POLICE PENSION BOARD

MINUTES

JULY 17, 2014

8:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Bob Rogers, Chairman
Tom Lange, Member
Jerry Gorup, Member
Alan Slakis, Member

ABSENT:

James Baugher, Member

ALSO PRESENT:

Lee Dehner, Christiansen & Dehner
Tyler Grumbles, Bogdahn Consulting
Lynn Skinner, Salem Trust
Jenine Thornley Recording Secretary

1. <u>Changes to the Agenda</u>

Member Lange clarified that Attachment D of Agenda Item 4, Authorization of Payments, should be Anchor Capital, not Salem Trust Acknowledgement.

2. <u>Audience Comments</u>

There were no audience comments.

3. <u>Approval Minutes</u>

Member Gorup made a motion to approve the minutes of April 17, 2014 as written. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

4. **Authorization of Payments**

- (Attachment "A") Cutwater Asset Invoice dated April 21, 2014 for services January 1 – March 31, 2014 in the amount of $2,466.28
- (Attachment "B) Christiansen & Dehner Invoice (22082) dated May 31, 2014 for services April, 2014 in the amount of $680.25
- (Attachment "C") Bodgahn Group Invoice (10563) dated June 16, 2014 for services April – June 2014 in the amount of $3,800
- (Attachment "D") ~~*Salem Trust*~~ Anchor Capital Acknowledgement of deducted fee dated April 18, 2014 for services January – March 2014 in the amount of $2,425

Member Gorup made a motion to approve the invoices, noting Member Lange's clarification of Attachment D being Anchor Capital, not Salem Trust. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

5. **Renewal of Fiduciary Liability Insurance**

Quote from Travelers Insurance:

$1,000,000 annual aggregate limit, $5,000 deductible; $4,936.26 annual premium; expiring policy premium was $4,768.19, an increase of $168.07. Waiver of recourse in the amount of $100.00 is included in the total premium. Coverage may be bound based on the following contingencies:

1. Travelers renewal application must be completed.
2. If the plan members have not been informed of the changes that took place in 2013, documentation will be provided.
3. Name and title of the insured must be listed on the policy before coverage can be bound.

Quote from National Union Fire Insurance and/or Illinois National Insurance Company:

Pending:

Member Gorup made a motion to approve finalization of the application to Holehouse Insurance Co. (the low bidder), bind the policy for $3,904 and ask the City of St. Pete Beach to remit the $125 waiver of recourse. The motion was seconded by Member Slakis and unanimously approved by a voice vote.

Chairman Rogers suggested agenda items 6 and 7 be combined as Tyler Grumbles, Bogdahn Consultant, will be addressing both.

6. Lowering the Plan Investment Return Assumption

At the last meeting the board asked for an agenda item to discuss lowering the plan's current 7.75% investment return assumption.

7. Presentations

Bogdahn Group

Tyler Grumbles reported total gross funds at 11.9 million dollars. Mr. Grumbles said the plan returned 3.7% for the quarter, funds are up 11.3% fiscal year to date and the plan is up 7.1% on an annualized basis.

Mr. Grumbles said that given the board member demographics, with the average age being 60, he suggests lowering the domestic equity rate from 48 to 45% and 12 to 10% international, increasing the conservative fixed income rate from 35 to 40%, keeping 5% in global fixed income and reducing the expected rate of return to 7%.

> **Member Gorup made a motion to approve moving toward the 7% assumption rate, to include an explanatory letter to the Mayor and City Manager with reasons for the decision. The motion was seconded by Mamber Slakis and unanimously approved by a voice vote.**

> **Member Gorup made a motion to approve the rebalancing of the Police Pension Board portfolio. The motion was seconded by Mamber Slakis and unanimously approved by a voice vote.**

Salem Trust

Lynn Skinner said that Salem Trust is now incorporating ACH (electronic banking) instead of using checks. Due to Member Baugher's resignation, Ms. Skinner said the board needs to assign another member with signature responsibility.

> **Member Gorup made a motion to approve Member Slakis as the second signature authority designee with Salem Trust. The motion was seconded by Member Lange and unanimously approved by a voice vote.**

Christiansen & Dehner

Attorney Lee Dehner updated members on SB 534, previous legislation involving additional financial disclosure and filing requirements. Mr. Dehner touched on compliance legislation involving an upcoming increase in actuary administrative expenses. Patrick Donlan, Foster and Foster, will be submitting a report in the near future to explain the increase.

8. City Ordinance 2012-27 (b) Distribution of Share Plan

Attorney Lee Dehner said that when an employee's termination date occurs, there is no more crediting or deduction of funds in the share plan. If eligible, the employee may receive a distribution. Chairman Rogers said the ordinance does not provide a specific date when funds must be withdrawn and that members should know they are not accruing interest on funds remaining in the plan after termination.

9. Correspondence/Actions Since Last Meeting

Secretary Lange signed the forms for lump sum share distribution and pension commencement to Christopher Centofanti.

10. Other Business

Review of Board Rules & Regulations

Rather than editing and updating the present Police Board Rules and Regulations, Attorney Dehner suggests that members review the policy and discuss suggested changes at the next meeting.

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:50 a.m.

Attest:

Rebecca C. Haynes, City Clerk

Bob Rogers, Chairman

Minutes approved on: 10/16/14