Police Pension Meeting
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July 22nd 10:30am

MEETING BROUGHT TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL (NEW BOARD MEMBER JR. RALEIGH)

ITEM 1 **Approval of Minutes**

*Board Approval Requested.

ITEM 2 **Review/ Approval of Invoices**

Dana Investment for $3690.25 on April 12th 2010
Bogdahn Group for $2,550.00 on May 19th, 2010
Christiansen and Dehner, P.A. for $1051.81 on April 15th, 2010
Cutwater Asset Management for $2817.02 on April 27th, 2010
Rockwood Capital for $3848.02 on April 27th, 2010
Christiansen and Dehner P.A. for $991.34 on May 25th, 2010

invoices attached

Board Approval Requested

ITEM 3 **Bogdahn Consulting**

Presentation by representative

ITEM 4 **Christiansen & Dehner, P.A.**

Attorney comments

ITEM 5 **List of New Members and Terminated Members**

NONE

Miscellaneous Items:

Appeals

If a person decides to appeal any decision made at this hearing, they will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105) The City does not furnish verbatim transcripts; interested parties should make the necessary arrangements for verbatim transcripts.

In accordance with the Americans with Disabilities Act and F.S. 286.26, persons with disabilities needing special accommodations to participate in this proceeding should contact Ed Pickhardt at (727) 363-9243 no later than four (4) days prior to the proceedings for assistance.

POLICE OFFICERS' PENSION BOARD

MEETING

July 22, 2010

The Meeting was called to order at 10:30 a.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Scott Collins
Bruce Johnson
J.R. Raleigh
Bob Rogers

NOT PRESENT

Steve Stewart

APPROVAL OF MINUTES

Mr. Rogers moved to approve the Minutes of the April 22, 2010 Meeting as written. Mr. Collins seconded the motion.

The motion was unanimously approved by voice roll call vote.

APPROVAL OF INVOICES

Mr. Rogers moved to approve the list of invoices as presented. Mr. Raleigh seconded the motion.

The motion was unanimously approved by voice roll call vote.

REPORTS

SALEM TRUST

Ms. Lynn Skinner, Salem Trust, was present to speak to a fee increase. Salem Trust became Custodian in November 2005; fees expired in 2007. Ms. Skinner explained the fee analysis and how she prepared the increase.

Currently, this Board's fee is $6,700 and needs to be increased to $12,500. However, she is proposing it be increased from $6,700 to $9,700 for one year. After one year, another analysis will be calculated.

Mr. Collins moved to accept the proposed fee increase to $9,700 by Ms. Skinner and direct Attorney Dehner to prepare a new contract. Chairman Johnson seconded the motion. The motion was unanimously approved.

This will become effective July 1, 2010 and will be reviewed again in one year.

BOGDAHN CONSULTING

Tim Nash was present to discuss the funds, how the broad assets did as well as how the managers did. Mr. Nash alluded to the bonds, asset allocation, the market environment, equities, etc.

Mr. Rogers stated that Rockwood has consistently underperformed and he would like to change this Money Manager. Mr. Nash explained the procedure with regard to hiring a new Manager, noting that he has researched Rockwood's performance. Even though they have not lost any clients, the Board could still look at other options for choosing a new Manager.

Mr. Rogers noted that the Board is $5-million underfunded. It needs to change its goals and the City needs to contribute more to the fund to get us back in line. He suggested having one Manager manage all funds. Discussion ensued. Mr. Nash will bring information regarding performance by other Managers and other options for the Board members to review.

CHRISTIANSEN AND DEHNER, P.A.

Attorney Dehner reviewed the July 2010 memorandum from City Manager Bonfield regarding comments of the *Restatement of the Planned Document.*

REEMPLOYMENT AFTER RETIREMENT – If a retiree is reemployed, the payment of the benefit would have to be suspended during the time of reemployment.

Section 66.181 – BOARD OF TRUSTEES – can go from a two year to four year term. The City does not want to adopt this Section. It was the consensus of the Board members to leave this at two years.

Section 66.183 – FUND MANAGEMENT. Attorney Dehner alluded to proposed changes that Tim Nash is recommending: (1) co-mingled fund; (2) 25 % foreign securities; (3) change maximum equity exposure from 65% at cost to 70% at market. With respect to real estate, increase the maximum from 10 % at cost to 15% at market. Attorney Dehner will meet with City Manager Bonfield regarding these proposals. Attorney Dehner will follow the advice of City Manager Bonfield.

Section 66.225 – DROP PLAN - Attorney Dehner is satisfied with the current language.

Section 66.226 – BUY BACK PROVISION. This could be brought back in the future and could allow multiple requests to do the buy back over a period of employment. This has the same service regarding prior employment.

This would be the same issue as military service, prior employment, and could be changed to multiple requests as well.

Mr. Rogers moved to adopt the changes to reinstate the Plan as discussed and resubmit it to the City with those changes. Mr. Johnson seconded the motion.

The motion was unanimously approved by voice roll call vote.

The Fund Management Section will reflect Mr. Nash's discussion with City Manager Bonfield and Attorney Dehner's discussion with Mr. Nash.

Attorney Dehner spoke to several items that were primarily a matter of federal law. Those items were discussed during the past year and relate to HELPS-2 legislation dealing with the $3,000 federal income tax exclusion.

IRS

IRS was planning to send out a Public Pension Plan survey, but has decided to not send this survey and instead will consider other ways to obtain the information they are interested in.

RESTATEMENT

Attorney Dehner explained the details of filing a restatement. A favorable determination letter would need to be submitted and filing this plan would be too costly, etc.

FINANCIAL DISCLOSURES

Board members were reminded to send in their Financial Disclosures.

ELECTION

Mr. Collins moved to certify the recent election with J. R. Raleigh receiving nine (9) votes and his opponent receiving three (3) votes. Mr. Raleigh seconded the motion.

The motion was unanimously approved by voice roll call vote.

TRUSTEE EDUCATION

South Pasadena firefighters are sponsoring an educational session on August 23, 9:00 a.m.

Mr. Rogers moved to authorize Chairman Johnson to register Trustees for pension education classes in order to meet their requirements. Mr. Johnson seconded the motion.

The motion was unanimously approved by voice roll call vote.

Attorney Dehner noted several schools that will be hosting classes.

LIST OF NEW MEMBERS AND TERMINATED MEMBERS

There were none.

MISCELLANEOUS ITEMS

CHANGING ASSUMPTIONS

Mr. Rogers noted that currently assumptions are 8.5%.(assumed growth income from investments). However, the average percentage over the past fourteen years is 7.6%. He would like to move this from 8.5% to 8% which will change the amount that the City has to contribute and will put more money in the Plan. Mr. Rogers pointed out that he felt that all the assumption should be reviewed. Mr. Rogers stated that over a long period of time the changes in the assumptions would eventually reduce the City Contributions to the plan.

Mr. Collins moved to order an experienced study in reference to the assumption rate, and have Mr. Dolan provide a *not to exceed* price. Chairman Johnson seconded the motion. After receipt of the study, the Trustees will review the figures and, if needed, make changes. Those changes will be reflected in the October 1, 2010 FY.

The motion was unanimously approved by voice roll call vote.

ADJOURNMENT

Time being 12:15 p.m. and no further business, this Meeting was adjourned.

Note: These minutes were not signed by the Chairman due to the fact that the minutes were prepared after Chairman Stewart was no longer on the board. Also, the City Clerk Teresa McMaster resigned prior to the minutes being approved.