

**CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
August 25, 2014 - 11:00 A.M.**

Board Members Present:

Mike Stinson, Chair
Mike Fuller, Secretary
Michael Becks
Ryan LaRowe

Board Members Absent:

Coby Gaulien

Staff and Others Present:

John Thinnes, Bogdahn Group
Lynn Skinner, Salem Trust
Gregg Gosch, Sawgrass
Scott Christiansen, Board Attorney
Amber Foley, Assistant City Clerk

Chair Stinson called the meeting to order at 11:04 a.m.

1. AGENDA APPROVAL

Motion: Mr. Becks moved, Mr. LaRowe seconded, and the motion carried 4-0 to approve the August 25, 2014 Police Officers' Pension Board agenda.

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

Motion: Mr. Becks moved, Mr. LaRowe seconded, and the motion carried 4-0 to approve the June 2, 2014 minutes.

4. APPROVAL OF EXPENSES

- A) Christiansen and Dehner: Invoices Dated 5/31/2014, 6/30/2014, and 7/31//2014
- B) Sawgrass Asset Management-Diversified Large Growth Equity Invoice Dated 7/8/2014
- C) Sawgrass Asset Management-High Quality Core Fixed Income Invoice Dated 7/8/2014
- D) Bogdahn Group-Invoice No. 101231 dated 6/13/2014

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

5. AUTHORIZATION TO ALLOW ACH PAMENT TO VENDORS

Salem Trust is requesting authorization from the Board to allow ACH payments related to expenditures associated with our vendors/service providers. Ms. Skinner informed the Board that this is not a requirement. Salem Trust will be reaching out to the current vendors and service providers for this Pension Plan to ask them if they would like to start receiving their payment through Automated Clearing House (ACH) to allow for electronic payments/money transfers instead of paper checks being mailed out.

Motion: Mr. Fuller moved, Mr. Becks seconded, and the motion carried 4-0 to authorize Salem Trust Company to initiate ACH transactions for payment to service providers and vendors for expenses incurred on behalf of the Police Pension Fund.

6. INVESTMENT REVIEW

Sawgrass Asset Management

Gregg Gosch, Sawgrass, reviewed the second quarter performance for Large Capitalization Equity. The portfolio was valued at \$2,947,739 as of June 30, 2014; a gain of \$627,806. Expeditors and Southwest Energy were added to the portfolio this quarter; Petsmart and Exxon were eliminated. A copy of the second quarter review is attached to and made a part of these minutes.

Mr. Gosch reviewed the second quarter performance for the Fixed Income portfolio. The portfolio was valued at \$2,891,488 as of June 30, 2014; a gain of \$114,412. A copy of the second quarter review is attached to and made a part of these minutes.

Bogdahn Group

John Thinnies, Bogdahn, discussed the second quarter review. The portfolio was valued at \$10,549,199 as of June 30, 2014. He informed the Board that there is still a wait to invest in the Real Estate as directed by the Board a couple quarters ago. If the investment continues to be pushed back any further than the fourth quarter, he will be suggesting that the Board consider investing with a different Real Estate firm. A copy of the second quarter review is attached to and made a part of these minutes.

Mr. Thinnies presented the Board with the Domestic Equity Mid-Cap manager evaluation. Discussion ensued between Board members regarding investing with an active manager versus investing with an index. Mr. Thinnies opined that investing with an index fund would be more appropriate for this type of category. The Board requested that further research is performed regarding mid-cap active managers. They would like the information at the next meeting. Mr. Thinnies will also make revisions to the Plan's Investment Policy Statement to allow for investment in a Domestic Equity Mid-Cap.

Mr. Thinnies presented the Board with a Core Fixed Income Manager Evaluation that was performed. The handout provided a comparison between Baird Aggregate Bond, Dodge & Cox Income, PIMCO Total Return, Sawgrass Fixed Income, and Barclays Aggregate Index. Mr. Thinnies provided the Board with a firm snapshot of each listed as well as their performances since 2006. After performing the evaluation, Mr. Thinnies recommended that the Board continue to keep Sawgrass Asset Management for Fixed Income. A copy of this evaluation is attached to and made a part of these minutes.

7. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen notified the Board that the State Money has been received. The amount was close to \$98,000. Last year's amount was \$107,000.

He informed the Board that two Administrative Forms were updated and provided to the Clerk. The Application for Disability Retirement form was amended to include language letting the employee know that if they voluntarily terminate their employment before the Application is approved, their Application will be void. The other form that was changed was the Authorization for Payment from Fund which now includes language that indicates a higher payment until the retiree starts to receive Social Security at which time their pension payment will reduce.

8. BENEFITS DISBURSEMENT APPROVAL

A. DROP PARTICIPANT

- None

B. TERMINATED NON-VESTED EMPLOYEES

- None

C. RETIRED EMPLOYEES

- None

D. DECEASED RETIREES

- None

E. DECEASED ACTIVE EMPLOYEE PAYOUT

- None

9. NEW MEMBER ACKNOWLEDGEMENT (*Informational Only*)

- None

10. FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION DATES

Staff has provided the Board with information on the dates and cost associated for Chairman Stinson to attend the Florida Public Pension Trustees Association Fall Academy. The cost is \$1,018.44 for his attendance Sunday through Tuesday or \$1,208.44 for Sunday through Wednesday.

Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried 4-0 to approve Mr. Stinson to attend the Fall Trustees School in October 2014 and authorize payment from the fund in the amount of \$1,018.44 for said expenses related to the conference.

Mr. Fuller proposed rescheduling the next Board meeting currently scheduled for November 24th. The consensus of the Board was to reschedule the next Board meeting to November 21, 2014 at 9:00 a.m.

Chair Stinson adjourned the meeting at 12:20 p.m.

Minutes approved: November 21, 2014

Mike Fuller

Mike Fuller
Secretary