POLICE PENSION BOARD

MINUTES

JULY 18, 2013

1:30 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
James Baugher, Member
Tom Lange, Member
Keith Jacobus, Member
Jerry Gorup, Member

ALSO PRESENT:

Mary Jo Murphy, Recording Secretary
Tim Nash, Bogdahn Consulting
Lynn A. Skinner, Salem Trust
Lee Dehner, Christensen & Dehner

VANGUARD TOPICS:

1. <u>Review of Invoices and Payment</u>

Salem Trust services: No invoice was presented at the Police Pension Board meeting on 7/18/2013.

Bogdahn, consultant fee: No invoice was presented at the Police Pension Board meeting on 7/18/2013.

Cutwater, investment advisory fee: There were three invoices presented for $2,591.67, $2,633.75 and $2,592.19, totaling $7,817.61.

> **Member Lange made a motion to approve the Cutwater invoices as presented. The motion was seconded by Member Baugher and unanimously approved by a voice vote.**

Attorney Dehner: There was an invoice presented for $935.99. The invoice was past due for 30 days and there was discussion as to the reason for the past due billing. Chairman Rogers asked Attorney Dehner for an itemization of the bill. Attorney Dehner agreed to resend the invoice. Member Lange requested that Attorney Dehner send the invoice by e-mail and U.S. Postal Mail.

Member Lange made a motion to approve Attorney Dehner's invoice providing the itemization is in the amount of $935.99. The motion was seconded by Member Baugher and unanimously approved by a voice vote.

The Board discussed when the plan stabilizes in the future to not have an attorney present at every meeting.

Gibson & Wirt – liability coverage: Member Lange informed the Board about the Fiduciary Liability Insurance renewal quote for $4,768.19 from Melinda Lamb, agent for Bigson & Wirt, Inc. Member Lange stated that this is an increase in the amount of $675.78 compared to the prior year and that there is an uncertainty as to the expiration date. Member Lange suggested the Board pay this particular bill due to the uncertain expiration date but to compare coverage prices for the future.

Member Lange advised the Board that he met and spoke with the City Clerk, Rebecca Haynes, about posting to the City website the Police Pension Board's most current up-to-date agreements, retirement pension reports, etc.

Member Lange made a motion to approve the Gibson & Wirt invoice in the amount of $4,768.19. Member Lange is to pay $4,668.19 and the City is to pay $100 for the Waiver of Recourse provided the current policy expires within the next 120 days. If the policy expires before 120 days, Member Lange will bring it back to the Board prior to the meeting. The motion was seconded by Member Jacobus and unanimously approved by a voice vote.

Legal services discussion

The Board discussed legal services previously during the Review of Invoices and Payment portion of the meeting.

2. Overview of investment results - Bogdahn

Tim Nash, representing The Bogdahn Group, reported to the Board that there were strong investment results from the third fiscal quarter, April 1, 2013 to June 30, 2013. Investment grade corporate bonds and treasuries were down for the quarter, but Cutwater did a nice job and was not down as much as the index. This quarter experienced the worst drop in the U.S. bond market since the second quarter of 2004. As far as the investment program, by the end of June 30, 2013 the market value of the plan was $10,402,715. The total investment management, custodial and consulting fees for the year was $65,466.

3. Review of actuary calculations concerning letter from Mr. K. Brinkman to Mayor McFarlin

Chairman Rogers reviewed the June 6, 2013 letter to Honorable Steve McFarlin. The letter is from Keith E. Brinkman, Chief, with the Bureau of Local Retirement Systems. Chairman Rogers advised the Board that the letter states they are in compliance and will continue to receive approximately $90,000 a year.

Member Lange solicited the Board's advice in reference to an e-mail from Melinda Lamb, Agent, Gibson & Wirt, Inc., to Tom Lange. The e-mail states the following: "Company requesting a letter from the Board or Actuary advising of the steps taken to improve the funding status." The letter the Actuary drafted is an attachment to the e-mail. The letter was prepared by the Actuary and is addressed to Melinda Lamb, dated July 18, 2013. Attorney Dehner advised Member Lange to include this letter from the Actuary with the premium payment. This letter was unsigned and the Board advised Member Lange that he obtain the Actuary's signature before submitting the letter.

4. Mr. Leo Jean, retired officer, passed away on July 6, 2013

Chairman Rogers informed the Board that Mr. William Petsch and Mr. Leo Jean passed away this year and they were beneficiaries of the plan.

5. Correction of payments into the plan for Mr. David Strid

There was a payment made into the pension plan for Mr. David Strid. There was an assumption that Mr. Strid was in the Police Pension Plan, and he is not. It was authorized that the incorrect payment should be transferred to the General Employees' Pension Plan.

6. Other matters

Chairman Rogers advised the board that there were two sets of minutes that needed to be approved for April and May 2013.

> **Member Jacobus made a motion for the approval of the minutes for April 18, 2013 and May 16, 2013. The motion was seconded by Member Baugher and unanimously approved by a voice vote.**

Member Lange stated that in the future he will copy the agenda from Chairman Rogers and send it to the City Clerk in PDF form with the proper attachments. The City Clerk will e-mail copies to the Board members and distribute paper copies at City Hall.

7. Review of Vanguard presentation

Chairman Rogers reported that the memorandum from Bureau of Local Retirement Systems states they reviewed and approved the 2012 Annual Report for the St. Pete Beach Police Officers' Pension Fund.

Chairman Rogers reviewed a comparison of active management and passive management with the Board.

Chairman Rogers proposed to the Board to have a joint meeting with the General Employees' Board to combine the two funds, General Employees' Pension and the Police Pension. Chairman Rogers stated that he had already spoke with the City Manager and there were no issues with the City if the two funds are combined. Attorney Dehner stated if the plans are combined, it will require a change in the ordinance by the Commission and a concern would be continued entitlement to state money.

Member Lange noted that Leo Jean had passed and he had put in 35 years of service as an officer. Member Lange noted that he was a good and honorable man and performed very well. Member Lange wanted to mention to the Board that this underscores the importance of this Board and the benefits one receives for service.

Attorney Dehner asked for direction in reference to legal tax compliance. Attorney Dehner stated he had amended language into the plan for compliance and qualification purposes and drafted an ordinance. Attorney Dehner will send this to the City and ask that it be set for first reading. Chairman Rogers instructed Attorney Dehner to proceed forward.

Attorney Dehner explained that Senate Bill 534 is the bill that imposes additional filing and disclosure requirements on every defined benefit plan in the state and that the governor signed it into law.

Attorney Dehner stated to the Board that their financial disclosure forms should have been filed by July 1, 2013. The fines for not filing will start September 1, 2013.

8. Adjourn

There being no further business to come before the Board, the meeting was adjourned at 3:40 p.m.

Attest:

Rebecca C. Haynes, City Clerk

Bob Rogers, Chairman

Minutes approved on: 10/17/13