



Employees Pension Board

Regular Board Meeting Minutes

Tuesday, November 22, 2005

Chairperson Art Rowbotham
Vice-Chairperson Laura Hawley

Chairperson Art Rowbotham called the Employees Pension Board to order for a regular meeting, Tuesday, November 22, 2005, 8:30 a.m., in the Civil Service Conference Room, Department of Civil Service and Retirement, 500 North Lake Parker Avenue, Lakeland, Florida. Present: Chairperson Art Rowbotham, Vice-Chairperson Laura Hawley, Board Members Phil Allen, Robert Andrew, Herman Moulden, Eugene Strickland, Ronald Tomlin and Executive Director Gary Clark. Chairperson Art Rowbotham gave the invocation.

❖ **Consent Agenda** - Consent agenda was unanimously approved.

➤ **October 24, 2005, Employees Pension Board Minutes**

➤ **Retirement Refunds**

NAME	CONTR. DATE	CHECK DATE	REASON	AMOUNT
Atchison, Michael L	11/26/2001	10/29/2005	TER	\$7,749.66
Dawson, Michael R	4/5/2004	11/12/2005	TER	\$3,463.62
Dickerson, Tammy A	10/7/2001	10/29/2005	TWP	\$6,440.16
Livingston, Daniel K	12/1/2002	10/29/2005	TWP	\$4,281.07
Sparrow, Richard F	1/14/2001	10/29/2005	TER	\$8,207.23
Thompson, Luke E	5/29/2005	10/29/2005	TER	\$791.65
Waddingham, Laurel J	5/17/2004	11/12/2005	TER	\$4,932.37
Ward, Gary D	12/1/2003	11/12/2005	TER	\$5,758.38
Total	8			\$41,624.14

➤ **Retirements**

NAME	DOR	AMOUNT	JOB TITLE	CSD
DROP Employee				
Gieger, Michael J	10/15/2005	\$3,017.34	Engineering Technician IV	10/9/1974
Retired				
Thompson, Brenda N	10/16/2005	\$1,084.81	Account Clerk III	9/4/1990
Waters, James	10/9/2005	\$1,949.41	Driver Engineer	6/3/1986
Survivor				
Brick, Bruce A	10/11/2005	\$3,287.26	Power Production Projects Coord	5/25/1982
Lump Sum Transfer to DC				
Clark, Gary E	10/29/2005	Pending	Civil Service Director	3/30/1993
DROP Retirement Pending Final Pay				
Dresden, Penny R	10/29/2005	Pending	Office Associate I	1/23/1990
Retirement Pending Final Pay				
Chesser III, Ira J	6/20/2018	Pending	Energy Resource Specialist	5/11/1993
Cockrill, Wayne C	10/22/2005	Pending	Equipment Operator II	1/14/1986
Martin Jr, John P	4/5/2016	Pending	Master Police Officer	2/8/1989
McDonald, Richard C	10/29/2005	Pending	Chief Accountant	9/23/1975
10 Employee Plan Retirements				

❖ **Consultant Report**

- Mr. George Tarlas of Asset Consulting Group, Inc. (ACG) appeared to give the investment performance review for the quarter ending September 30, 2005. Total fund value was \$446,231,071 representing a gain for the quarter of 2.7% and 9.9% for the one year period.
 - INTECH our large cap growth manager gained 3.8% during the quarter.
 - Lord Abbett (LA) our large cap value manager gained 4.0% for the quarter. Over the past year LA has lagged the bench mark by 1.2%.
 - Rice Hall James (RHJ) our small cap growth manager gained 2.8% for the quarter. Board Members discussed the difficulties in finding a good comparison index and peer group ranking for RHJ who is somewhere between small to mid cap and growth to core.
 - INVESCO (INV) our international manager gained 9.5% for the quarter.
 - Fidelity lost 0.2% for the quarter.
 - Loomis Sayles (LS) lost 0.3% for the quarter.
- Board discussed asset allocation and whether there was a need to rebalance. Executive Director Gary Clark indicated the plan is 100% funded and questioned whether there is any compelling reason to increase our risk exposure. Mr. Tarlas does believe the Board should look to tweak the asset allocation in the domestic large cap equity and international equity areas. Mr. Tarlas will bring options for the Board to review to include complimenting our international manager with another international manager and rebalancing our domestic large cap equity allocation.



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❖ 457b and 401a RFP

- Executive Director Clark indicated on November 21, 2005 the City Commission approved the recommendation of the Employees' Pension Board to transition to a single deferred compensation provider. Allen and Company/The Hartford team has been selected to provide the City of Lakeland Deferred Compensation Plan and Defined Contribution Plan which is expected to be fully implemented by March 31, 2006. Specialists at The Hartford will coordinate the transfer of assets and participant balances to The Hartford's program. During the transfer, the mapping of investments will be performed by the Hartford to ensure a smooth transition of investments. All funds that are being transferred will be mapped into the replacement funds in similar Morningstar investment categories. Once the assets are transferred, participants will have the ability to transfer assets between the new investment options within their account. The Hartford offers an investment choice lineup which is diverse across all asset classes and fund families. Current participants receiving monthly or annual distributions from their deferred compensation account will continue to receive these distributions uninterrupted. During the transition a brief blackout period of approximately 7-10 days will occur. This will occur during the fund transfer process in late February or early March. This period is needed to allow preparation and reconciliation of individual participant records. During the blackout period participants will be restricted from processing transactions so that participant census and financial data remains static for reconciliation. Announcement letters will be mailed and on-site education/enrollment presentations will be publicized. Board will have the responsibility to review investment performance on an annual basis.

❖ Consultant Options

- Executive Director Clark gave the Board information concerning investment performance of the Fire Supplemental Pension Plan which had a total return of 15.02% for the one year period.
- Board Member Strickland indicated he would like to see a more proactive approach from our fund consultant and would like give ACG some more time to see if this develops under Mr. Tarlas. Board Members do not desire to take any action to issue an RFP for consulting services at this time.

❖ Executive Director's Report

- Board Member Strickland is not satisfied that retirees are not receiving an increase. Board Member Tomlin indicated it is not the Board's responsibility to give retirees an increase. Executive Director Gary Clark indicated it is stated in ordinance how increases are awarded.
- Executive Director Gary Clark advised the Board of a communication received from Lord Abbett regarding a statement in our Investment guidelines concerning sector weightings. LA requested a waiver for one year to the guideline covering financial sector exposure. Board members offered no objection.
- Lakeland Electric employees voted down the union. We are currently involved in negotiation with the Fire union and the Police have recently opened negotiations again. Executive Director Gary Clark indicated there is a substantial workload requirement regarding our part in these negotiations.
- Executive Director Gary Clark indicated work load is very high across the department. Executive Director Gary Clark asked the Board to consider funding an additional position from the pension fund as the Board did back in 1988.

❖ Miscellaneous

- Next regular meeting is January 24, 2006.
- FPPTA January 29 - February 1, 2006.

❖ Adjournment

- Upon motion meeting adjourned at 10:40 a.m.