

**CITY OF LAKELAND
POLICE OFFICERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

Captain Greg Policastro, CPPT, Chairman
Lieutenant John Thomason, CPPT, Secretary
Stanley Hawthorne
Lieutenant Mike Link
Dr. Nicholas Nugent

MEETING MINUTES

**August 17, 2009
9:00 AM**

Lakeland Police Department
Conference Room LPD 3A
219 North Massachusetts Avenue
Lakeland, Florida 33801
(863) 834-8901



In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this proceeding should contact Dana Blydenburgh no later than three (3) days prior to the proceeding at (863) 834-8797 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers, (800) 955-8771 (TDD) or (800) 955-8770 (VOICE), for assistance.

CALL TO ORDER

Chairperson Police Captain Greg Policastro called the meeting to order at 9:00 a.m.

ROLL CALL

Trustees: Police Captain Greg Policastro, Deputy City Manager Stanley Hawthorne, Lieutenant John Thomason, Board Member Nicholas Nugent.

Guests: Board Counsel Lee Dehner of Christiansen & Dehner, P.A., Mike Welker, The Bogdahn Group; Brad Heinrichs of Foster & Foster; Nick Marolda and Steve Pacheco, PBA; Stephen Malinowski, Global Transition Solutions; David Kelly of Bowen Hanes.

Retirement Services Staff: Director Jennifer Kerr and Dana Blydenburgh

PRESENTATION

Transition Consultant

Stephen Malinowski, Global Transition Solutions (GTS)

GTS was responsible for all administration, pre trade coordination, broker selection, trade strategy, real time trade oversight, settlement and post trade reporting.

GTS has developed a proprietary, independent broker evaluation model geared specifically towards selecting the most qualified broker to trade based on the individual portfolio characteristics of the assignment. Morgan Stanley was the top ranked performing broker in GTS' database for large cap equities at the time of the trade.

On the trade date, the market was down approximately (1.40%). Total costs for this event were (\$95,694.52) or 22.9 basis points. These costs were comprised of market impact (\$42,313.19) or 10.1 basis points, timing costs (\$32,332.51) or 7.6 basis points, and commissions of (\$22,276.85) or 5.3 basis points. There was a commission savings of \$1,227.75 as a result of in kind securities internally transferred between accounts.

The total cost of this assignment outperformed the industry average cost for a similar type of transition by \$89,599.59 or 21.29 basis points.

Investment Manager

David Kelly of Bowen, Hanes & Company appeared before the Board to provide an update on his firm. As of July 31, 2009, Bowen Hanes invests \$6.8 million for the plan. The second quarter return was 16.67% versus the S&P 500 at 13.81%.

Investment Consultant

Mike Welker of Bogdahn & Associates appeared before the Board to provide the quarterly investment review. As of July 31, 2009 the portfolio was valued at \$68,584,293. For the quarter, the total fund composite, net of fees, return was 8.41% versus the total fund policy of 10.01%. For the month of July the fund returned 4.60% versus the total fund policy of 5.29%.

Attorney

Lee Dehner of Christiansen & Dehner, P.A., provided a legal report to the Board. Mr. Dehner discussed the current wording in the ordinance relating to accrued sick leave and its influence on credited service. He stated that this language was not part of his original submission and was added by the City between the first and second reading of the ordinance. Mr. Dehner explained that this practice is a violation of Chapter 185 and recommends that the plan

language be amended to come into compliance with the law. He further explained that state law does not allow "credit" for time not actually served except in the instance of military service.

Stanley Hawthorne motioned to direct Mr. Dehner to amend the ordinance to come into compliance with State Statutes and remove the current language allowing plan members to utilize accrued sick leave to influence their credited service. Motion passed unanimously.

Mr. Dehner provided a draft Operating Rules and Procedures document for the board to review and discuss at the next regular board meeting.

Administrator

With the actuary present, Jennifer Kerr, Retirement Services Director, discussed the buyback provision in the Police Officers Plan. The Board deliberated on the current wording in the ordinance as stated in Section 62-78(1) *The member contributes to the fund the sum that he would have contributed based on his salary and the member contribution rate in effect at the time that the credited service is requested, had he been a member of the system for the years or fractional parts of years for which he is requesting credit plus amounts actuarially determined such that the crediting of service does not result in any cost to the fund plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service.*

John Thomason motioned to amend the ordinance to reflect the ability to buyback service from State and Federal law enforcement agencies. Motion passed unanimously.

John Thomason moved to approve the Retirements & Refunds. Motion passed unanimously.

Ms. Kerr reported that the premium tax dollars FY2008 distribution is \$749,520.06 and will be paid to the fund within the next sixty days.

Actuary

Brad Heinrichs, Foster & Foster, Inc. appeared before the board to discuss the methodology and formula for determining contribution rates as questioned by one of the plan members. The Board must approve the added expense of having the actuary document the methodology and formula for determining contribution rates. This request would cost \$250/hr for about 8 hours of work and up to 15 pages of documentation. The information is considered proprietary and in no way is public record as it belongs to the actuarial firm and resides at their offices.

The opinion of the board was not to commission this work.

OLD BUSINESS

The nominations for the fifth trustee seat are as follows:

Michael Brossart was hired by the City of Lakeland on April 8, 1996 as a Computer Application Specialist in the Finance Department. On November 24, 1996, he was promoted to Chief Accountant. On September 22, 2002, Mr. Brossart was promoted to Business Operations Manager, and then on December 14, 2003, he was promoted to Assistant Finance Director.

Mr. Brossart holds a Bachelor's degree in Accounting and Marketing. He began his career in Accounting in 1993.

Lieutenant Mike began his law enforcement career in 1981 as a Reserve Deputy Sheriff with the Seminole County Sheriff's Office in Sanford, Florida. His career commenced at the Lakeland Police Department in 1985 as a Reserve Officer and eventually he became a full-time officer in 1986. As a police officer, Mike served as a Filed Training Officer, a member of the Street Crimes Unit and SWAT Team. In 1992, he was assigned as a Detective where he served as a Property Crimes and Burglary Detective in the Criminal Investigation Section.

Mike was promoted to Sergeant in 1994 and served as such in the Uniform Patrol Division, Special investigations Section, Community Services and Crime Prevention Unit, and the Special Operations Section that was comprised of the K-9 Unit, Domestic Abuse Response Team (DART), Field Training Program, Reserve Officer Program and Victim Assistance Unit.

Mike was promoted to Lieutenant in June 2003 and has served as a Shift Commander in the Uniform Patrol Division until he transferred to the Criminal Investigation Section as the Officer in Charge. During his tenure in the Criminal Investigation Section Mike managed the operations of various investigative units, the Lab Services Section and Victim Assistance Unit.

In July 2006, Mike was assigned to the Special Operations Section as the Officer in Charge and assumed the management of several operational components within the organization to include; the Traffic and DUI Units, Aviation Unit, SWAT Team, K-9 Unit, Filed Training Program, Reserve Officer Program, Special Events, and EOC duties.

Mike currently holds a Bachelor of Arts degree in Criminology from Saint Leo University and he is an adjunct instructor at St. Petersburg College.

Mike is a graduate of the Certified Public Managers Supervisory Management class through the Florida Center for Public Management (FCPM) at Florida State University and the FDLE Florida Criminal Justice Executive Institute Senior Leadership Program class 12.

John Thomason motioned to appoint Lieutenant Mike Link as the board's fifth seat member. Motion carried. 3-1 Stanley Hawthorne.

The Board decided to table the issue on processing retirement paychecks from the custodial bank.

A special meeting will be called to discuss the fiduciary liability insurance quotes.

NEW BUSINESS

2010 Meeting Dates – February 22, May 17, August 16, November 15

PUBLIC COMMENTS

NEXT MEETING DATE

The next regular meeting will be on December 7, 2009.

ADJOURNMENT

There being no other business the Trustees adjourned at 12:46 PM.

ANNOUNCEMENTS

Respectfully Submitted,

Approval Date: _____

Signed: _____
Greg Policastro, Chairman

Signed: _____
John Thomason, Secretary

The purpose of this meeting is to consider items on the above agenda. Minutes will be available upon request from Retirement Services. In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this* proceeding should contact Dana Blydenburgh no later than three (3) days prior to the proceeding at (863) 834-8797 for assistance; if hearing impaired, telephone the Florida Relay Service Numbers, (800) 955-8771 (TDD) or (800) 955-8770 (VOICE), for assistance.