



Employees Pension Board

Regular Board Meeting Minutes

Tuesday, November 28, 2006

Chairperson Laura Hawley
Vice-Chairperson Art Rowbotham

Chairperson Laura Hawley called the Employees Pension Board to order for a regular meeting, Tuesday, November 28, 2006, 8:30 a.m., in the City Commission Chambers, City Hall, 228 South Massachusetts Avenue, Lakeland, Florida. Present: Vice-Chairperson Art Rowbotham, Board Members Robert Andrew, Eugene Strickland, Roger Haar and Ronald Tomlin. Absent: Phil Allen. Vice-Chairperson Art Rowbotham gave the invocation.

1. Consent Agenda - Consent agenda was unanimously approved.

- a. October 24, 2006 Employees Pension Board Minutes.
- b. Retirement Refunds

NAME	CHECK DATE	REASON	AMOUNT
Alexsy,Jason B	10/28/2006	TER	\$1,101.78
Masud,Sophie L	11/11/2006	TER	\$24,013.52
Oxley III,M R	11/11/2006	TER	\$8,120.64
Plough,Steven M	10/28/2006	TER	\$1,121.40
Roddenbery,Russell J	11/11/2006	TER	\$2,172.48
Total	5		\$36,529.82

a. Retirements

NAME	DOT	AMOUNT	JOB TITLE	CSD
DROP Employee				
Ritter,Phillip W	10/14/2006	\$3,434.92	Station Electrician	10/12/1986
Walker,Juliet J	10/14/2006	\$1,099.70	Account Clerk IV	12/11/1995
DROP Retirement Pending Final Pay				
Corley,Sue D	11/11/2006	Pending	Office Associate I	6 /30/1991
Henson,Debra A	11/25/2006	Pending	Assistant Police Chief	11/16/1981
Retirement Pending Final Pay				
Bolton,Brian H	9/10/2018	Pending	Police Officer	3 /11/1991
5	Employee Plan Retirements			

2. Fund Manager Presentation – Ronald McCullough, Lord Abbett

- ◆ Mr. McCullough began the presentation by stating the total assets under management by the firm is \$107 billion. The Employees' Pension Plan has invested \$122,107,000 with Lord Abbett in the large cap value space.
- ◆ He further stated that the large cap value equity philosophy is based on the beliefs that the market consistently misprice stocks and groups of stocks; company specific events, along with macroeconomic factors, influence the behavior of stock prices; a disciplined process based on in-depth fundamental and proprietary quantitative research can successfully identify undervalued securities while reducing downside risk.

3. Consultant Report – George Tarlas, Asset Consulting Group

- a. Quarterly Report – Mr. George Tarlas of Asset Consulting Group, Inc. (ACG) appeared to give the investment performance review for the period ending October 31, 2006. The fund is valued at approximately \$493,672,000.

◆ Equity Managers

- Large capitalization growth manager Intech reported a return of 3.0% for the month and 7.7% for the quarter.
- Large capitalization value manager Lord Abbett reported a return of 2.1% for the month and 6.2% for the quarter.
- Small/mid capitalization value manager Martingale reported a return of 6.2% for the month and 6.7% for the quarter.



Employees Pension Board

Regular Board Meeting Minutes

Tuesday, November 28, 2006

Chairperson Laura Hawley
Vice-Chairperson Art Rowbotham

- o Small/mid capitalization core manager Rice Hall James reported a return of 3.1% for the month and 5.6% for the quarter.
- o International equity manager INVESCO reported a return of 3.5% for the month and 5.6% for the quarter.
- o International equity manager Julius Baer was funded on October 2, 2006 and reported a return of 4.8% for the month.

◆ **Fixed Income**

- o The Fidelity Intermediate Bond Fund reported a return of 0.6% for the month and 2.6% for the quarter.
- o Loomis Sayles Core Bond reported a return of 1.1% for the month and 3.6% for the quarter.

- b. Chairperson Laura Hawley inquired as to whether diversification has been accomplished with the addition of Martingale in 9/05. Mr. Tarlas responded affirmatively and also believes that more time is needed to prove the point, usually a couple of years provides the manager time to operate in multiple market environments.
- c. Board member Ron Tomlin asked Mr. Tarlas about Rice Hall James. Mr. Tarlas stated that he will produce a report for the Board to view in comparison with their peers. Board Member Tomlin asked if Rice Hall James may be in violation of the investment policy statement to which Mr. Tarlas responded negatively.

4. LRS Director Recruitment – Doug Thomas, City Manager

- a. Mr. Thomas reported that the recruitment effort is underway with the assistance of the Mercer Group recruiting firm. The Employment and Compensation Committee will narrow the list of names and invite those chosen to interview with the boards of trustees. The Board meeting scheduled for January 23, 2007 will take place at 1:30 p.m. instead of the regularly held time of 8:30 a.m. This will allow the inclusion of LRS Director recruitment activity.

5. Actuarial Discussion – Jeffrey Amrose, GRS

Mr. Amrose discussed the value of performing an experience study to reflect the true cost to the plan. He also discussed the use of the prospective funding method which provides the benefit of knowing the contribution rates ahead of time. Board Member Roger Haar made a motion to perform an experience study then proceed with the valuation once the experience study has concluded. Additionally to utilize the prospective funding method. Board Member Bob Andrew seconded the motion. The motion passed unanimously.

6. Administrative Report

- a. Vice-Chairperson Art Rowbotham was presented with a plaque of appreciation for his dedicated and diligent service to the Board. He stated that he enjoyed working with each of the other board members and wishes all the best of luck. Board Member Gene Strickland made a motion to appoint Hollis Hooks as the board appointed seat replacing Vice-Chairperson Art Rowbotham beginning in January. Board Member Roger Haar seconded the motion. The motion passed unanimously.
- b. Mr. Michael Townsend appeared before the board to state that he wishes to apply for a disability retirement. Mr. Gary Clark spoke on behalf of Mr. Townsend and explained that Mr. Townsend feels he is unable to perform the duties of a police officer and that there are no light duty assignments available. Mr. Townsend will no longer be employed by the City as of January 4, 2007. Board Member Roger Haar inquired if the City would allow a period of extension in service for Mr. Townsend in order for the Board to formalize documentation. City Attorney Tim McCausland replied that he will discuss this with the City Manager. Board Member Roger Haar made a motion that the City continue to pay Mr.



Employees Pension Board

Regular Board Meeting Minutes

Tuesday, November 28, 2006

Chairperson Laura Hawley
Vice-Chairperson Art Rowbotham

Townsend until the Board can act on the issue. Board Member Bob Andrew seconded the motion. The motion passed unanimously. Gary Hamilton asked if a separation of the police officer plan into a singular plan will have an impact on today's consideration of Mr. Townsend disability retirement claim. Chairperson Laura Hawley opined that we should operate under the current environment and requested that a policy be in place by the next board meeting in January.

7. Miscellaneous

- ◆ Mr. Wayne Carreker spoke before the board on the issue pending with his pension. City Attorney Tim McCausland advised that the plan authorizes the removal of an ex-spouse from a retirement pension. Board Member Roger Haar made a motion to honor Mr. Carreker's request to remove the ex-spouse from his current retirement benefit. Board Member Art Rowbotham seconded the motion. The motion passed unanimously.
- ◆ Board Member Roger Haar inquired on the ordinance changes impacting the bifurcation of the Civil Service Board and the Pension Board. City Attorney Tim McCausland explained that the State Division of Retirement has provided information which the actuary and pension plan attorney are currently working on to bring resolution.
- ◆ Board Member Roger Haar made a motion to require new board members to attend FPPTA training courses as a part of their board duty effective January 1, 2007. Board Member Ron Tomlin seconded the motion. The motion was approved unanimously.

8. **Adjournment** – Upon motion, meeting adjourned at 11:35 a.m.