

FIREFIGHTERS' SUPPLEMENTAL PENSION BOARD MEETING MINUTES

February 25, 2008

Chairperson Mike Thomas called the City of Lakeland Firefighters' Supplemental Pension Board to order for a regular board meeting, Monday, February 25, 2008 at 1:05 p.m., at 701 E. Main Street, Lakeland, Florida. Present: Chairperson Mike Thomas, Board Member Tim Spivey, Board Member Oak Duke, Board Member Rick Beale, Board Member Jim Hill, Board Member David Grossman, Joe Bogdahn of Bogdahn Consulting, Kim Calhoun of Westwood, Brad Heinrichs of Foster & Foster, Retirement Service Staff: Kevin Torres, Dana Blydenburgh, Annette Wieck, Deborah Stefanski.

❖ **APPROVAL OF MINUTES**

Board member Grossman made a motion to approve the December 10, 2007 minutes. The motion passed unanimously.

❖ **ELECTION OF NEW CHAIR AND SECRETARY FOR 2008**

Board member Grossman made a motion that the Chairperson Mike Thomas and Secretary Rick Beale who currently hold these positions be re-appointed as Chairperson and Secretary respectively. Board member Hill seconded the motion. Motion passed unanimously.

❖ **MONEY MANAGER REPORT**

Ms Kim Calhoun of Westwood Management provided the board a review of the portfolio performance. There is a 55% probability the operative scenario of The Capital Market Assumption 2008 Outlook will be slower but still onward around a 5% rate of growth for the economy.

- ◆ The market value of the fund as of 12/31/2007 is \$17,859,159. The 4th quarter portfolio return is -0.2% vs the benchmark of -0.7%.
- ◆ The market value of the fund as of 1/31/2008 is \$17,336,977. The portfolio return for January 2008 is -2.8% vs the benchmark of -3.3%

Ms. Calhoun provided information on Martin Currie, International Equity Manager. Westwood is recommending moving the international assets of the plan into Martin Currie because of lagging performance in the present international manager.

❖ **CONSULTANT REPORT**

Joe Bogdahn of Bogdahn Consulting, LLC appeared before the Board to provide the quarterly investment review.

- ◆ The one year trailing return through December 31, 2007 is 7.71% versus the policy of 6.65%.
- ◆ For the period ending 12/31/2007 the portfolio is valued at \$17,859,000.
- ◆ The Fixed Income Fund is valued at \$5,985,000 and the Total Equity of the portfolio is valued at \$11,828,000 as of 12/31/2007.

Mr. Bogdahn advised the Board that his recommendation to Westwood would be to move the international assets to an iShare EAFE. The board agreed with this recommendation.

❖ **ACTUARIAL REPORT**

Brad Heinrichs, appeared before the Board to present the Actuarial Valuation as of October 1, 2007. During the past year the actuarial experience has been much more favorable than expected, relative to the Plan's actuarial assumptions. The principal components of gain included a 13.4% investment return that was greater than the 7.5% assumption, greater than expected turnover, and four retirees who deceased. The funding standard account balance as of 9/30/2007 is \$326,868. Board member Beale made a motion to accept the Actuarial Report for fiscal year 2007. The motion was approved unanimously.

Board member Spivey made motion to compose a letter to Mr. Slavin reflecting the total expected annual rate of return for the fund for the next year, next several years, and the long term thereafter to be 7.5% net of investment related expenses. Board member Hill seconded the motion. Motion passed unanimously

❖ **LEGAL REPORT**

Board Counsel, Lee Dehner of Christiansen & Dehner, P.A., provided a legal report to the Board. He remarked that all board employed service providers must provide a copy of their certificate of insurance. Also, State law now requests that a Social Security Number Collection Disclosure Statement be utilized by January 31, 2008 for the purpose of requesting Social

Security numbers for verification/processing of retirement benefits to be solely used for this purpose by the Retirement Office.

Mr. Dehner reported to the Board the senate bills that were reintroduced to the legislation for this term.

- ◆ The senate bill involving an effort to increase the trustee term from 2 years to 4 years
- ◆ To increase foreign securities allocation from the current restriction of 10% to a higher amount, possibly 20%.
- ◆ Officer Malcolm Thompson Act: Revises the benefits payable for total and permanent disability for certain Special Risk Class members of FRS who are injured in the line of duty. Provides minimum retirement benefits payable to certain Special Risk Class members who are injured and are totally and permanently disabled due to such injury, etc.

❖ **DIRECTOR REPORT**- Kevin Torres
Pension Refunds and Retirements

NAME Retired	DOR	AMOUNT	JOB TITLE	CSD
Riles,Larry	12/8/2007	\$1,080.64	Fire Marshal	11/27/1983
Smith,Larry Earl	12/8/2007	\$1,232.01	Fire Safety Inspector	2 /7 /1982

2 Total Retirements

Board member Grossman made a motion to approve the Director's report. The motion passed unanimously.

❖ **MISCELLANEOUS**
Next regular meeting scheduled May 19, 2008

❖ **ADJOURNMENT**
Meeting adjourned at 3:40 p.m.