

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

June 8, 2016

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

MEMBERS PRESENT: Chairperson/Member Capt. Jason Brough; Member Capt. Robert Tempesta; Member John Schmied; Member Leonard Cieciek, and Member Pete Chiasson

TOWN STAFF PRESENT: Kris Kollgaard, Town Manager; Pam Winegardner, Finance Director; Tia O'Neal, Human Resource Director; Officer Shane Barrett; and Julia Harris, Administrative Assistant to Town Manager

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

A. CALL TO ORDER: Chairperson/Member Capt. Jason Brough called the meeting to order at 1:30 p.m.

B. PUBLIC COMMENT: Chairperson/Member Capt. Brough asked if anyone in the audience had any comments or questions. There were no questions or comments.

C. NEW BUSINESS

1. Approval of Minutes: Regular Meeting – March 9, 2015

Chairperson/Member Capt. Brough asked if there were any comments or questions regarding the minutes.

Upon a motion by Member Cieciek and seconded by Member Schmied, the Board approved the meeting minutes of March 9, 2015 as presented by a vote of 5-0.

2. Quarterly Report from The Bogdahn Group

David West of The Bogdahn Group reported that there was a lot of activity, with record lows recorded, during the quarter ending March 2016. However, the market had the strongest rebound in market history beginning February 11th. He reviewed the investment performance during the quarter. Total fund net and gross was at 1.27% for the quarter, 3.73% for fiscal year to date, -1.88% for the one-year period, and at 5.82% for the three-year period. Mr. West recommended staying with the current manager although large cap fund performed poorly this quarter.

Member Chiasson asked for Mr. West's judgement if the EU falls apart and whether the pension fund should participate given the uncertainty.

Mr. West replied that there is no definitive answer on the outcome of a change like that; it may be disruptive to business and economic flows, but that the fund manager should be allowed to

make the decision on which countries to emphasize or not. He stated the market has been positive since April.

Member Chiasson asked what percentage of funds are in bonds, which will suffer as a result of rising interest rates, and how much was allocated for real estate.

Mr. West replied that the fund has a target allocation of 40% for fixed income, but it is currently 4.4% under the target. He stated there is also now a cash position, and contracts have been completed for the real estate investment. Mr. West stated the fund should now be in the queue and should get a partial capital call by the end of June, and the cash will go into the real estate investments. The Board allocated 10% for real estate investment.

The market value as of January 1, 2016 was at \$6,549,849, with contributions of \$69,029, distributions of -\$73,003, expenses at -\$16,545, income of \$17,410, appreciation of \$65,088; resulting in a total fund market value of \$6,611,829 as of March 31, 2016.

Mr. West stated the fund is within the striking zone of the actuarial required rate of return by plan year-end. He stated there are no change recommendations at this time, and they are awaiting capital calls from the real estate manager.

Captain Brough reported that he received an email from the real estate manager with an attachment that appeared to be a contact form. He asked if he should send that to someone else to completed, and stated he will send a copy to Mr. West to review.

Mr. West stated that all documents need to be filled out and returned.

3. Report by Christiansen & Dehner

Scott Christiansen of Christiansen & Dehner, P.A. stated that everyone needs to fill out their financial disclosure forms and return them by the due date of July 1, 2016. He stated fines of \$25/day begin as of September 1st if the forms are not returned by then.

Mr. Christiansen reported that the Intercontinental documents for the real estate investment have been reviewed and completed.

Mr. Christiansen confirmed with the Finance Director that the letter declaring the expected rate of investment return was sent to the State, the actuary and the Town. He reminded the Board that they have to adopt a budget at the next meeting in September to comply with the requirement that was imposed a year or so ago.

Mr. Christiansen reported that a deposition with the Human Resource Director was taken a week or so ago on the Boice disability hearing. He stated that the new attorney Ms. Boice hired has taken a while to review the documents and they are in the process of trying to schedule a new hearing. Some meeting dates have been identified, but they must have everyone present, and are trying to meet all schedules.

Mr. Christiansen stated that there will be Internal Revenue Code changes to the plan to reflect updates under that code, as well as the share plan that will be needed to add to the plan. He stated the Board has until the contract is up in 2017 to have the share plan in place, as well as the mutual agreement in regard to the use of the state money going forward.

4. Consideration of Replacing the Current Police Pension Board Attorney with Another Qualified Attorney (Peter Chiasson)

Member Pete Chiasson stated he asked that this item be placed on the agenda so there would be ample time for the Board to review documentation he submitted for the packet. He stated it is his opinion that the current attorney has injected himself inappropriately and beyond just legal advice. He gave an example of a discussion held during the first Boice disability hearing regarding a letter, stating the attorney made a statement during that discussion that because of this letter that was written, the Board had nothing they could do either than award full disability to the claimant or find cause why partial disability should be awarded, or for the Town to rehire the person because the letter apparently indicated that the officer was released due to health reasons/inability to do the job.

Mr. Chiasson stated upon his review of evidence, it was his perspective that there were other options such as not to award any of the disability. He stated one thing led to another and over the course of many discussions and ensuing meetings, he expressed his concerns regarding the pension fund, largely over its size and the inability to spread risk properly out of fear. After talking with Town officials, he brought this up at a Board meeting as a mechanism to bring it out in front of people. He stated that Mr. Christiansen reiterated to him that he might be held personally financially liable if he should continue to pursue this activity should the Town make a decision to go forward with a plan that people within the current plan may feel is not in their best interest. Mr. Chiasson stated he found this to be particularly disturbing and feels from his perspective that a change in legal representation/advisor of this board should be made. He asked for a motion to replace current legal counsel with another qualified legal counsel.

Chairperson Captain Brough stated that although he has never had any issues with Mr. Christiansen in his short time on the Police Pension Board, if other members have issues or problems with the attorney, then it might not be a bad idea to change attorneys.

Member Schmied stated the item that caught his eye when reading the minutes from the meeting he missed was the item about Board members being held financially responsible. He stated that he thought it was part of the duties of the members his Board to look out for the best interests of the fund for the police officers.

Member Chiasson stated he was only asking to investigate alternatives for this small fund. He stated he never made a statement about the constitution of the Board, although he had a minor concern regarding the proximity of the Board to the officers/participants of the Board which could potentially be troubling in the future. He stated counsel attributed statements to him that he never stated or implied regarding the two officers on the Board. Mr. Chiasson stated that as he gets zero pay to be on this Board, the amount of risk he is willing to personally take is zero.

Member Captain Tempesta asked Mr. Christiansen to explain the fiduciary responsibility and the legal ramifications the Board will have.

Mr. Christiansen stated that he reviewed that at the last meeting as reflected in the minutes and that he did not want to re-hash everything from the last meeting. He stated he has been representing this Board for 14 years and there has never been an issue in that period of time to his knowledge. That being said, he stated he does not have an issue if the Town wants to look at the pension plan or other alternatives; his issue was that it is not the responsibility of the Board

of Trustees. Their job is to administer the plan adopted by the Town, not look at other alternatives to go to different types of plans, etc. Mr. Christiansen stated it is not part of the Board members' job description, and thus it is not an appropriate subject for the Board to deal with; it is the Town's responsibility. He stated that if the Board members do not agree with this, that is fine, but his job as attorney is to give the correct answer.

Mr. Christiansen stated that this is what he related to Mr. Chiasson when they talked and it was not meant as a threat. He stated that if the Board wants to go out for another attorney, he would recommend that the Board move quickly to get someone on board as there is the pending disability case the new lawyer will have to take over. Mr. Christiansen stated that he would love to continue to work with this Board, but if not, he wishes everyone well in the future.

Member Chiasson reiterated previous comments about his issues with Mr. Christiansen.

Upon a motion by Member Chiasson and seconded by Member Schmied, the Board approved replacing the current Police Pension Board Attorney by a roll call vote of 4-1:

<i>Chairperson Captain Brough</i>	<i>Yes</i>
<i>Member/Captain Tempesta</i>	<i>No</i>
<i>Member Cieciek</i>	<i>Yes</i>
<i>Member John Schmied</i>	<i>Yes</i>
<i>Member Pete Chiasson</i>	<i>Yes</i>

Mr. Christiansen stated he wished the Board well, and he will cooperate by making all his files and the history available to the new attorney. He recommended this be moved forward quickly so the disability claim can be moved forward as they are currently looking at dates in August.

Town Manager Kris Kollgaard stated the Town will have to put out an RFP, and if this is okay with the Board, she will work with the Chairperson to get it together, then call a special meeting of the Board to review it. It would then have to be taken to the Commission. She agreed that they will need to move on this quickly.

Mr. Christiansen stated that the Board will make the decision for the new attorney, not the Commission.

Ms. Kollgaard agreed, but stated that the Commission will be advised that the Police Pension Board is putting out the RFP.

5. Approval of the Following Invoices Processed for Payment:

Chairperson/Member Capt. Brough asked if there were any questions or comments regarding the list of invoices to be processed for payment for approval by the Board; listed as follows:

- a) Invoice from Bogdahn Group: 12/24/2015 -\$3,875
- b) Invoice from Salem Trust: 01/15/2016 - \$1,250
- c) Invoices from Christiansen and Dehner: 12/31/2015 - \$ 1,699.03
- d) Invoice from Christiansen and Dehner: 01/31/2016-\$118.20
- e) Invoice from Foster & Foster: 03/03/2016 - \$9,603

Upon a motion by Member Schmied and seconded by Member Chiasson, the Board directed the invoices to be paid as listed by a vote of 5-0.

6. Informational Items from Pam Winegardner, Finance Director:

Finance Director Pam Winegardner reviewed and commented on the following informational items as included in the packet:

- a) **Financial Statements for the Quarter Ending March 31, 2016**
- b) **January through March 2016 Statement from Salem Trust Company**
- c) **Authorization from the Board to Withdraw and Refund Franco Almeida's Contributions**

Upon a motion by Member Captain Tempesta and seconded by Member Schmied, the Board authorized the withdrawal and refund of Franco Almeida's contributions to the fund by a vote of 5-0.

- d) **Authorization for Payment from Pension Fund for Jimmy Thomas' Monthly retirement**

Upon a motion by Member Cieciek and seconded by Member Schmied, the Board authorized the payment of Jimmy Thomas' monthly retirement from the pension fund by a vote of 5-0.

- e) **Response to the Annual FY15 Police Pension Report for the Town of Lady Lake**

Ms. Winegardner commented that this report was approved without error once she made a call to the office involved regarding the participation plan, which is not necessary until the union contract expires as Mr. Christiansen had previously stated.

- f) **Personal Statements for Active Officers for 2015 from Foster & Foster**

D. ADJOURN: *With no further business to discuss, the meeting was adjourned at 2:16 p.m.*

Kristen Kollgaard, Town Clerk

Chairperson/Captain Jason Brough

Transcribed by Nancy Slaton, Deputy Town Clerk