



Employees Pension Board

Regular Board Meeting Minutes

Tuesday, October 24, 2006

Chairperson Laura Hawley
Vice-Chairperson Art Rowbotham

Vice-Chairperson Art Rowbotham called the Employees Pension Board to order for a regular meeting, Tuesday, October 24, 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, Phil Allen and Ronald Tomlin. Absent: Chairperson Laura Hawley. Vice-Chairperson Art Rowbotham gave the invocation.

1. Consent Agenda - Consent agenda was unanimously approved.

- a. August 22, 2006 Employees Pension Board Minutes; August 23, 2006 Special Combined Boards Meeting Minutes; September 26, 2006 Employees Pension Board Meeting Minutes; October 5, 2006 Actuarial Interview and Selection Meeting Minutes.
- b. Retirement Refunds

NAME	CHECK DATE	REASON	AMOUNT
Ashley,Bryant E	9/2/2006	TER	\$271.88
Cash,Kerry A	9/16/2006	DEA	\$15,183.09
Crumpton,Samuel	9/16/2006	TER	\$1,503.04
Daw,Israel T	8/19/2006	TER	\$400.00
Defoe,Eddie L	9/2/2006	TER	\$10,042.57
Griffin Jr,James	10/14/2006	TER	\$577.74
Holt,Douglas D	10/14/2006	TER	\$40,433.85
Jackson,Laura E	9/2/2006	TER	\$14,101.18
King,Patrick W	9/16/2006	TER	\$8,349.70
Lutter,Mark A	8/19/2006	TER	\$12,128.67
Mitchell,Joshua A	9/16/2006	TER	\$2,854.95
Morrow,Karen C	9/2/2006	TER	\$442.17
Pace,William Russell	9/2/2006	TER	\$14,980.23
Rodriguez,James H	9/16/2006	TER	\$18,477.78
Saccucci,John W	8/19/2006	TER	\$5,644.32
Shasti Nazem,Chiva S	9/2/2006	TER	\$4,443.95
Spade,Shanna M	9/16/2006	DTA	\$8,765.88
Stout Jr,Timothy L	9/2/2006	TER	\$1,616.40
Thomas,Edward	9/16/2006	TER	\$248.90
Toms,Douglas S	10/14/2006	TER	\$4,434.64
Webb,Daniel L	9/2/2006	TER	\$10,327.07
Winter,Jana L	9/30/2006	TER	\$591.69
Zurek,Mary E	9/30/2006	TER	\$1,803.38
Total	23		\$177,623.08

c. Retirements

NAME	DOR NAME	AMOUNT DOB	JOB TITLE AMOUNT	CSD JOB TITLE	CSD
DROP Employee					
Bellendier,James P	9/2/2006	\$2,218.42	Police Officer	8 /29/1988	
Filmore,Larry H	8/5/2006	\$1,904.54	Operations Support Tech IV	3 /19/1973	
Gandy,Charles P	8/5/2006	\$3,405.34	Control Center Operator	4 /26/1987	
Henson,Joseph E	8/19/2006	\$3,987.27	Police Lieutenant	8 /18/1986	
Murphy,William L	9/2/2006	\$3,194.80	Fire Lieutenant	10/29/1973	
DROP Retiree					
Holt, James B	12/11/2004	\$3,078.32			
Retired					
Mellott,Paul	8/6/2006	\$915.40	Wastewater Plant Operator II	7 /15/1996	
Walker,Lanny R	8/19/2006	\$2,235.51	Chief Building Official	5 /6 /1990	
Vested					
Smith,Alvin B	7/9/2010	\$1,433.24	Electronics/Relay Technician	5 /16/1993	
Weiss,Dena M	6/24/2015	\$929.40	Crime Scene Technician II	6 /17/1996	
DROP Retirement Pending Final Pay					
Ritter,Phillip W	10/14/2006	Pending	Station Electrician	10/12/1986	
Walker,Juliet J	10/14/2006	Pending	Account Clerk IV	12/11/1995	



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2. Consultant Report

- a. Quarterly Report – Mr. Jason Pulos of Asset Consulting Group, Inc. (ACG) appeared to give the investment performance review for the period ending September 30, 2006. The fund is valued at approximately \$482,000,000.
 - ◆ **Equity Managers**
 - Large capitalization growth manager Intech reported a return of 2.8% for the month and 2.7% for the third quarter.
 - Large capitalization value manager Lord Abbett reported a return of 1.1% for the month and 6.5% for the third quarter.
 - Small/mid capitalization value manager Martingale reported a return of 0.8% for the month and -4.0% for the third quarter.
 - Small/mid capitalization core manager Rice Hall James reported a return of 1.8% for the month and -0.6% for the third quarter.
 - International equity manager INVESCO reported a return of 0.6% for the month and 5.4% for the third quarter.
 - International equity manager Julius Baer was funded on October 2, 2006.
 - ◆ **Fixed Income**
 - The Fidelity Intermediate Bond Fund reported a return of 0.8% for the month and 3.3% for the third quarter.
 - Loomis Sayles Core Bond reported a return of 1.0% for the month and 3.9% for the third quarter.

3. Administrative Report

Pay Study Impact. Finance Director Greg Finch commented on the pension impact of the recent pay study conducted by the City. The pay study results were implemented October 1, 2006. Since an actuary has not been engaged on the project yet, the findings reported are preliminary and are subject to change. The average increase for active employees, implemented over a period of years, is 10% (the annual percentage of increase should not exceed 5% per year, plus COLA, in any one fiscal year). The preliminary results indicate that a 1.5% increase in payroll contributions is needed to fund the pension impact of the of the pay study. He expressed that the excess would be funded by the employer.

Committees Report. Board member Ron Tomlin commented on his involvement on the Employment and Compensation Committee. The classification description for the Lakeland Retirement System Director is near completion. An executive search firm will be used in the recruitment process. Board member Roger Haar motioned to adopt the classification description presented by Board member Tomlin in the recruitment of the LRS Director, the motion was seconded by Board member Strickland. The motion passed unanimously.

Actuarial Contract. Board member Roger Haar inquired on the modification of the fee structure with GRS and made a motion to give authority to Interim Civil Service Director Tommy Hamrick and City Attorney Tim McCausland to negotiate pricing terms with Gabriel Roeder Smith (GRS). Board member Gene Strickland seconded the motion. The motion passed unanimously. City Attorney Tim McCausland indicated that he would assist with the contract language to include the basic services performed by the actuary in addition to those items considered extra, services performed on a not-to-exceed basis.

Divorce Policy. City Attorney McCausland recommended that the Board consider a more flexible approach reflective of reality as long as the outcome is actuarially equivalent. He further commented



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Regular Board Meeting Minutes
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that the ordinance supersedes the information otherwise regarded, that the Board must remain consistent with the ordinance. Attorney McCausland will report on this issue at the next Board meeting.

4. Miscellaneous

- Board member Strickland inquired on the average annual raises for those employed by the City of Lakeland since 2001 and the cumulative effect this has on retirees, if indeed there is an impact.
- City Attorney McCausland reported that he will present an ordinance to the City Commission on November 6, 2006 which will be enacted on November 20, 2006 regarding the bifurcation effort underway. The ordinance will be distributed to the Board members for review prior to the November 6, 2006 City Commission meeting.
- Board member Roger Haar commented on the FPPTA school as an excellent resource for the continuing education process. Board member Tomlin commented that going forward this type of education should be mandatory for trustees. Vice-Chairperson Rowbotham indicated that item be placed on the agenda for the next meeting.

5. Adjournment – Upon motion, meeting adjourned at 10:08 a.m.