



Employees Pension Board

Regular Board Meeting Minutes

Wednesday, January 21, 2004

Chairperson Art Rowbotham
Vice-Chairperson Laura Hawley

Chairperson Art Rowbotham called the Employees Pension Board to order for a regular meeting, Wednesday, January 21, 2004, 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, Board Members Phil Allen, Jeff Cox, Laura Hawley, Herman Moulden, Eugene Strickland and Executive Director Gary Clark. Absent: Board Member Ronald Tomlin. Chairperson Art Rowbotham gave the invocation.

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

➤ **November 18, 2003, Employees Pension Board Minutes**

➤ **Retirement Refunds**

NAME	CONTR. DATE	CHECK DATE	REASON	AMOUNT
Allen, Robert B	06/03/2001	11/30/2003	RES	\$4,906.77
Brooks, Ron	11/12/2002	12/31/2003	RES	\$1,762.28
Burcham, Stephanie A	08/18/1996	12/31/2003	RES	\$21,123.82
Burns, Cathryn L	03/16/2003	12/31/2003	RES	\$1,538.26
Dresdow, Haley A	08/03/1998	12/31/2003	RES	\$7,264.20
Gosewisch, Louis Edward	11/04/1996	12/31/2003	RES	\$32,937.64
Marquis, Lisa A	02/19/2001	11/30/2003	DIS	\$3,843.61
Officer, Nancy J	01/26/2003	12/31/2003	DIS	\$1,301.10
Perley, Robert J	10/13/2003	11/30/2003	RES	\$104.80
Rubio, Christopher P	01/25/2000	12/31/2003	RES	\$8,402.12
Settle, Kristine K	12/01/2003	12/31/2003	RES	\$27.45
White, Darrin E	04/23/2000	12/31/2003	RES	\$7,783.66
Total	12			\$90,995.71

➤ **Retirements**

NAME	RET. DATE	AMOUNT	JOB TITLE	CONTR. DATE
Borchert, Charles W	12/27/2003	Pending	Energy Analyst II	12/23/1984
Brown Jr, A Glenn	12/27/2003	Pending	Police Captain	2/2/1975
Brown, Pamela A	1/1/2004	Pending	Utilities Resource Coordinator	11/28/1973
Brown, Samuel C	12/27/2003	Pending	Equipment Operator II- Streets	8/7/1983
Cain, Neal Ray	5/17/2004	Pending	Lead Trans/Dist Lineperson	2/25/1979
Flynn, Phillip James	2/5/2004	Pending	Meter Reader	5/17/1981
Friel, William P	5/24/2011	\$1,525.78	Police Sergeant	9/14/1986
Gagnier, Katrinah B	1/1/2004	Pending	Business Operations Mgr III	2/21/1972
Gandy, Robert W	3/4/2004	Pending	T&D Supervisor	2/4/1974
Haar, Roger Dennis	1/1/2004	Pending	City Manager	2/16/1975
Hagan, Quentin L	1/25/2004	Pending	Plant Mechanic II	3/22/1981
Hutchinson, Phillip E	12/31/2003	Pending	Plant Mechanic II	10/29/1972
James, William Roy	12/27/2003	Pending	Power Production Foreman	4/20/1980
Lipscomb, Barbara W	1/1/2004	Pending	Assistant City Manager	6/22/1986
Mack, Dennis B	1/10/2004	Pending	Police Sergeant	11/18/1990
Mack, Ute R	5/10/2008	Pending	Air Traffic Controller	3/2/1986
McDonald, Edward D	12/27/2003	Pending	Professional Engineer	2/14/1988
Minick, Sion C	1/1/2004	Pending	Programmer III	9/25/1988
Naab, Warren L	12/27/2003	Pending	Plant Mechanic II	2/20/1983
Peace, James R	12/13/2003	Pending	Police Officer	10/29/1973
Reynolds, Jerry L	12/20/2003	Pending	Finance Director	2/11/1979
Sanders, Leon M	1/10/2004	Pending	Water Pipefitter Foreman	10/21/1979
Snyder, Timothy W	4/11/2010	Pending	Master Police Officer	10/12/1986
Spivey, Billie Marie	11/29/2003	\$2,011.90	Customer Service Rep II	2/8/1981
Tolbert, John D	1/10/2004	Pending	Automotive Mechanic III	1/3/1988
Townsley, Averil Jane	1/4/2004	Pending	Librarian	1/25/1981
Wade, David C	1/3/2004	Pending	Wastewater Plant Chief Oper	4/8/1979
Washell, John P	12/30/2003	Pending	Fire Lieutenant	1/16/1977
Watson, Miles S	12/27/2003	Pending	Police Sergeant	12/25/1983
White Jr, Jesse B	12/27/2003	Pending	Police Officer	11/13/1983
Total	30			

❖ **Money Manager Report**

➤ Wayne Owen, Managing Director and Denise D'Entremont, Portfolio Manager for Rhumblin based in Boston, appeared before the Board to give a portfolio review. The Board hired Rhumblin in January 2001 to manage \$50 million as a Russell 1000 Growth Index Fund. Since inception the annualized return is -10.16% versus the Russell 1000 Growth Index of -10.68%. Rhumblin currently holds 537



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stocks versus the Index of 587 and the portfolio was valued at \$35,905,533.43 on December 31, 2003.

❖ Investment Policy Review

- Board Members reviewed the changes made to the Investment Policy. Board Member Jeff Cox asked if our Investment Policy is standard. Executive Director Gary Clark explained the policy is largely driven by the Florida State Statute. Board Member Jeff Cox raised the issue of whether it is the desire of the Board to have an Investment Consultant or an Investment Advisor. Board Member Jeff Cox stated that Investment Consultant is termed throughout the policy. Board Members discussed the issue of Consultant role versus Advisor role. Executive Director Gary Clark indicated he felt Asset Consulting Group is doing what the Board has directed and if the Board desires something more, then it should ask for it.
- Board Member Strickland moved to accept the revised draft of the Investment Policy. Board Member Moulden seconded the motion. Motion passed unanimously.
- Board Member Cox asked for a consultant search to be placed on the next agenda.

❖ Intermediate Fixed Income Manager Presentations

- The Board heard presentations from the following managers:
 - Mr. Daniel Tremblay and Mr. Walter Lindsay of Fidelity Investments.
 - Mr. Daniel Vandivort and Mr. Keith Seidman of Weiss, Peck and Grier.
 - Mr. Joseph Carieri of Western Asset.
- Board Members discussed the fees and performance of the managers. Executive Director Gary Clark will negotiate fees. Mr. Kirkland stated Western is the only manager that is not duration neutral. Executive Director Gary Clark remarked on the diversity of the portfolios with each manager. Board member Hawley stated we definitely want a separately managed account. Five year performance for all managers is within 10 basis points. Board Member Cox remarked of current market observations and stated perhaps old investment philosophies won't work now.
- Board Member Hawley moved to hire Fidelity to manage the intermediate fixed income portion of the fund. Board Member Strickland seconded the motion. Motion passed unanimously.

❖ Executive Director's Report

- Executive Director Gary Clark had no additional report.

❖ Miscellaneous

- Chairperson Rowbotham asked Mr. Kirkland if he was aware of any of our money managers being involved in any Mutual Fund scandals. Mr. Kirkland indicated INVESCO is currently under scrutiny, however not the international shop. Executive Director Gary Clark indicated he has made contact with all of our managers to inquire of such.
- Board Member Strickland questioned if our current allocation mix of 65/35 is appropriate for the market outlook of fixed income assets. Executive Director Gary Clark responded. Board Member Jeff Cox asked if it would be appropriate to ask our fixed income manager to shorten their maturity given our expectations of the future of interest rates. Mr. Kirkland indicated that is why we have two fixed income managers with different management styles. Executive Director Gary Clark stated he did not believe the Board would want to be in the position to make duration bets; that it is the manager's job.
- Next regular meeting is scheduled for February 24, 2004 at 8:30 a.m.
- FPPTA January 25 - 28, 2004

❖ Adjournment

- Upon motion meeting adjourned at 11:00 p.m.