

**DRAFT
CITY OF PALMETTO
POLICE OFFICERS' PENSION
BOARD OF TRUSTEES
November 25, 2013 - 11:00 A.M.**

Board Members Present:

Scott Tyler, Chair—(Arrived at 11:16 a.m.)
Michael Becks
Coby Gaulien
Mike Stinson

Board Members Absent:

Mike Fuller, Secretary

Staff and Others Present:

Bryan Bakardjiev, Bogdahn Group
Leta Chaney, Salem Trust
Scott Christiansen, Board Attorney
Amber Foley, Assistant City Clerk

Board Member Stinson called the meeting to order at 11:10 am

New Board Member, Michael Becks, introduced himself. He stated he is looking forward to serving on the Board.

2. AGENDA APPROVAL

Motion: Mr. Becks moved, Mr. Gaulien seconded, and the motion carried 3-0 to approve the November 25, 2013 Police Officers' Pension Board agenda. Chair Tyler was absent for the vote.

3. PUBLIC COMMENT

None

4. APPROVAL OF MINUTES

Motion: Mr. Gaulien moved, Mr. Stinson seconded, and the motion carried 3-0 to approve the August 26, 2013 minutes. Chair Scott Tyler was absent for the vote.

5. APPROVAL OF EXPENSES

- A. Bogdahn Group – Invoice No. 9484
- B. Christiansen and Dehner—Invoices dated 8/31/2013, 9/30/2013, and 10/31/2013
- C. Sawgrass Asset Management – Diversified Large Growth Equity Invoice date 10/8/2013
- D. Sawgrass Asset Management – High Quality Core Fixed Income Invoice date 10/8/2013
- E. Salem Trust—Fee Advice for period April 1, 2013 to June 30, 2013

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

6. ELECTION OF 5TH TRUSTEE

Motion: Mr. Gaulien moved, Mr. Stinson seconded, and the motion carried 4-0 to elect Mike Fuller as the 5th Trustee contingent upon Mr. Gaulien being reappointed to the Board by City Commission.

7. APPROVAL OF 2014 MEETING DATES

Motion: Mr. Stinson moved, Mr. Gaulian seconded, and the motion carried 4-0 to approve the 2014 meeting dates.

8. APPROVAL OF DROP PARTICIPATION

Motion: Mr. Stinson moved, Mr. Tyler seconded, and the motion carried 4-0 to approve the entry of Michael Johnston into the Plans' Deferred Retirement Option Plan.

9. 2013 SUMMARY PLAN DESCRIPTION

The Board is required to update the Summary Plan Description every two years and distribute it to all plan participants.

Motion: Mr. Tyler moved, Mr. Gaulian seconded, and the motion carried 4-0 to approve the December 1, 2013 Summary Plan Description with the change made to "Exhibit A" to reflect Michael Becks as Board Member and the removal of Larry Denyes.

10. INVESTMENT REVIEW

Mr. Bakardjiev discussed the third quarter review. As of September 30th, the Portfolio was valued at \$9,568,188, with a 4.43 percent return. There was 63 percent allocated in Equity, which is within range for the Plan. The Plan gained \$1,011,000 for the Fiscal Year. Anchor outperformed the benchmark; they were the only Portfolio to do that this quarter. A copy of the third quarter review is attached to and made a part of these minutes.

Mr. Bakardjiev stated that the Investment Policy Statement (IPS) has been updated to add the real estate investment component. Mr. Christiansen asked that the addendums to the IPS be updated and mailed out. Mr. Bakardjiev informed the Board that the real estate piece that was approved last meeting should be implemented April 14, 2014. Currently, the funding for the real estate will come from Equity; however, if in April Equity is underfunded, Mr. Bakardjiev will have to get funds from another appropriate place within the Portfolio.

Mr. Bakardjiev explained that Templeton just came out with a cheaper share class of the Global Bond Portfolio that the Plan currently is invested in. He is recommending that the Board invest in the lower share class of Templeton which should save the Plan approximately \$9,000 a year.

Motion: Mr. Becks moved, Mr. Stinson seconded, and the motion carried 4-0 to allow Mr. Bakardjiev to invest in the lower share class of Templeton.

Mr. Bakardjiev stated that after the real estate component is completed for the Plan, he will review with the Board the Fixed Core component and the S&P Mid-Capitalization component to consider investing in.

11. PRINCIPAL LIFE INSURANCE COMPANY'S GROUP ANNUITY CONTRACT REVIEW

Attorney Christiansen and Bryan Bakardjiev have both submitted an opinion letter to Ms. Foley. They both recommend the Board sign and submit the Contract. Staff will mail the contract out this week.

12. ATTORNEY CHRISTIANSEN'S REPORT

Attorney Christiansen reminded staff to send the Fiscal Yearend report to Commission; this is Pension Letter No. 2.

He informed the Board that Senate Bill 246 has been pre-filed for the upcoming legislative session. This Bill 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. This Bill was submitted last year and not passed. It is being reintroduced for the next session with some modifications made since last time.

13. RECOGNITION OF DEPUTY CHIEF SCOTT TYLER'S SERVICE ON THE BOARD

This is Chair Scott Tyler's last meeting. He has served on the Board from 2004 to 2007 and 2010 to 2013. Sergeant Ryan LaRowe will be taking Chairman Tyler's seat at the next meeting.

14. OLD BUSINESS

Leta Chaney informed the Board that Salem Trust implemented a new software system over the last few months. With this new system, there will no longer be paper checks issued; a retiree can choose direct deposit to their bank or can be issued a debit card. Due to an issue with another piece of the software system, invoices were not going out on time. As of today, they are up to date with the mailing of invoices, but because of their error, the Plan received a discount on the second quarter invoice.

15. NEW BUSINESS

None

Chair Tyler adjourned the meeting at 12:16 p.m.

Minutes approved:

Mike Fuller
Secretary