



Employees Pension Board

Regular Board Meeting Minutes

September 25, 2007

Vice Chairperson Ron Tomlin called the Employees Pension Board to order for a regular meeting Tuesday, September 25, 2007 at 8:30 a.m., in the City Commission Chambers Room, City Hall, 228 South Massachusetts Avenue, Lakeland, Florida. Present: Vice Chairperson Ron Tomlin, Board Members Eugene Strickland, Roger Haar, Robert Bertrand, Kerry Charlet and Robert Andrew. Retirement Services Staff: Director Kevin Torres, Dana Blydenburgh, Annette Wieck, Debbie Stefanski. Absent: Chairperson Laura Hawley.

The invocation was given by Board Member Andrew.

1. Consent Agenda – Board Member Strickland made a motion to approve the Consent agenda. Motion passed unanimously.

- a. July 24, 2007 Employees Pension Board Minutes
- b. Retirement Refunds

NAME	CHECK DATE	REASON	AMOUNT
Almon,Jon T	9/1/2007	TER	\$1,017.21
Becker,Richard R	7/21/2007	TER	\$10,037.69
Carver,Maria S	8/18/2007	TER	\$7,598.75
Estridge,Terry L	9/1/2007	TER	\$5,085.70
Farmer,Jody L	8/4/2007	TER	\$6,757.64
Fletcher,Corbin E	8/18/2007	TER	\$524.74
Fowler,Charley H	9/15/2007	TER	\$992.05
Gambrell,Ashley L	9/1/2007	TER	\$1,802.25
Gleaton,Cy P	8/18/2007	TER	\$27,108.51
Hall,Richard I	9/1/2007	TER	\$663.56
Helms,Ginger L	8/4/2007	TER	\$22,658.10
Herbolsheimer,Kimberly L	9/1/2007	TER	\$362.91
Jenkins,Larry W	9/15/2007	TER	\$7,272.51
Jones,Stacie L	9/15/2007	TER	\$39,692.58
Lariviere,Michael R	9/15/2007	TER	\$4,273.46
Lewis,Patricia L	8/4/2007	TER	\$178.37
Melendez,Milton W	7/21/2007	TER	\$15,477.29
Montgomery,Terry C	9/1/2007	TER	\$5,546.84
Reeves,Linda L	9/15/2007	TER	\$4,055.15
Staufer,Eric P	9/15/2007	TER	\$3,090.44
William,Placide	7/21/2007	TER	\$5,782.55
Total	21		\$169,978.30

c. Retirements

NAME	DOR	AMOUNT	JOB TITLE	CSD
Lump Sum DB				
Brown,Thomas E	7/22/2007	\$311,064.36	Driver Engineer	3 /13/1988
DROP Employee				
Cooper,Robert A	7/21/2007	\$3,045.45	Station Electrician	7 /5 /1987
Hieronimus,Glynn G	8/18/2007	\$3,637.47	Instrument And Control Tech II	6 /9 /1985
Lott,Nancy	8/4/2007	\$2,084.70	Emergency Communications Spec	8 /2 /1987
Masters,Gloria J	7/21/2007	\$946.67	Office Associate I	1 /8 /1995
Newsome,Curtis H	7/21/2007	\$2,546.73	Police Officer	1/18/1987
Retired				
Huerta,Jesse	7/21/2007	\$619.22	Operations Support Worker I	4 /16/1995
Long,Stephen H	6/30/2007	\$2,942.75	Information Technology Directr	6 /28/1992
Rowland,Carol D	7/7/2007	\$4,167.46	Fuels Coordinator	5 /2 /1982
Lump Sum Transfer to DC				
Hiestand,J Michael	7/21/2007	\$643,884.49	Lead Electric System Operator	7 /17/1977
Vested				
Hughes,Herbert L	7/14/2017	\$1,891.50	Police Officer	5/19/1991



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Retirement Pending Final Pay

Galomb, Judy M	9/29/2007	Pending	Statistician	10/9 /1988
Ryan, William P	4/22/2019	Pending	Police Officer	9/15/1997

13 Employee Plan Retirements

2. Retirement Services Director Review – Dr. Larry Ross appeared before the Board to summarize the Retirement Services Director Kevin Torres’ Performance Review. Director Torres was reviewed on eight performance dimensions. The feedback from the reviewers was very positive with constructive criticism. One to five basis rating system was used for scoring, with five being the highest expectation. Six of the eight reviewers gave scores for Mr. Torres from average to meets expectation or higher. Mr. Torres exceeded expectation in Technical Competency, Relation to /with Boards and scored highest in Management of Pension Assets. Board Member Haar made a motion to increase Mr. Torres’ salary by the contract amount of \$4,000.00. The motion was approved unanimously.

3. 457 Plan & 401a Plan Report – Allen & Company/The Hartford – The 457 plan and 401a plan is supported by The Hartford, Allen and Company, and Retirement Services Staff. Retirement Services Director Torres reiterated a brief introductory on the pension plans:

- 457- Deferred Comp – Contributions are made by employees through payroll deduction.
- Defined Contribution – Geared to certain employees: City Management and newly hired employees 52 years of age and over, contribution guidelines are the same as Defined Benefit Plan.

Director Torres proposed to move from the current investment options to a new line-up of investment options outlined below. This change would make the DC Plan technically in compliance with the allocation guidelines. The proposed investment options have been presented to a majority of the employees.

Large Cap

Hartford Value Opp (Value)
 Newbeger Ber Part Adv (Blend)
 Amer Funds Grth Fund A (Growth)
 SSGA S&P 500 Flgshp (Index)

Mid Cap

Artisan Mid Cap Value(Value)
 RS Value A (Blend)
 Hartford Growth Opp (Growth)
 SSGA MidCap Index (Index)

Small Cap

Lord Abbett Sm-Cap Val A (Value)
 RS Partners A (Blend)
 Royce Value Plus Service (Growth)
 SSGA Russell 2000 (Index)

International

Alliance Ber Int Gr A (For. Lg Blend)
 Oppenheimer Intl Sm Co A (For. SMid Grth)
 American Euro Pacific

Asset Allocation/Balance

AmCent Strat Alc:Con A:Cons
 AmCent Strat Alc:Mod A:Mod
 AmCent Strat Alc: Agg A:Aggr

Bonds

Western Core Bd FI (Intermediate)
 Loomis Sayles Bond Ret (Multisector)
 PIMCO Real Ret A (Inflation-Protected)

Money Market

Hartford Money Market

Fixed

General Account

Training and education will be provided by Allen and Company to the employees for guidance in making changes to their portfolio. Board Member Strickland made a motion to accept the proposal of the new line-up of investment options with an effective date to be announced at the November Pension Board Meeting. The motion was approved unanimously. There will be no charge to the plan participants for changes involved with mapping to the new investment options.

Richard Snyder, Southeast Regional Manager of Hartford, gave a brief recap of the plans assets.

- 457 Plan – \$47.4 million in assets-20% increase since last year



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- 401(a) Plan – \$770,000 in assets – 11% increase since last year
- OBRA Plan – \$1.8 million in assets - 7% increase since last year

Keith Albritton, CEO of Allen and Company, appeared before the Board to express his gratitude and highest commitment to the City of Lakeland employees through the monitoring of funds and education. Fred Lopez of Allen and Company gave an update on the educational process for the employees.

- One-third of the employees have meet with Allen and Company
- Allen & Company attends meetings with Department Heads
- Continuously meets with the employees on site
- Seven Certified Financial Planners at Allen & Company

4. Consultant Report -

Mr. George Tarlas, Asset Consulting Group, Inc. appeared to give the investment performance review.

- Mr. Tarlas distributed an updated Market Report as of 9/21/2007. Total fund is valued at approximately \$541,198,702.00
- For the Year-To-Date (YTD) period ending 8/31/2007, the equity composite reported as follows (gross of fees): INTECH reported a 4.9% return which underperformed the benchmark of 8.1%. Lord Abbett reported 4.3 % return which underperformed the benchmark of 4.5%. Martingale reported a return of 5.2% which underperformed the Russell 2000 index of 3.1%. INVESCO reported a return of 8.2% and Julius Baer reported a return of 9.8% which outperformed the MSCI EAFE index of 7.8%.
- Fixed Income. The Fidelity Intermediate Bond Fund underperformed the Lehman Intermediate Gov't/Credit Index with a return of 3.1% relative to 3.7% return for index. The Loomis Sayles portfolio also underperformed the Lehman Aggregate Index with a return of 2.4% relative to 3.1%.
- Feds cut the interest rates one-half percent.
- Large cap stocks are out performing small cap stocks and growth is outperforming value.

5. Director Report – Director Kevin Torres appeared before the Board to discuss the following subjects:

- ◆ 401a Defined Contribution Plan Vesting Schedule – Since May 15, 2006, 14 employees have entered the 401a plan and are subject to the vesting schedule in the current ordinance (effective date: May 15, 2006). These employees were counseled on the vesting schedule at the time of plan enrollment and were therefore informed of the plan provisions. Unfortunately, the Hartford did not receive the amended plan document that incorporated a five year vesting schedule of 20% per year in the Employer Contribution. Members are always 100% vested in the Employee Contribution. The Hartford now has the amended plan document and will execute accordingly.
- ◆ Employee Plan Option 4 (Defined Benefit to Defined Contribution Conversion) – 100% cash out of Defined Benefit (pension) Plan to roll over to the Defined Contribution (401a) Plan option has been frozen. The tax consultant is reviewing the plan to see if we are in violation of the IRS tax code regarding in-service distributions.
- ◆ Discussion of Pension Attorney RFP – Vice Chairperson Tomlin appointed a committee of Roger Haar, Kerry Charlet and Robert Bertrand (Mr. Bertrand will serve as an advisor only) to review the proposals and select three candidates to interview before the Board of Trustees.
- ◆ Discussion of Security Lending Contract - This item is currently on hold.



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Board member Haar made a motion to designate Ron Tomlin to serve on a task force, as referenced by City Manager Doug Thomas, to research the specifics on funding a COLA for City of Lakeland retirees. The motion was approved.

6. Miscellaneous

- ◆ FPPTA Trustees School October 7-10, 2007
- ◆ Next Pension Board Meeting November 27, 2007

7. Adjournment – Upon motion, Vice Chairperson Tomlin adjourned the meeting at 10:40 a.m.