

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
June 3, 2013 - 11:00 A.M.**

Board Members Present:

Scott Tyler, Chair
Larry Denyes
Coby Gaulien
Mike Stinson

Board Members Absent:

Mike Fuller, Secretary

Staff and Others Present:

John Thinnis, Bogdahn Group
Doug Lozen, Foster & Foster
Robert Croce, Anchor Capital Advisors, LLC
Scott Christiansen, Board Attorney
Amber Foley, Assistant City Clerk

Chairman Scott Tyler called the meeting to order at 11:00 a.m.

2. APPROVAL OF MINUTES

Motion: Mr. Stinson moved, Mr. Denyes seconded, and the motion carried 4-0 to approve the February 25, 2013 minutes.

3. APPROVAL OF EXPENSES

- A. Salem Trust – Quarter ending 3/31/2013
- B. Bogdahn Group – Invoice No. 8815
- C. Christiansen and Dehner—Invoices dated 2/28/2013, 3/31/2013, and 4/30/2013
- D. Foster and Foster – Invoice No. 4760
- E. Sawgrass Asset Management – Diversified Large Growth Equity Invoice date 4/8/2013
- F. Sawgrass Asset Management – High Quality Core Fixed Income Invoice date 4/8/2013

Motion: Mr. Gaulien moved, Mr. Stinson seconded, and the motion carried 4-0 to ratify the paid expenses as presented.

4. DISTRIBUTION OF PENSION CONTRIBUTIONS

- A. Luis Espindola

Motion: Mr. Stinson moved, Mr. Gaulien seconded, and the motion carried 4-0 to approve the distribution of pension contributions as presented for Luis Espindola.

5. INVESTMENT REVIEW

John Thinnis, Bogdahn Group, informed the Board that Thornburg was switched to the lower share class, saving approximately \$1,800/yr in fees. He introduced Bob Croce of Anchor Investments, who will provide an update to the Board.

Robert Croce, Senior Vice President Anchor Capital, discussed the Anchor investment review through the end of April. The performance year to date is up 13.86% with a market value of \$2,184,612. He discussed the purchases and sales over the last quarter. A copy of this report is attached to and made a part of these minutes.

Mr. Thinnis recapped the market for the last quarter. As of March 31, 2013, the portfolio was valued at \$9,115,119. He discussed the portfolio's total weighting of the equity investment and recommended no

rebalance was necessary at this time. A copy of the first quarter review is attached to and made a part of these minutes.

Mr. Thinnis informed the Board that at the next meeting Mr. Bakardjiev will discuss an appropriate fund for real estate investment.

6. 2012 ACTUARIAL VALUATION REPORT

Doug Lozen, Foster & Foster, presented the results of the October 1, 2012 Actuarial Valuation Report. He reviewed the recommendation for the City's contribution of 25.02% of payroll for this fiscal year, and 28.20% of payroll for fiscal year 2014. Mr. Lozen explained the reasons for the increase in the contribution amount for fiscal year 2014.

Mr. Lozen discussed the Plan's funded ratio, which is a measure to determine if assets have kept pace with the liability, today's value of all future benefits that will ever be paid out. The Plan's current GASB funded ratios is 81% compared to an industry standard of 80%. Contributions and investment returns impact funded ratio percentage.

Motion: Mr. Denyes moved, Mr. Stinson seconded, and the motion carried 4-0 to accept the October 1, 2012 Actuarial Valuation Report.

7. RELEASE OF PROTECTED INFORMATION ADDENDUM

Attorney Christiansen stated that this is an addendum to the Operating Rules and Procedures, Rule 15.1, to include the redaction of the date of birth. The State recently added date of birth to the list of exempted information for police officers.

Motion: Mr. Stinson moved, Mr. Denyes seconded, and the motion carried 4-0 to approve the addendum to the Operating Rules and Procedures of the Board of Trustees of the City of Palmetto Police Officers' Retirement Plan.

8. PROPOSED ORDINANCE

This proposed ordinance amends Section 22-171, Definitions to amend the definition of Credited Service, Section 22-174, Finances and Fund Management, and Section 22-185, Maximum Pension, to comply with recent changes to the Internal Revenue Code (IRC) relating to tax qualified pension plans such as this plan.

Motion: Mr. Denyes moved, Mr. Stinson seconded, and the motion carried 4-0 to approve the proposed ordinance amending Section 22-171, definition of Credited Service, Section 22-174, Finances and Fund Management, and Section 22-185, Maximum Pension to comply with recent changes to the IRC relating to tax qualified pension plans and forward it to City Commission for consideration.

9. ATTORNEY CHRISTIANSEN'S REPORT

Motion: Mr. Stinson moved, Mr. Gaulien seconded, and the motion carried 4-0 to approve that based on the advice of our investment consultant professionals, the Board of Trustees declare that the total expected annual rate of investment return of 7.8% for the current year, 7.7% for the next several years, and 7.5% for the long term thereafter.

Mr. Christiansen reminded the Board that financial disclosure forms are due by July 1st.

Motion: Mr. Stinson moved, Mr. Denyes seconded, and the motion carried 4-0 to nominate and appoint Scott Tyler as Chairman of the Board.

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He explained that Senate Bill 534 is pending to require additional reporting to the State. The new report requires cities to redo their valuation and assume 2% less than what is being reported now and send that calculation to the State. Mr. Christiansen said another requirement will be for cities to generate a report indicating how long money will last in the plan if there were no longer any contributions. The third requirement will be for cities to provide a mortality table assuming a much longer life expectancy.

Mr. Christiansen discussed Senate Bill 50 that requires public comment be heard at each public meeting. He asked that an addition be made to allow public comment on the agenda.

Chairman Scott Tyler adjourned the meeting at 12:15 p.m.

Minutes approved: August 26, 2013

Mike Fuller

Mike Fuller
Secretary