from the Board. The board requested the options discussed to be listed and sent to the Village council as recommendation. The Board discussed, at length, the use of the Funds and considered the three options. The suggestions options were as follows:

1. Take no action regarding the money
2. Purchase a benefit improvement
3. Divide into Share Accounts

## ADJOURNMENT

There being no further business, the meeting was adjourned at 3:32 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "C. D. Adair", is written over a horizontal line.

Board Member

Village of Tequesta Public Safety Officers' Pension Plan