

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
February 24, 2014 - 11:00 A.M.**

Board Members Present:

Michael Becks
Mike Fuller, Secretary
Coby Gaulien
Ryan LaRowe
Mike Stinson

Staff and Others Present:

Bryan Bakardjiev, Bogdahn Group
John Thinnes, Bogdahn Group
Scott Christiansen, Board Attorney
Amber Foley, Assistant City Clerk

Secretary Mike Fuller called the meeting to order at 11:03 a.m.

1. AGENDA APPROVAL

Staff asked that item 7 of the agenda be removed. Mr. Lozen will be attending the meeting in June to discuss the Actuarial Valuation Report.

Motion: Mr. Stinson moved, Mr. Becks seconded, and the motion carried 5-0 to approve the February 24, 2014 Police Officers' Pension Board agenda with the removal of item 7.

2. PUBLIC COMMENT

None

3. APPROVAL OF MINUTES

Motion: Mr. Gaulien moved, Mr. Stinson seconded, and the motion carried 5-0 to approve the November 25, 2013 minutes.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 11/30/2013, 12/31/2013, and 1/31/2014
- B) Sawgrass Asset Management-Diversified Large Growth Equity Invoice Dated 1/8/2014
- C) Sawgrass Asset Management-High Quality Core Fixed Income Invoice Dated 1/8/2014
- D) Bogdahn Group-Invoice No. 9817
- E) Salem Trust-Fee Advice for period July 1, 2013 to September 30, 2013
- F) Foster & Foster: Invoice #5752 \$8,474.00

Motion: Mr. LaRowe moved, Mr. Gaulien seconded, and the motion carried 5-0 to ratify the paid expenses as presented.

5. SELECTION OF CHAIR

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 5-0 to elect Mike Stinson as Chair for the Police Officers' Pension Board of Trustees.

6. INVESTMENT REVIEW

Mr. Bakardjiev introduced John Thinnes who will start providing the Pension Plan with service. He will be taking over Mr. Bakardjiev's role with the Plan. Mr. Bakardjiev still plans on attending as many of these Board meetings as he can.

Mr. Thinnes gave a fourth quarter investment performance review discussing the major market index performance and noting the quarter performance and 1-year performance. A copy of the fourth quarter review is attached to and made a part of these minutes.

The Plan ended the quarter at \$10,123,355, a gain net-of-fees of \$555,167. The Plan is over allocated in Domestic Equity by 3.4%; however, Mr. Thinnes does not recommend a rebalance at this time due to the Plan investing in the Capital Call (Principal Real Estate) in April. Discussion ensued regarding the over allocation of Domestic Equity and the investment in cash. The Board suggested taking the 3.4% from Domestic Equity to bring it back in range and using the 3.4% as cash to invest in Real Estate.

Motion: Mr. Fuller moved, Mr. Gaulien seconded, and the motion carried 5-0 to remove 3.4% from Domestic Equity and invest in cash to be back in range according to the Plan's Investment Policy Statement and use the cash to invest in Capital Call for the Real Estate in April.

7. 2013 ACTUARIAL VALUATION REPORT

Doug Lozen, Foster & Foster, will review the October 1, 2013 Actuarial Valuation Report.

Action Request: Motion to accept the October 1, 2013 Actuarial Valuation Report.

Action Request: Motion to declare, that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the total expected annual rate of investment return for the next year, next several years, and the long-term thereafter shall be ____%, net of investment related expenses.

This item was removed from the agenda; Mr. Lozen will present the Actuarial Valuation Report at the June Board meeting.

8. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen informed the Board that Senate Bill 246 and House Bill 509 have been pre-filed for the upcoming legislative session. These Bills would require a defined contribution plan be added. The state money the Plan receives would be allocated between paying the unfunded liability or could be put into the new defined contribution component depending on the funding ratio of the Plan itself. A similar bill was submitted last year and not passed.

9. NEW BUSINESS

Staff reviewed page 1 of the Board's Operating Rules and Procedures regarding the execution of official contracts and reminded the Secretary and Chair that they are the only Trustees to sign these documents on behalf of the Board

Mr. LaRowe explained that he received a call from one of the Plan's retirees asking about a COLA and adjustments to the Pension. Mr. Christiansen said that the Board could authorize a study be done for an AD HOC COLA that either the City would have to pay for, the members of the plan would pay, or the Pension Plan could pay for. He reminded the Board that there is currently \$21,000 in the reserve account.

Mr. LaRowe stated that he has heard discussion amongst the officers regarding the age for retirement. Currently it is 23 years of service, regardless of age, that the officers can retire. Mr. LaRowe questioned

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what the cost would be to lower the 23 years of service to 20. Mr. Christiansen said that would be a good question to ask the Actuary when he attends the meeting in June.

Chairman Stinson adjourned the meeting at 12:18 p.m.

Minutes approved: June 2, 2014

Mike Fuller

Mike Fuller
Secretary