

**MINUTES OF THE LADY LAKE  
REGULAR POLICE PENSION BOARD MEETING  
LADY LAKE, FLORIDA  
December 10, 2014**

The Police Pension Board Meeting was held in the Town Hall Commission Chambers at 409 Fennell Blvd., Lady Lake, Florida.

**A. CALL TO ORDER:** Chairperson Wherry called the meeting to order at 1:30 p.m.

**MEMBERS PRESENT:** Chairperson Officer Vernon Wherry, Member Van Reynolds, Member Dee Dee Rountree, and Member John Schmied

**MEMBERS ABSENT:** Member Lt. Robert Tempesta

**TOWN STAFF PRESENT:** Jeannine Michaud, Finance Director; and Nancy Slaton, Deputy Town Clerk

**ALSO IN ATTENDANCE:** Scott Christiansen of Christiansen & Dehner, P.A.; David West of Bogdahn Consulting, LLC; Patrick Donlan of Foster & Foster, and Commissioner Tony Holden

**B. PUBLIC COMMENT**

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

**C. NEW BUSINESS**

**1. Approval of Minutes: Regular Meeting – September 10, 2014**

Chairperson Wherry called attention to an error on page 5, line 3, of the September 10, 2014 meeting minutes which has been corrected from a vote of *x-0*, to a vote of 4-0.

*Upon a motion by Member Schmied and seconded by Member Rountree, the Board approved the meeting minutes of September 10, 2014 with the correction as noted, by a vote of 4-0.*

**2. Quarterly Report from The Bogdahn Group**

David West of Bogdahn Consulting, LLC reviewed highlights of the quarterly report for the period ending September 30, 2014, stating that the markets for the quarter, both equities and bonds, were off which offset some of the gains earned during the fiscal year, but the plan finished well despite this. He stated the fiscal year-to-date (FYTD) return was at 9.46%, with a quarter fund total of -1.22%, putting the plan in the top 65<sup>th</sup> percentile of public funds.

Mr. West stated the shortcomings for the year came from domestic equities where the combined equity portfolio returned a FYTD of 13.38%, with a -1.73% quarter result. He stated that Bogdahn is following the managers and are still supportive of maintaining their strategies although it was a difficult quarter. International equities were at 9.46% for FYTD and at -4.21% for the quarter; and total fixed income was at 5.17% for FYTD, and at .24 for the quarter despite an unexpected lowering of interest rates during this period. He stated the market value of the

portfolio was at \$5,570,774 as of October 1, 2013 and at \$6,228,324 as of September 30, 2014, for an appreciation of \$343,948. Mr. West stated that investment strategies are still on target and Bogdahn has no rebalancing or change recommendations at this time.

Mr. West reviewed a handout of an asset allocation report for the period ending December 1, 2014 which showed a substantial appreciation, with current assets at \$6,137,505.99.

Chairperson Wherry asked if there were any questions for Mr. West, and hearing none, thanked him for his encouraging report.

### **3. Valuation Report by Foster & Foster**

Patrick Donlan of Foster & Foster passed out the fund's Actuarial Valuation Report as of October 1, 2014. He stated that there is good news as the funding requirements are going down from 25.8% of total annual payroll for plan year-end September 30, 2015 to 23.1% (or 2.7% of payroll) for plan year end September 30, 2016. He stated the Town's contribution will also go down from 15.1% of total annual payroll to 12.7% for plan year end September 30, 2016. Mr. Donlan reported that the actuarial experience this past year has been more favorable than expected, and using the four year smoothing, will result in lower contributions for next year. He stated the assets were greater than expected at 8.5%, and the liabilities included a larger than expected turnover of five non-vested members, resulting in an actuarial gain of Town and State monies which stay in the plan even after contributions are refunded. Mr. Donlan stated that one disability claim and slightly higher than expected salary increases were actuarial losses which partially offset the gains. He stated the plan is in good shape with the assets relative to accrued liability at this point, and the new accounting standards assisted in this.

Chairperson Wherry asked if there were any questions, and hearing none, asked for a motion to approve this report.

*Upon a motion by Member Rountree and seconded by Member Reynolds, the Board approved the Actuarial Valuation Report by Foster & Foster dated October 1, 2014 by a vote of 4-0.*

### **4. Report by Christiansen & Dehner**

Scott Christiansen of Christiansen & Dehner, P.A. stated that state law requires the Board to vote on the expected rate of return for the next year, the next several years, and the long-term thereafter after approving the Actuarial Valuation Report. He asked Mr. West what the Board should appropriately expect going forward based on the plan's asset allocation.

Mr. West stated that it is their opinion that the current asset allocation has a reasonable probability of achieving the current target of 7.75% rate of return.

*Based upon the advice of the Plan's consultant, and upon a motion by Member Schmied and seconded by Member Rountree, the Board approved the expected rate of return to be 7.75% for the next year, the next several years, and the long-term thereafter, by a vote of 4-0.*

Mr. Christiansen confirmed with Finance Director Jeannine Michaud that a letter will go to the state, the actuary and the Town with regard to this.

Mr. Christiansen stated that state legislature requires that the plan provides a fiscal year-end report to the Town Commission that includes a listing of all the assets as of fiscal year-end, and Ms. Michaud confirmed she will send that report.

Mr. Christiansen reported that it is time for the Board to update its Summary Plan Description which was last done two years ago. He asked that the Board vote to authorize him to update it for approval at the next meeting in March of 2015.

*Upon a motion by Member Reynolds and seconded by Member Rountree, the Board authorized Mr. Christiansen to update the Summary Plan Description, by a vote of 4-0.*

**5. Authorization from Board to Withdraw and Refund Lauren Cashner's Contributions to the Police Pension**

Chairperson Wherry stated that Lauren Cashner has requested a withdrawal and refund of her contributions to the Police Pension Plan funds in the amount of \$7,044.09.

Mr. Christiansen asked if the rollover option paperwork was presented to Ms. Cashner, and Finance Director Jeannine Michaud confirmed that it was.

*Upon a motion by Member Rountree and seconded by Member Wherry, the Board authorized the withdrawal and refund of Lauren Cashner's contributions in the amount of \$7,044.09 from the Police Pension Plan, by a vote of 4-0.*

**6. Approval of the Following Invoices Processed for Payment:**

Chairperson Wherry read the list of invoices to be processed for payment for approval by the Board as follows:

- a) **Invoices from Christiansen and Dehner:** dated July 31, 2014 - Invoice # 25138 for \$75.00 and Invoice # 25139 for \$1,774.86; dated September 30, 2014 - Invoice # 25441 for \$1,252.90 and Invoice # 25442 for \$75.80.
- b) **Invoice from Bogdahn Group:** dated 9/8/2014 - Invoice #10826 for \$3,875.00.
- c) **Invoice from Foster & Foster:** dated 8/28/2014 - Invoice # 6354 for \$891.00.
- d) **Invoice from Salem Trust:** dated 10/15/2014 for period July 1 – Sept. 30, 2014 for \$1,250.00.

*Upon a motion by Member Schmied and seconded by Member Reynolds, the Board directed the invoices to be paid as listed, by a vote of 4-0.*

**7. Informational Items from Jeannine Michaud, Finance Director:**

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

a) **Data for Actuarial Valuation as of October 1, 2014 sent 10/21/2014.** - Ms. Michaud confirmed that this information was provided to Foster & Foster on this date.

b) **July - September 2014 Statement from Salem Trust Company.** – Ms. Michaud stated she has transferred this information to the financial statement for the quarter ending 9/30/14.

**c) Financial Statements for the Quarter Ending September 30, 2014**

Ms. Michaud provided and reviewed an easy-to-read summary showing net contributions, income received in interest and dividends, outlays and disbursements; with the total net asset value totaling \$6,228,322.97 as of September 30, 2014. She stated that she will provide a yearly summary at the next meeting.

**8. Adjourn**

*With no further business to discuss, Chairperson Wherry adjourned the meeting at 2:09 p.m.*

---

Kristen Kollgaard, Town Clerk

---

Chairperson Officer Vernon Wherry

Transcribed by Nancy Slaton, Deputy Town Clerk