

**BAL HARBOUR VILLAGE POLICE OFFICERS'  
PENSION PLAN AND TRUST**

2<sup>nd</sup> Floor Conference Room  
655 – 96<sup>th</sup> Street, Bal Harbour, Fl 33154  
REGULAR QUARTERLY MEETING – OCTOBER 28<sup>TH</sup>, 2013

- 1. Call to Order** – Chairman Paul Eppler called the meeting of the Bal Harbour Village Police Officers' Pension Plan and Trust to order at 3:11 P.M.

**Roll Call**

Present

Chairman Paul Eppler  
Secretary Dr. Abraham Gotman  
Hector Gonzalez  
David Levin (participated via speakerphone)

**OTHERS PRESENT:** Gregg Gosch and W. Marc Davis from Sawgrass Asset Management, John McCann from Thistle Asset Consulting, Village Manager Jay R. Smith, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Clerk to the Board of Trustees.

- 2. Public Comments** – It was recommended to place this at the end of the agenda.

- 3. Introduction of New Trustee – Detective Hector Gonzalez.** Chairman Eppler presented Detective Gonzalez to those present. He was elected to fill the vacancy created when Alex Alvarez resigned and to serve a two year term until 9/30/15. Detective Gonzalez stated he took the oath of office on 8/28/13 and completed and mailed the required Financial Disclosure Form.

- 4. Additions/Deletions to Agenda** – None.

Chairman Eppler requested going directly to the Sawgrass and Thistle reports

- 10. a) Sawgrass Asset Management – Investment/Market Report.** Mr. Gosch announced the 3<sup>rd</sup> Annual Client Conference will be held November 13<sup>th</sup>, 2013 at the Hardrock. The current fixed income outlook is governed by 1) fiscal policies that create headwinds, 2) weak growth of the economy, 3) weak, but steadily improving employment and 4) the continuation of QE3 from the Fed for now. What helped this quarter was an overweight in the corporate sector and the roll effect. What hurt was underweighting of high beta issuers and low quality BBB and yield curve positioning.

Mr. Davis reviewed the equity review and outlook. Stocks posted another strong quarter and have turned in the strongest nine month start since 1997, with growth and small cap significantly outperforming value and large cap. The Sawgrass composite portfolio versus the Russell 1000 Growth was helped with no torpedoes and hurt by a lower beta bias.

Mr. McCann recommended the trustees consider a real estate investment in the future with the funds to be taken out of fixed income.

**10. b) John McCann, Thistle Asset Consulting – Performance Report for Quarter Ending 9/30/13.** Mr. McCann stated he was unable to prepare his report due to Salem Trust not issuing their September statement in a timely fashion. He was only able to provide the Morningstar report to the trustees.

**10. c) Review/Accept – Net DROP Return for the Quarter Ending 9/30/13.** The matter was tabled until the next meeting due to the lack of statement from Salem Trust.

The trustees discussed the Salem Trust situation with the investment consultant, the investment manager and Attorney Bieler. From all concerned it appeared the situation was becoming difficult. Attorney Bieler asked Sawgrass and Thistle to make a report at the next meeting regarding any and all problems and concerns regarding how trades had been handled and if the plan had suffered any financial loss. The remark was made that Salem Trust should not charge for this last quarter and the discount of 10% on their invoice for the 6/30/13 quarter was not sufficient. After reviewing the reports from the board's professionals at the next meeting a decision would be made regarding Salem Trust, as the trustees realized that the audit, actuarial valuation report and state annual report might be late due to the situation.

**5. Approval of Minutes for meeting of July 22<sup>nd</sup>, 2013.** Chairman Eppler presented the minutes from the last meeting for approval. Dr. Gotman moved to approve. David Levin seconded the motion. The motion carried unanimously.

**6. Approval of Warrant #082.** Chairman Eppler presented the Warrant #082 as listed on the agenda for approval and payment. Hector Gonzalez moved to eliminate the invoice from Salem Trust in the amount of \$2,106.54 from the warrant. Dr. Gotman seconded the motion. The motion carried unanimously. This left the total for the warrant \$39,606.76. Hector Gonzalez moved to approve payment of the warrant in the amount of \$39,606.76. David Levin seconded the motion. The motion carried unanimously, approving payment of the following:

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|---|-------------|
| Cypen & Cypen, August, September & October, 2013 Retainers @ \$2,000 each | \$ 6,000.00 |
| Joan L. Wall, 7/15 – 10/18/13; 41 ¾ hrs @ \$41.60, plus expenses \$113.38 | \$ 1,850.18 |

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|--|---------------------|
| Sawgrass Asset Management; Investment Fee for Qtr Ending 9/30/13   | \$22,015.00         |
| Thistle Asset Consulting, Inc., Performance Report for Qtr Ending 9/30/13                                      | \$ 3,900.00         |
| Foster & Foster, Inc., Invoice #5419 dated 10/18/13  | \$ 1,900.00         |
| Florida Municipal Insurance Trust, Fiduciary Liability Insurance Renewal<br>(last year premium was \$3,784.57) | \$ <u>3,941.58</u>  |
| <u>TOTAL For Warrant #082</u>  | \$ <u>39,606.76</u> |

The trustees requested that future invoices from Salem Trust be placed on a separate warrant for consideration, rather than included with the other invoices.

**7. Approve Refund of Pension Contributions for Alex Alvarez** – pending return of required forms. Chairman Eppler advised Mr. Alvarez had not returned the forms as requested. The matter was tabled until the next meeting.

**8. Approval of DROP Benefits.** Chairman Eppler presented the monthly DROP benefits for board approval as follows:

Chairman Eppler turned the gavel over to Secretary Gotman and recused himself from voting on his benefit. Dr. Gotman moved to approve Paul Eppler's benefit. David Levin seconded the motion. The motion carried unanimously, with Paul Eppler abstaining.

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| Paul Eppler, H/D 9/7/1993, R/D 7/3/2013, Monthly Benefit | \$ 8,472.85 |
|--|-------------|

Hector Gonzalez moved to approve Alvin McFarlane's benefit. David Levin seconded the motion. The motion carried unanimously.

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| Alvin R. McFarlane, H/D 2/6/1995, R/D 3/1/2013, Monthly Benefit | \$ 6,450.47 |
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**9. UNFINISHED BUSINESS** – None.

### NEW BUSINESS

Items #10 a), 10 b) and 10 c) had been heard earlier in the meeting.

**10. d) Review/Authorize Chairman to Sign – Marcum's Audit Engagement Letter for FYE's 9/30/13, 9/30/14 and 9/30/15 for fees of \$8,000, \$8,500 and \$8,800 respectively.** Attorney Cypen had previously reviewed this for form. Hector Gonzalez moved to approve the chairman signing the audit engagement letter. David Levin seconded the motion. The motion carried unanimously.

**10. e) Review of 9/13/13 letter from Division of Retirement** – Request via Christopher Wallace, Finance Director, that the Village would like the board to consider changes, or at least begin the process of studying them. (Patrick Donlan will participate

via speakerphone). Due to only one line available on the speakerphone, Patrick Donlan agreed to participate via speaker at the January meeting and present the Actuarial Valuation Report at the April meeting.

**10.f) Meeting Dates for 2014** (4<sup>th</sup> Monday of January, April, July and October)

- **January 27<sup>th</sup>, 2014,**
- **April 28<sup>th</sup>, 2014,**
- **July 28<sup>th</sup>, 2014 and**
- **October 27<sup>th</sup>, 2014**

**10. g) Schools/Conferences**

- FPPTA – Trustees School 2/2 – 5/2014, Hyatt Regency Riverfront, Jacksonville

**11. Input from Active/Retired Members/Public Comments** – None.

**12. Trustees' Concerns** – None.

**13. REPORTS**

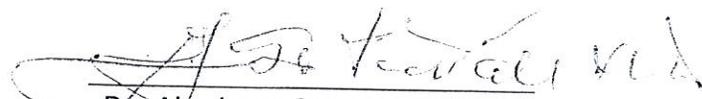
- **Attorney** – Memorandum dated 8/12/13 from Cypen & Cypen for Board Consideration regarding Public Comment at Pension Board Meetings. After review David Levin moved to adopt the Rules & Procedure for Public Comment and Participation at Pension Board Meetings and to place the item at the end of the agenda. Dr. Gotman seconded the motion. The motion carried unanimously.
- **Board Clerk** –
- **Other** – Commission Recapture received; \$376.47, \$148.78 and \$156.75

**14. Next Meeting Date/Adjournment** Chairman Eppler announced the next regular quarterly meeting was scheduled for Monday, January 27<sup>th</sup>, 2014.

There being no further business before the board, David Levin moved to adjourn at 4:53 P.M. Hector Gonzalez seconded the motion. The motion carried unanimously.

Respectfully submitted,

  
Paul Eppler, Chairman

  
Dr. Abraham Gotman, Secretary