

**CITY OF PALMETTO  
POLICE OFFICERS' PENSION  
BOARD OF TRUSTEES  
December 7, 2012 - 1:00 P.M.**

Board Members Present:

Scott Tyler, Chair  
Ryan LaRowe, Vice Chair  
Larry Denyes  
Mike Fuller  
Coby Gaulien

Staff and Others Present:

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

Chair Scott Tyler called the meeting to order at 1:04 p.m.

1. APPROVAL OF MINUTES

September 18, 2012

**Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried unanimously to approve the September 18, 2012 minutes.**

2. APPROVAL OF EXPENSES

- A. Salem Trust – Quarter ending 9/30/2012
- B. Bogdahn Group – Invoice No. 8242 (Per Bogdahn, this invoice was paid twice. Scott Tyler requested Bogdahn apply it to next month's statement)
- C. Sawgrass Asset Management – Quarter ending 9/30/2012
- D. Christiansen and Dehner—Invoice dated 10/31/2012

Chair Tyler added a Foster and Foster invoice to the agenda in the amount of \$525.00.

**Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried unanimously to ratify the paid expenses as presented.**

3. APPROVAL OF 2013 MEETING DATES

**Motion: Mr. Tyler moved, Mr. Denyes seconded, and the motion carried unanimously to approve the 2013 meeting dates.**

4. APPROVAL OF BENEFITS

- A. Rex Hannaford
- B. Robert Taylor
- C. George Lagasse (DROP)

**Motion: Mr. Fuller moved, Mr. LaRowe seconded, and the motion carried unanimously to approve payment of retirement benefits to Rex Hannaford, Robert Taylor, and George Lagasse.**

5. INVESTMENT REVIEW

Mr. Bakardjiev recapped the market for the last quarter, stating it was a positive quarter ending with an asset allocation of \$8,710,951; fiscal year to date has seen a positive 17.32% return. He discussed the portfolio's total weighting of the equity investment and recommended no rebalance

was necessary at this time. He discussed the third quarter investment performance review. This review is attached to and made a part of these minutes.

Mr. Bakardjiev discussed the up market and down market captures. He will work on gathering information for the Board on putting assets into the up market capture. This will be brought to the Board at the next meeting.

Mr. Fuller requested a ten year time frame be added to the comparative performance table in the investment performance review. Mr. Bakardjiev stated he will add a 10-year time frame into the table and remove the 7-year column.

Mr. Bakardjiev made changes to the Investment Policy Statement. The changes made were:

- Updated the allocation table on page two to reflect all current investments with their recommended target allocations, ranges, and benchmarks.
- Updated the Total Fund Index on page two to reflect the addition of the global bond allocation.
- Updated the actuarial earnings assumption on page two from 8% to 7.5% to accurately reflect the earnings assumption selected by the Board.
- Updated the Total Fixed Index on page three to reflect the global bond allocation.
- Removed the 60% equity cost limitation and updated the 60% equity market limitation to 65% on page five.

**Motion: Mr. Denyes moved, Mr. Gaulien seconded, and the motion carried unanimously to approve the Investment Policy provisions as stated.**

Mr. Bakardjiev discussed the letter he drafted to Salem Trust regarding rebalancing of the receipts and disbursements (R&D) account. Currently, the Sawgrass account is being utilized as the R&D account. Mr. Bakardjiev is asking for the Mutual Fund account to be used as the R&D account going forward. On a monthly basis, Salem Trust is to perform a reallocation on the Plan's R&D account by distributing any excess cash after disbursements above the target baseline amount of \$60,000 to the Plan's investment accounts and mutual funds according to the percentages referred to on page two of the letter. A copy of this letter is attached to and made a part of these minutes.

**Motion: Mr. Fuller moved, Mr. Tyler seconded, and the motion carried unanimously to approve the letter to Salem Trust Company as presented.**

#### 6. APPROVAL OF CHANGE TO JOINT ANNUITANT

- A. Dennis G. Hair
- B. Terry R. Castellow
- C. Richard Herranz

Attorney Christiansen requested this item be deferred until the next meeting to allow him time to research the retirement paperwork on these retirees to see if the plan allowed for a change to joint annuitant at the time they retired.

**Action Request: Motion to approve the change in joint annuitant for Dennis G. Hair, Terry Castellow, and Richard Herranz.**

**No action was taken at this time.**

#### 7. REVIEW OF OPERATING RULES AND PROCEDURES

The Board reviewed the current Operating Rules and Procedures. Staff noted rules that may not be followed as written. Attorney Christiansen discussed the reasons for rules that were questioned. The Board made no changes to the Operating Rules and Procedures at this time.

#### 8. ATTORNEY CHRISTIANSEN'S REPORT

Mr. Christiansen discussed the terms of the Board. Ryan LaRowe's term expires at the end of the year. Staff confirmed an election was held and Mike Stinson will be filling Ryan's position. Mr. Christiansen reminded Mr. LaRowe to fill out a Form 1F, Financial Disclosure, and Mr. Christiansen asked Mr. Stinson to fill out a Form 1 within 30 days of being elected to the Board. Both forms can be found on the Manatee County Supervisor of Election's website.

Mr. Christiansen stated that at the first meeting in 2013 the Board will need to select a secretary.

Staff confirmed that the fiduciary liability insurance is current and the waiver of recourse premium was paid by the City.

Mr. Christiansen informed the Board that he is working with a law firm in Indianapolis on the plan documents to determine what changes need to be made to maintain the tax qualification status. Because the IRS is constantly amending their code, some of the amendments could apply to a tax qualified pension plan. He will be bringing to the Board some language to be incorporated into the plan for City Commission approval.

Mr. Christiansen recapped the Department of Retirement's response to the City of Naples that he discussed at the September 18, 2012 meeting. He expects to see some changes made to legislation with a new interpretation from the State about the reduction of police benefits and State money to the pension plans. He will keep updating the Board as more information comes.

#### 9. NEW BUSINESS

Mr. Tyler informed the Board of the Sawgrass 15-year anniversary event that will be held in January, 2013.

Mr. Tyler adjourned the meeting at 2:10 p.m.

Minutes approved: February 25, 2013

*Mike Fuller*

Mike Fuller  
Secretary