

**MINUTES OF THE LADY LAKE
REGULAR POLICE PENSION BOARD MEETING
LADY LAKE, FLORIDA
March 12, 2014**

The Police Pension Board Meeting was held in the Commission Chambers, 409 Fennell Blvd., Lady Lake, Florida. The meeting convened at 1:30 p.m.

A. Call to Order: Chairperson Lt. Wherry called the meeting to order at 1:30 p.m. and noted there was a quorum present.

MEMBERS PRESENT: Chairperson Lt. Vernon Wherry, Member William Reed, Member Sgt. Robert Tempesta, Member Dee Dee Rountree; and Member Connie Merrell-Kasch

TOWN STAFF PRESENT: Kris Kollgaard, Town Manager/Town Clerk; Jeannine Michaud, Finance Director, Pam Winegardner, Assistant Finance Director; and Nancy Slaton, Deputy Town Clerk

ALSO IN ATTENDANCE: Scott Christiansen of Christiansen & Dehner, P.A.; John Thinnes of Bogdahn Consulting, LLC; Commissioner Tony Holden

B. Public Comment

Chairperson Lt. Wherry asked if anyone in the audience had any comments or questions. There were no comments.

C. New Business

1. Approval of Minutes: Regular Meeting – December 11, 2013

Upon a motion by Member Reed and seconded by Member Kasch, the Board approved the meeting minutes of December 11, 2013 as presented, by a vote of 5-0.

2. Quarterly Report from The Bogdahn Group

John Thinnes of Bogdahn Consulting, LLC reported that he works with David West and is sitting in for him at this meeting. He reviewed the quarterly report, stating the returns were strong for the quarter and the figures show that large cap stocks performed the best. He stated that interest rates are still low, resulting in negative results in the fixed income market, and this in turn, increases the riskier bond market. Mr. Thinnes reported that the Plan's asset allocation grew from \$5,570,774 on September 30, 2013 to \$5,867,237 on December 31, 2013, and that the fund is over \$6,000,000 as of yesterday. He reported that the total fund net and gross for the quarter was 5.27%, which is well on the way to reaching the 7.75% rate of return. Mr. Thinnes reviewed the performance over the period and noted that the new fund managers have still outperformed Bowen Hanes since the inception of the new plans on September 1, 2013.

Chairperson Lt. Wherry thanked Mr. Thinnes for his report.

3. Report by Christiansen & Dehner

a) Copy of Declaration of Insurance Coverage for 2014

Scott Christiansen of Christiansen & Dehner, P.A. reported that the Law Offices of Christiansen & Dehner have provided the Declaration of Insurance Coverage which is required by the Plan's contract. He stated that similar insurance certificates should be obtained from the Bogdahn Group and Foster & Foster if they have not already been provided.

b) Update on Officer Disability Claim

Mr. Christiansen reported that there are now two disability claims. The first claim is by Brice Noble, and his law office is in the process of collecting medical records, and will then set up an independent medical evaluation (IME) with a doctor regarding his possible disabilities as a result of his stroke. The doctor will give his opinion on whether Mr. Noble will be able to perform the duties of a police officer. Mr. Christiansen stated the Plan's operating rules provide that the Board will have an informal hearing on any claim within 90 days of receiving the completed interrogatories at the law office and provides that the Board may extend that time by an additional 90 days if deemed appropriate. He stated the initial 90 day period ends on April 13, 2014, and suggested the Board may want to go ahead and vote on the additional 90 day extension period to July 13, 2014, with the understanding that the Board does not expect to take that length of time. Mr. Christiansen stated an extension will most likely allow the Board to hold the informal hearing for both impending disability claims within that time period.

Upon a motion by Member Reed and seconded by Member Rountree, the Board approved the extension period for the informal hearing on Brice Noble's disability claim by an additional 90 days, by a vote of 4-1 (Wherry).

Mr. Christiansen reported that a new disability claim application by Randy Stienstra was received on January 31, 2014. He stated the basis for his claim is a heart problem, and the due date for Mr. Stienstra's informal hearing within 90 days is May 27, 2014. Mr. Christiansen stated that this falls before the next scheduled Police Pension Board meeting, and the Board would be unable to vote on an extension of time if needed. He asked if the Board would go ahead and vote on an extension of time, again with the understanding that the Board does not expect to take that long to hold the informal hearing.

Upon a motion by Member Reed and seconded by Member Kasch, the Board approved the extension period for the informal hearing on Randy Stienstra's disability claim by an additional 90 days, by a vote of 5-0.

Mr. Christiansen stated that as soon as all the claims processing is completed, the Board can schedule a special informal hearing to process both claims.

Mr. Christiansen stated that the Police Pension Board member/trustee terms for Connie Merrell-Kasch and William Reed expire April of 2014. He inquired whether they would be willing to remain on the Board.

Town Manager Kris Kollgaard stated that the appointments/reappointments will be going before the Town Commission, but the Town was waiting on more applications to come in. She stated she believed Mr. Reed wanted to step down.

Member Reed confirmed that he would prefer not to run again if the Town could find someone to appoint in his place.

Member Kasch stated she would be willing to be reappointed.

Mr. Christiansen commented that it appears that this will be taken care of before the special meeting is called.

Mr. Christiansen stated that he has a draft on an Investment Policy Statement from the Bogdahn Group dated September 13, 2013, but does not see that anything has been done with it, or that the Board has adopted the new Investment Policy Statement. He asked Mr. Thinnes if his firm could review it and bring it back to the Board for review and adoption by the Board.

Mr. Thinnes replied that he will check on it before the next meeting.

Mr. Christiansen reported on legislative actions concerning the Board. He stated that SB 246 would require the Plan to add the defined contribution component to the Plan if it is passed, and this legislation is on the floor of the Senate at this time. Mr. Christiansen stated that it is not supported in its present form by the unions or the League of Cities, and the Board should know by its next meeting in June if it has passed. He stated there is one other small bill in play which states that Boards are not allowed to discuss or take action on any item that is not specifically listed on the agenda. Mr. Christiansen stated this is standard operating procedure for this Board for the most part already, but no leeway will be allowed if this bill is passed, and that he believed this bill is taking public comment one step further.

Mr. Christiansen reminded staff that if new Board members/trustees are appointed, they will have to fill out the financial disclosure form within 30 days, and Mr. Reed would have to fill out one as well as a departing member if he resigns. Mr. Christiansen stated that he has enjoyed working with Mr. Reed these many years, and wished him the best.

Chairperson Lt. Wherry asked Mr. Christiansen if he knew when the next scheduled training will be held.

Mr. Christiansen replied that he was not aware of any scheduled training at this time other than the FPPTA conference scheduled for June 29 through July 2, 2014 at the Hilton Orlando at Bonnett Creek. He stated there is continuing education at this conference.

Member Reed asked if there was local training available.

Mr. Christiansen stated he has done local training in the past, but there is nothing scheduled at this time.

Town Manager Kris Kollgaard suggested that the Board schedule a training session, especially with the possibility of a new member being appointed. She stated that in the past, training was scheduled an hour or so before a meeting.

Mr. Christiansen stated the training is normally an hour of training on the legal/fiduciary responsibilities and then an hour of training regarding investments. He stated he will try to coordinate a continuing education training session along with the next meeting.

Member Rountree asked how often the members are required to attend continuing education sessions.

Mr. Christiansen replied that the operating rules require continuing education once a term, which is two years for this Board. He also stated that if he coordinates a training session for this Board, he would like to invite his other clients in the area to attend as well and this would keep the cost down for the Town.

Ms. Kollgaard stated that it has been done before, and Mr. Christiansen agreed.

Mr. Christiansen confirmed that the training would be coordinated with the next meeting on June 11, 2014 rather than the informal disability hearing.

4. Approval of the Following Invoices Processed for Payment:

Chairperson Lt. Wherry read the list of invoices processed for payment for approval by the Board.

- a) Invoices from Christiansen & Dehner Dated December 31, 2013 for \$1,002.68 and \$1,373.45; and Dated January 31, 2014 for \$1,160.64**

Upon a motion by Member Reed and seconded by Member Tempesta, the Board directed the invoices from Christiansen & Dehner to be paid as listed, by a vote of 5-0.

- b) Invoice from Salem Trust for Quarter Ending December 2013 Dated January 15, 2014 for \$1,250.00**

Upon a motion by Member Kasch and seconded by Member Rountree, the Board directed the invoices from Salem Trust to be paid as listed, by a vote of 5-0.

5. Potential Disability Claim (Lt. Vernon Wherry)

Chairperson Lt. Wherry commented that this item has already been covered under Mr. Christiansen's earlier report.

6. Informational Items from Jeannine Michaud, Finance Director:

- a) Copy of FY2013 Annual Report of Investment with Investment Summary**

Ms. Michaud commented that this report was provided by Bowen, Hanes in the past, and in order to provide a copy of this annual report of investment summary to the members, she took the information from Salem Trust's site and formatted a report and that the figures on the report balance.

- b) Copy of Correspondence to the Bureau of Local Retirement Regarding Declaration of Expected Return**

Ms. Michaud reported the letter regarding the expected rate of return has been sent to the retirement fund as required.

- c) Member Personal Pension Statements Ending September 30, 2013 Distributed at the Beginning of January**

Ms. Michaud reported the personal pension statements were given to Lt. Wherry and they were distributed by him in January.

d) Copy of the 2013 Annual Report to the Division of Retirement

Ms. Michaud stated this report has been received by the State Division of Retirement. She explained this report generates the state contribution to the Plan.

Member Reed pointed out that the report shows that three members are Town appointed, when in fact, it is only two. One member is Board appointed and that it is Ms. Rountree.

Ms. Michaud stated she will send in a correction on this item.

e) Oct. – Dec. 2013 Quarterly Statement from Salem Trust Company

Ms. Michaud provided an easy to read summary showing net contributions, income received in interest and dividends, outlays and disbursements. She stated the Plan's market value increase \$148,281.63 for the quarter, for an ending balance of \$5,866,951.67.

f) Financial Statements for the Quarter Ending December 30, 2013

Jeannine Michaud, Finance Director, reviewed the above informational items with the Board, as included in the packet.

D. Adjourn

With no further business to discuss, and upon a motion by Member Reed, with a second by Member Kasch, Chairperson Lt. Wherry adjourned the meeting at 2:12 p.m.

Kristen Kollgaard, Town Clerk

Chairperson Lt. Vernon Wherry

Transcribed by Nancy Slaton, Deputy Town Clerk