



# Employees Pension Board

## Regular Board Meeting Minutes

### Tuesday, October 22, 2002

Vice-Chairperson Allen called the Employees Pension Board to order for a regular meeting, Tuesday, October 22, 2002, 9:00 a.m., in the Civil Service Conference Room, Department of Civil Service and Retirement, 500 North Lake Parker Avenue, Lakeland, Florida. Present: Vice-Chairperson Phil Allen, Board Members Art Chappell, Jeff Cox, Judge Holmes, Jim Ogg, Art Rowbotham and Executive Director Gary Clark. Absent: Board Member Edgar Pickett.

❖ **CONSENT AGENDA** - Consent agenda was unanimously approved.

➤ **August 27, 2002, Employees Pension Board Minutes**

➤ **Retirement Refunds**

NAME	CONTR. DATE	TERM. DATE	REASON	AMOUNT
Amee, Stephen J	11/09/1986	12/05/1997	RES	\$21,968.67
Beiler, Samuel M	07/22/2001	07/12/2002	RES	\$3,734.72
Benitez, Jay E	03/04/2002	07/30/2002	DIS	\$605.97
Bland, Barbara J	08/26/2001	09/07/2002	RES	\$1,989.38
Combee, Donald E	04/23/2000	08/26/2002	PTD	\$4,192.57
Holcomb, Matthew F	02/27/2001	07/28/2002	RES	\$3,060.40
Hudson, James H	07/16/2002	09/05/2002	DIS	\$227.31
Jones, Damien P	03/13/2000	08/02/2002	RES	\$4,592.44
Kemper, Jeffrey Loyd	12/11/1994	05/24/2002	RES	\$22,027.37
Kirkland, Darnell	11/09/1986	09/08/2002	RES	\$28,974.68
LaLonde, David J	06/17/2002	07/01/2002	DIS	\$73.54
Little, Anthony J	08/12/2001	05/22/2002	DIS	\$1,202.15
Lopez, Ryan L	07/15/2001	07/26/2002	RES	\$1,444.74
Madden, Alice M	01/28/2002	06/11/2002	RES	\$739.16
Peterkin, Jerald	09/13/1999	08/04/2002	FLR	\$4,222.17
Plummer, Christopher H	11/13/2001	07/29/2002	DIS	\$1,714.73
Ragan Jr, Albert	08/30/2001	07/18/2002	RES	\$1,537.98
Rex, James L	05/10/1987	08/31/2002	DEA	\$45,243.09
Sloan, John C	01/12/2002	08/10/2002	RES	\$764.72
Van Erem, Rochelle J	06/08/1997	07/20/2002	RES	\$9,054.17
Walker, Gina M	12/31/1989	01/07/2000	RES	\$14,284.14
Waters, Jonathan D	01/24/2000	07/30/2002	RES	\$5,700.50
Wulf, Carrie L	06/08/1998	08/31/2002	DEA	\$7,150.84
Total		23		\$184,505.44

➤ **Retirements**

NAME	RET. DATE	AMOUNT	JOB TITLE	CONTR. DATE
Coffman, Douglas L	10/23/2014	\$1,065.04	Police Officer	3/11/1990
Dodd, Alfred M	09/28/2002	Pending	Senior Electric Project Mgr	5/17/1971
Durant, Gloria D	09/28/2002	Pending	Operations Support Worker I	11/6/1977
Fortin Jr, Albert Leonard	12/12/2003	\$2,791.70	Lineman 1st Class	11/19/1978
Gerding, William R	11/02/2002	Pending	Automotive Mechanic III	1/19/1975
Gleason, TD	05/27/2005	Pending	Police Sergeant	12/25/1983
Hensley, Larry W	09/28/2002	Pending	Operations Support Spv III	12/20/1987
Holland, Wyonnie B	09/28/2002	Pending	Operations Support Worker I	9/19/1982
Johnson, Fulton Brown	09/26/2002	Pending	Power Production Foreman	6/5/1977
Packard, Lester H	09/24/2002	Pending	Manager of Operations	9/20/1970
Schiel, Kenneth	09/28/2002	Pending	Police Officer	9/24/1989
Smith, Howard Eugene	08/13/2002	\$2,491.24	Engineering Technician IV	3/12/1978
Tallman Jr, Ray W	08/31/2002	\$3,499.00	Police Sergeant	4/17/1972
Walker, Ray H	08/31/2002	\$1,736.12	Engineering Technician III	5/11/1986
<b>Total Retirements</b>				<b>14</b>

❖ **MONEY MANAGER REPORT**

➤ Eric Roberts of State Street Global Advisors (SSGA) appeared to give a portfolio review. SSGA was recently hired to manage the fixed income portion of the fund. The presentation covered account summary, transition summary, portfolio performance and characteristics. SSGA goal is to earn the return of the benchmark index through stratified sampling with a long-term goal of full index replication. 40.1% of the securities were taken as in-kind securities into the passive intermediate bond



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fund, resulting in no transaction cost. The funds do participate in securities lending. The credit received through securities lending is rebating against the management fee. Board Member Cox engaged in conversation with Mr. Roberts regarding risks to the fund with security lending. Mr. Roberts reviewed safeguards in place with security lending. The security lending program is expected to yield on average 4 basis points equating to \$24,000 on \$60 million. Board Member Cox remarked placing the fund at risk for a possible return of \$24,000 makes him uncomfortable. Mr. Roberts indicate SSGA does offer a non lending program. Executive Director Gary Clark made positive mention of Board Member Cox's concerns. Mr. Roberts indicated SSGA security lending program is rated conservative, however if the program does not appeal to the Board then the Board should opt not to participate. There is no charge to move into the non lending program and can be done in one day. Executive Director Gary Clark indicated the Board may wish to discuss the security lending program at the next meeting with the fund consultant before deciding on which program they wish to pursue. The Board agreed to wait till the next meeting to decide whether to switch programs. The Board complimented Mr. Roberts for an excellent presentation.

#### ❖ EXECUTIVE DIRECTOR'S REPORT

- Executive Director Gary Clark reported on the ongoing work with the plan actuary. Overall employees received an 8.6% increase in pay during fiscal year 2002. It appears the fund lost 7.1% do to investments returns following the previous year when the fund lost 7.6%. Preliminarily numbers indicate the fund may need an increase in contributions from the current approximate 20% to 26% in order to remain solvent. Executive Director Gary Clark has a meeting scheduled next week with city administration. Board members discussed the funding requirements and benefit structure of the plan and how it compares to other governmental and corporate retirement plans. Concern that this plan is or will cost the city more than plans in the private sector cost employers was articulated. Board Member Cox indicated he would like our concerns placed in writing expressing the Board's concern over the apparent failure of the City to consider pension benefits as part of the total compensation package when conducting pay studies.

#### ❖ MISCELLANEOUS - N/A

#### ❖ ADJOURNMENT - Upon motion meeting adjourned at 10:30 a.m.