GENERAL PENSION BOARD

MINUTES

October 20, 2011

1:30 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bill Schroeder, Chairman
Don Pellegrino, Vice Chairman
Ivette Ramos, Secretary
John Kretzer, Member
Mike Cohen, Member

ALSO PRESENT:

Pamala Prell, Deputy City Clerk

1. **Approval of Minutes**

There were no minutes for approval.

2. **Payment of Invoices:**

Member Cohen made a motion to approve the invoices, as presented. The motion was seconded by Secretary Ramos and approved by a unanimous roll call vote.

3. **Reports**

Tim Nash, Bogdahn Consulting, presented the Quarterly Report.

There was general discussion regarding the performance of Rockwood and their volatility. It was suggested that the board consider other money managers. Mr. Nash advised that his firm represents approximately 180 money managers.

Mr. Nash reported that in the first 17 days of this quarter, the value of the Plan increased from $9.7 million to $10,198.856, which is a 3.3% rate of return.

Lynn Skinner, Salem Trust, presented an ACH wire authorization form for signatures by the Chairman and Secretary.

Patrick Donlan, Foster & Foster, presented the annual Evaluation Report.

Chairman Schroeder state that the number of participants in the General Pension Plan seems to be reducing.

Mr. Donlan responded that the plan currently has 25 active members and nine employees in the DROP Plan.

Mr. Dehner commented on the assumption rates and advised that the Firefighters reduced their assumption rate from 8.5% to 7.75% and the Police reduced theirs from 8.5% to 8%. He pointed out the firefighters reduced their salary assumptions to 4.5% and the police reduced theirs to 5%.

Mr. Donlan recommended reducing the salary increase assumption rate to 5% to offset the cost of lowering of the assumption rate from 8% to 7.75%.

Member Cohen made a motion to reduce the salary increase assumption rate to 5% and reduce the investment assumption rate to 7.75% effective October 1, 2012. The motion was seconded by Member Kretzer and approved by a unanimous roll call vote.

Mr. Donlan presented a projection of cash flow and a provided a handout to the board. It was agreed that the October 19, 2011 letter from Foster & Foster, outlining the projection of cash flow, be forwarded to the City Commission and City Manager.

Mr. Dolan advised that Foster and Foster is requesting a fee increase from $150 to $200 per month. The board requested that Mr. Donlan provide a written request for the increase and that it be discussed at the next regular meeting.

Lee Dehner, Christiansen & Dehner, P.A. advised that there has been a new House Bill filed, HB 365, which can be viewed online and discussed at the January meeting.

Mr. Dehner suggested requesting that the City Commission to adopt a Resolution objecting to the State's unfunded mandates for pension plans.

After discussion, it was decided to follow Mr. Dehner's suggestion.

4. New/Old Business

Secretary Ramos reported that she has had no response from retiree Phil Thorne regarding the overpayment of his pension benefit. Ms. Skinner stated that the correct amount is $129.68, not including any payment toward the overage. Ms. Skinner advised that if there was no response from Mr. Thorne prior to December 1, 2011 the overpayment will be stopped.

5. Audience Comments

There were no audience comments.

6. Special Meeting Discussion

Chairman Schroeder stated that he would like to schedule a special meeting next month to talk about investment options. It was agreed that the special meeting will be held November 8, 2011 at 2:00 p.m. to discuss equity allocations, equity allocation, Rockwood's performance and bonds. He suggested that the board may want to review the entire portfolio and recommend changes.

7. Adjournment

There being no further matters to come before the board, the meeting was adjourned at 3:45 p.m.

Attest:

Rebecca C. Haynes, City Clerk

Bill Schroeder, Chairman

Minutes approved on: 1-19-12