BAL HARBOUR VILLAGE
GENERAL EMPLOYEES RETIREMENT BOARD
REGULAR MEETING MINUTES
SEPTEMBER 21, 2010

A Regular Meeting of the Bal Harbour Village General Employees Retirement Board was held on Tuesday, September 21, 2010, in the Bal Harbour Village Hall Council Chambers (655 – 96th Street, Bal Harbour, Florida).

1. CALL TO ORDER/ROLL CALL: The meeting was called to order at 6:06 p.m. by Mayor Rosenfield. The following were present:

Mayor Jean Rosenfield
Assistant Mayor Joni D. Blachar
Councilwoman Patricia Cohen
Councilman Martin Packer
Councilman Jaime M. Sanz
Sandy Graham, General Employee Representative

Also present: Alfred J. Treppeda, Village Manager
Ellisa L. Horvath, MMC, Village Clerk/Secretary
Richard J. Weiss, Village/Board Attorney
Andrea Greenblatt, Administrative Assistant

Absent: Theo McPherson, General Employee Representative

As a quorum was determined to be present, the meeting commenced.

2. APPROVAL OF MINUTES: ***A motion was offered by Assistant Mayor Blachar and seconded by Councilwoman Cohen to approve the February 16, 2010 Regular Meeting Minutes and the April 20, 2010 Regular Meeting Minutes. The motion carried (6-0).***

3. JOHN MCCANN, PERFORMANCE MONITOR – THISTLE ASSET CONSULTING PRESENTATION OF QUARTERLY REPORT: Mr. McCann distributed and reviewed the Morningstar Portfolio Snapshot (as of June 30, 2010) showing the new Northern Trust asset allocation ($3,908.046.35 Portfolio Value). He reviewed the Morningstar Equity Style Box %, which showed the plan had 32% in value, 31% in core, and 37% in growth. He noted that the plan had 61% in large cap (high quality), 25% in mid cap, and 14% in small cap. He reported that the equity portfolio was nicely diversified. He explained that 17% of the equity portfolio was in international and emerging markets. Mr. Weiss questioned if anything was in fixed income. Mr. McCann explained that 35% was in fixed income, but that the Morningstar report didn't analyze or show it.

Mr. McCann reviewed the Quarterly Report, dated June 30, 2010. He reviewed page 8, which showed the seven asset classes, including cash, which was nicely diversified. He reported the fund having $7.4 million as of June 30, 2010 and $7.9 million as of September 20, 2010 (an increase of $500,000).

Mr. McCann received from Northern Trust that July and August returns were up 1.8% and

as of September 20, 2010, the plan was up 4.8% (from September 1, 2010 to September 20, 2010). He noted that the Fiscal Year to date (October 1, 2009 to June 30, 2010) was up 1.6%. He reported that the Plan was up approximately 8.2% total, which was an excellent return.

Mr. Weiss questioned the assumed rate for the fund. Mr. Treppeda reported it to be 7.5%.

Mr. McCann reviewed page 10 and reported that the fund beat the policy. He noted that if the plan had remained in the index fund then it would have been in the negative. He explained that the fiscal year end was looking very good.

Mr. Weiss questioned the positive and negative with the current allocation. Mr. McCann noted that whatever the policy was at, the return should be slightly better to at least cover the Manager's fees (Northern Trust). Mr. Weiss questioned the total return expected. Mr. McCann reported it to be 7.5%. Mr. Weiss questioned over what period of time the plan would expect to get that. Mr. McCann reported it to be 30 to 35 years. Mr. Weiss questioned in any given year the amount the Plan could expect to be up or down, over the 7.5%. Mr. McCann didn't know but could look at the total volatility of the fund (the standard deviation). He reported the five year standard deviation to be 9.7 (plus or minus). Mr. McCann suggested remaining with the current asset allocation.

4. OTHER BUSINESS: Chris Wallace, Finance Director, requested approval of up to $6,000 for the Actuary, Jim Rizzo - GRS, to study the pension plan design (benefits) and to provide options to the Board and Village regarding saving money. He reported that the Village's current contribution rate was approaching 40% of payroll and he suggested that different options be looked at. Mayor Rosenfield agreed that information was needed, in order to determine the direction to proceed in regarding the pension plan.

A motion was offered by Assistant Mayor Blachar and seconded by Councilwoman Cohen to approve up to $6,000 for Jim Rizzo, Plan Actuary, to study the present pension plans in existence for the purpose of examining options. The motion carried (6-0).

5. ADJOURN: There being no further business, ***a motion was offered by Councilman Packer and seconded by Councilwoman Cohen to adjourn. The motion carried (6-0)*** and the meeting was adjourned at 6:23 p.m.

Mayor Jean Rosenfield, Chair

Attest:

Ellisa L. Horvath, MMC, Village Clerk
Secretary