



Employees Pension Board

Regular Board Meeting Minutes

April 24, 2007

Chairperson Laura Hawley called the Employees Pension Board to order for a regular meeting, Wednesday 24, 2007 at 8:30 a.m., in the City Commission Chambers Room, City Hall, 228 South Massachusetts Avenue, Lakeland, Florida. Present: Chairperson Laura Hawley, Board Members Robert Andrew, Eugene Strickland, Roger Haar, Robert Bertrand, Kerry Charlet and Ronald Tomlin
 City Attorney, Tim McCausland,
 Retirement Services Staff: Director Kevin Torres, Dana Blydenburgh, Annette Wieck, Debbie Stefanski.
 Board Member Ron Tomlin gave the invocation.

1. Consent Agenda - Consent agenda was unanimously approved.

a. February 27, 2007; March 20, 2007,; April 11, 2007 Employees Pension Board Minutes

b. Retirement Refunds

NAME	CHECK DATE	REASON	AMOUNT
Boulerisse,Ryan L	3/3/2007	TER	\$2,142.80
Braddy,Mark K	3/17/2007	TER	\$18,920.17
Chenell,Scott S	3/17/2007	TWP	\$17,267.25
Connelly,Sherrri A	4/14/2007	TER	\$1,262.61
Costine,Benjamin N	4/14/2007	TER	\$10,250.61
Deer,Darron D	3/17/2007	TER	\$1,556.93
Fulcher,Deziree D	3/17/2007	TER	\$3,944.13
Galarza,Jocelyn	3/31/2007	TER	\$1,062.22
Hernandez,Luz M	4/14/2007	TER	\$1,013.18
Johnson,Jonetta S	3/31/2007	TER	\$1,263.32
Karnes II,Glen Z	4/14/2007	TER	\$2,318.92
McGregor,James J	3/3/2007	TER	\$135.62
McPherson,Christopher R	4/14/2007	TER	\$17,322.38
Racer,Shannon M	3/3/2007	TER	\$2,717.65
Rashid,Samir S	4/14/2007	TER	\$751.88
Reynolds,James L	3/17/2007	TER	\$16,580.72
Sebastian,Jeremiah Y	3/17/2007	TER	\$2,582.24
Tanner,Mandy L	3/31/2007	TER	\$1,814.51
Thompson Jr,Ronald L	4/14/2007	TER	\$9,696.37
Whitaker,Brian W	4/14/2007	TER	\$11,481.50
White,Donald A	3/3/2007	TER	\$2,310.81
Williams,April Y	3/3/2007	TER	\$1,685.16
Total	22		\$128,080.98

c. Retirements

NAME	DOR	AMOUNT	JOB TITLE	CSD
DROP Employee				
Chappell,Helen L	3/31/2007	\$1,068.11	City Hall Receptionist/Switchb	2 /21/1993
Connors,Timothy Paul	3/3/2007	\$3,595.30	Fire Lieutenant	6 /15/1980
Moore,Deborah Ann	3/3/2007	\$3,332.89	Police Sergeant	4 /3 /2005
Williams,Jeffrey T	4/1/2007	\$4,783.16	Lead Trans/Distrib Lineperson	3 /27/1977
Retired				
Jones,Charles Randal	2/26/2007	\$2,947.37	Police Sergeant	4 /3 /2005
Lott,Michael	3/31/2007	\$2,332.51	Operations Support Spv II	1 /24/1982
Ward,Frances A	3/3/2007	\$1,926.35	Office Associate I	8 /4 /1985
DROP Retirement Pending Final Pay				
Garrenton,Wayne M	4/28/2007	Pending	Engineering Tech I - Water	4 /27/1986
Retirement Pending Final Pay				
Martin,Elisa C	12/13/2014	Pending	Police Officer	4 /3 /2005
Moore,Kevin T	6/17/2008	Pending	Power Plant Operator III	6 /5 /1988
Pochron,Robert A	4/7/2007	Pending	Operations Support Spv III	3 /21/1993



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Sears, Barry Hall	5/1/2007	Pending	Lakeland Center Tech Coordinat	1 /29/1989
Stewart, Michael W	11/9/2007	Pending	Plant Mechanic II	1 /1 /1989

13 Employee Plan Retirements

Change in Spousal Beneficiary

Ewing, Scot F 1/01/1996 \$2,012.55

2. Actuarial Valuation Report

- ◆ Mr. Steve Palmquist of Gabriel Roeder Smith & Company (GRS) appeared before the board to give the annual actuary review. His first item to discuss was the funded ratio, one measure of the Plan's financial health. The funded ratio is 88.5% this year compared to 89.7% last year.
- ◆ There was a net actuarial gain of \$11,452,165 in fiscal year 2006. Thus caused the required contribution by the City to decrease by 1.47% of covered payroll.
- ◆ Vice chairperson Ron Tomlin asked about the normal cost adjustment. Mr. Palmquist referred him to page 8 of the report and explained that the normal cost adjustment accounts for the difference between the expected flow of dollars at the beginning of the plan year versus how dollars actually flowed into the plan. It's a basic comparison of expected versus real experience.
- ◆ The Actuarial Present Value of All Projected Benefits needed for all members is \$684,930,608.
- ◆ Director of Retirement, Mr. Torres wanted to know what period of time can a COLA be paid from the pension fund. Mr. Palmquist answered in about 5 years.
- ◆ Jeff Amrose reported on the Pension Fund information. The net assets and market value for year ending 9/30/2006 is \$478,396,090
- ◆ Jeff Amrose discussed the rate of return over the last ten year period. The average compounded rate of return for the last ten years is 7.6% and the average compounded rate of return for the last five years is 6.6%. He remarked on the smoothing aspect applied to level the spikes in investment returns.
- ◆ Mr. Palmquist informed the board that the Pension Fund is in good shape. He summarized the positive aspects of the plan by outlining the cost, in spite of changes to the assumptions, remains steady; a nice experience gain was realized; and the funded ratio is a healthy number which compares favorably with other municipalities.
- ◆ Board member, Roger Haar inquired why the confusion over Police and Fire and the misunderstanding involved in leaving that population out of the experience study. Mr. Torres responded that the Police and Firefighter pension boards employ a different actuary that was thought to produce an experience study specific to those employees. The experience study for the supplemental plans was placed on hold by the supplemental plans board of trustees.
At the last Employees' Pension Board meeting a unanimous vote took place electing to utilize the current assumptions (2005) for Police Officers and Firefighters. After that direction was formalized, GRS could finish the valuation. Mr. Palmquist remarked that the experience study presented to the board on February 15, 2007 contained narratives explaining that the Police Officer and Firefighter members were left out of the study.
- ◆ Board member Gene Strickland asked Mr. Palmquist if a COLA is witnessed often in other plans. Mr. Palmquist stated that approximately 40% of government plans have an automatic COLA built into their pension plan. However, most are not as generous as FRS, which provides an automatic 3% COLA. He further explained that 10-15% of plans provide a COLA that is associated with plan performance. The remaining 45-50% of pension plans have no COLA provision.
- ◆ Board member Roger Haar made the motion to accept the Actuarial Valuation Report. Board member Gene Strickland seconded the motion. Motion carried unanimously.



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3. Director Report

- ◆ City Attorney Tim McCausland addressed the Board concerning the retroactive pay for Michael Townsend's disability pay. Mr. McCausland stated according to the ordinance the Board cannot approve this request. Board member Gene Strickland asked Mr. Torres, Director of Retirement to make a request to City Management to rectify Michael Townsend's request. Attorney McCausland advised that an amendment to the Pension Plan needs to be in place. Board member Strickland made the motion for an amendment to be added to the Pension Plan and Board member Andrew seconded the motion. Motion carried. Gary Clark and Michael Townsend both addressed the Board with their views why this request should be approved.
- ◆ Director Kevin Torres reported to the Board on the Northpointe Capital Contract. Board member Haar made the motion to approve the contract and Board member Strickland seconded the motion. Motion was carried.
- ◆ Director Torres asked the Board members sign the 2006 Annual Report to the Department of Management Services. This action took place.

4. Miscellaneous

- ◆ The next Pension Board Meeting date is June 28 @ 1:00 p.m.

5. Adjournment – Upon motion, the meeting was adjourned.