

**MINUTES OF THE LADY LAKE
REGULAR POLICE PENSION BOARD MEETING
LADY LAKE, FLORIDA
June 11, 2014**

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

A. CALL TO ORDER: Chairperson Wherry called the meeting to order at 1:30 p.m. and noted there was a quorum present.

MEMBERS PRESENT: Chairperson Officer Vernon Wherry, Member Sgt. Robert Tempesta, Member Dee Dee Rountree, and Member Van Reynolds

MEMBERS ABSENT: Member John Schmied

TOWN STAFF PRESENT: Kris Kollgaard, Town Manager/Town Clerk; Jeannine Michaud, Finance Director, and Julia Wolfe, Assistant to Town Clerk

ALSO IN ATTENDANCE: Scott Christiansen of Christiansen & Dehner, P.A.; David West of Bogdahn Consulting, LLC; Commissioner Tony Holden, Commissioner Dan Vincent, and Mayor Ruth Kussard

B. PUBLIC COMMENT

Chairperson 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 – March 12, 2014
Special Meeting – May 29, 2014**

Chairperson Wherry initially read that the approval of the minutes was for the date of December 11, 2014, but it was noted by Member Tempesta that the meeting minutes up for approval are dated March 12, 2014.

Upon a motion by Member Tempesta and seconded by Member Rountree, the Board approved the regular meeting minutes of March 12, 2014 as presented, by a vote of 4-0.

Chairperson Wherry noted that the meeting on May 29, 2014 was for the purpose of discussing the disability claim of Brice Noble.

Upon a motion by Member Tempesta and seconded by Member Rountree, the Board approved the special meeting minutes of May 29, 2014 as presented, by a vote of 4-0.

The next agenda item was taken out of order:

4. Quarterly Report from The Bogdahn Group

David West of Bogdahn Consulting, LLC reviewed the quarterly report ending March 2014; stating the equity markets were still up, although investors shifted to more stable areas of the market such as Utilities, Health Care and Consumer Staples, and active manager performance lacked on domestic equity due to this. Mr. West reported that interest rates dropped during the quarter. Total fund net and total fund gross were both at 1.79% (down .01%). The total domestic equity composite was at 1.63%, which was above average in peer group rankings for the quarter, but below average fiscal year to date (FYTD). Mr. West reported that international equity was at .71% which was down a bit for the quarter, but leading FYTD; and fixed income was at 2.36% for the quarter, which was up for the quarter and the FYTD.

Mr. West reported the beginning fund balance for the quarter was \$5,867,237, with contributions of \$77,972, distributions of -\$39,398, other expenses of -\$8,662, income of \$15,702, appreciation of \$89,761; for a total fund market value of \$6,002,612 ending March 31, 2014. Mr. West reviewed the asset versus target allocation, stating they did not have any recommendations for changes.

a) Copy of Declaration of Insurance Coverage for 2014

Mr. West reported that his office has forwarded the Declaration of Insurance Coverage for 2014.

Mr. Christiansen stated this was just for information purposes, showing that they have the required insurance pursuant to their contract.

b) Investment Policy Statement for Review and Adoption

Mr. West provided a handout of the corrected Investment Policy Statement to properly reflect the 65% limitation for investments in corporate common stock and convertible bonds.

Chairperson Wherry pointed out another typo on page two under the target allocation chart which shows 440%, and should be 40%. He stated that this investment plans needs to be formally adopted with the corrections as noted.

Upon a motion by Member Reynolds and a second by Member Rountree, the Police Pension Board approved the Investment Policy Statement with the correction on page two be made as noted above, by a vote of 4-0.

The original agenda item was then resumed:

2. Acknowledgement of the Appointment of Members Van Reynolds and John Schmied

Chairperson Wherry acknowledged that the Board now has two new members, Mr. John Schmied, who was unable to attend today, and Mr. Van Reynolds. He welcomed them to the Board.

3. Selection of Chairperson/Secretary

Chairperson Wherry asked for nominations for Chairperson for the next two years.

Mr. Christiansen stated that the selection of a Secretary for the next two year term is also needed.

Upon a motion by Member Tempesta and a second by Member Rountree, the Board nominated Officer Wherry to continue as Chairperson for the next two year period by a vote of 4-0. Chairperson Wherry accepted the nomination.

Upon a motion by Member Rountree and a second by Member Reynolds, the Board nominated Sgt. Tempesta to continue as Secretary for the next two year period by a vote of 4-0.

5. Report by Christiansen & Dehner

Scott Christiansen of Christiansen & Dehner, P.A. reminded the members to complete and file their financial disclosure forms and get them in by July 1, 2014, and prior to September 1st when the fines start.

a) Mini Conference for Board of Trustees Scheduled at 3:00 p.m.

Mr. Christiansen reported that the mini conference is scheduled for 3:00 p.m. this afternoon, following this meeting. He stated a number of members (40-50) from other boards will be attending, and that he appreciated the Town allowing him to invite others for inclusion in the training session.

b) Legislative Update

Mr. Christiansen reported that SB 246 would have changed the way the Board uses the State monies, as well as requiring the Board to add a defined contribution component to the Plan. He stated that it was revised somewhat before it was adopted by the Senate. He stated the House also passed a similar bill, but it included changes for the Florida State Retirement System. Mr. Christiansen stated that thus far, nothing has been picked up.

Mr. Christiansen stated that a bill was passed last year by the State requiring several additional reports to be done by the actuary. One is a report that runs actuary numbers using an interest rate assumption that is two percent less than the rate we are currently using. Another is a report running the numbers using a more aggressive mortality table (people living longer), and one other run-out report to show how long the Plan's funds would last if there were no more contributions. He stated the actuary will have to prepare these reports at an additional cost to the plan and the Town should expect notice of this soon.

c) Update on Officer Disability Claims

Mr. Christiansen reported that Brice Noble's disability claim was finalized and the paperwork has been completed on it. He stated that Mr. Steinstra's hearing is scheduled for July 14, 2014 as his attorney was not available at the earlier suggested date.

Member Tempesta asked if the IME for Mr. Steinstra was included in the packets that were handed out.

Mr. Christiansen replied that the IME was completed and that it should be, but if not, it will be provided prior to the hearing.

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.

a) **Invoices from Christiansen & Dehner Dated February 28, 2014 in the amount of \$159.50, \$245.24, and \$1,897.00; and dated March 31, 2014 in the amount of \$1,226.84, \$1,377.00 and \$930.21**

b) **Invoice from the Bogdahn Group for the March 2014 Quarter Dated March 17, 2014 in the Amount of \$3,875.00**

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

7. Authorization from Board to Withdraw and Refund Iris Buttelman's Contributions to the Police Pension Plan

Upon a motion by Member Tempesta and seconded by Member Rountree, the Board authorized the withdrawal and refund of Iris Buttelman's contributions in the amount of \$17,426.96 to the Police Pension Plan, by a vote of 4-0.

Mr. Christiansen asked if the roll-over information had been provided to Ms. Buttelman.

Finance Director Jeannine Michaud replied that all the paperwork and information was provided to Ms. Buttelman.

8. Authorization from Board on Early Retirement Monthly Payments for James McGarvey Effective July 1, 2014

Upon a motion by Member Tempesta and seconded by Member Rountree, the Board authorized the early retirement monthly payments from the Police Pension Plan for James McGarvey effective July 1, 2014, by a vote of 4-0.

9. Informational Items from Jeannine Michaud, Finance Director:

a) January – March 2014 Quarter Statement from Salem Trust Company

Finance Director Jeannine Michaud provided and reviewed an easy to read summary showing net contributions, income received in interest and dividends, outlays and disbursements.

b) Financial Statements for the Quarter Ending March 31, 2014

c) Replacement Pages for 2013 Annual Report to the Division of Retirement

Ms. Michaud reviewed the above two informational items with the Board, as included in the packet. She stated that the 2013 Annual Report to the Division of Retirement includes corrections showing Member Rountree as a Board Appointee on page 2, and corrections the employer contributions for the period of 10/1/2012 to 9/30/2013 starting on page 6. She stated the past two years of contributions are now based on a percentage of payroll, and Mr. Christiansen clarified that it was based on a flat percentage for some years prior, and that it changes periodically. Ms. Michaud stated the report has been approved with the changes that have been made.

Member Reynolds asked if the attorney's fees are based on hourly fees, and if investment fees are contractual.

Mr. Christiansen replied that his fees are based on hourly fees and that the investment fees are contractual and fixed, billed quarterly in arrears as consultants' fees. He stated the managers' fees are based on a fixed basis point of assets, and that they fluctuate.

Ms. Michaud commented that Salem Trust bills quarterly as well.

Chairperson Wherry stated he has been approached by a couple of individuals in the Police Department who are interested in buying their military time, etc. He stated he knows there are guidelines on this, and asked if it should begin with the actuary.

Mr. Christiansen stated that is correct and that there are forms in the forms package to request that the calculations be done, which would include the attaching of the military DD214. He stated that the actuary calculates the cost of giving someone another year or however many years they can get credit for, although the Plan is not worse off financially as a result. He stated there is also a roll-over option to consider.

Ms. Michaud stated she has the forms and can get it to the person inquiring.

D. ADJOURN

With no further business to discuss, Chairperson Wherry adjourned the meeting at 2:11 p.m.

Kristen Kollgaard, Town Clerk

Chairperson Officer Vernon Wherry

Transcribed by Nancy Slaton, Deputy Town Clerk