



CITY OF LAKELAND

POLICE OFFICERS' RETIREMENT FUND (PORF)

Pension Board Meeting Minutes

Monday, February 25, 2008

The City of Lakeland Police Officers' Retirement Fund Pension Board was called to order by Chairperson Police Captain Greg Policastro at 9:10 a.m. at 219 North Massachusetts Avenue, Lakeland, Florida. Present were Board Member Police Lieutenant Jody Sisson, Board Member Police Lieutenant John Thomason, Board Member Nick Nugent, Lee Dehner of Christiansen & Dehner, P.A., Joe Bogdahn of Bogdahn & Associates, Brad Heinrichs of Foster & Foster, Inc. and Retirement Services Staff: Director Kevin Torres, Dana Blydenburgh, Annette Wieck and Deborah Stefanski.

APPROVAL OF MINUTES

Board member Thomason made a motion to approve the December 10, 2007 board meeting minutes. Board member Sisson seconded the motion. The motion passed unanimously.

ELECTION OF 2008 CHAIR AND SECRETARY

Board member Thomason made a motion to maintain the current chairperson and secretary, thus re-appointing Greg Policastro and Jody Sisson as chairperson and secretary respectively. The motion was seconded by Board member Nugent. The motion passed unanimously.

Board member Thomason made a motion to reappoint board-elected member Sisson to serve another two year term. The motion passed unanimously.

CONSULTANT REPORT

Joe Bogdahn of Bogdahn & Associates appeared before the Board to provide the quarterly investment review.

- ◆ The one year net time weighted return is 11.22% versus the policy 6.78%. This indicates the fund has exceeded the policy's returns by 4.44%.
- ◆ The fiscal year to date net time weighted return is 0.41% versus the policy -0.69%. This indicates the fund has exceeded the policy's return by 1.10% for the first quarter.
- ◆ For the period ending 12/31/2007 the portfolio is valued at \$19,696,001.

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 by felonious action. 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.

Actuarial Report

Brad Heinrichs, Foster & Foster Inc., appeared before the Board to present the Actuarial Valuation as of October 1, 2007. The total required contribution for fiscal year end 9/30/2008 has increased by 0.2%. This increase in contribution is the



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result of net unfavorable actuarial experience during the past year. The primary component of unfavorable experience was an increase in the average entry age of plan participants. The loss was partially offset by an 11.3% investment return that exceeded the 8% assumption and greater than expected mortality among inactive participants. The funding standard account balance as of 9/30/2007 is \$581,044. Board member Sisson made a motion to accept the Actuarial Report for fiscal year 2007. The motion was approved unanimously.

Board member Sisson made motion to compose a letter to Mr. Slavin, State Actuary, 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 Thomason seconded the motion. Motion passed unanimously.

PLAN MEMBERS CONCERNS REGARDING NEW CONTRACT

Mark Ingram, active employee, appeared before the Board to discuss concerns regarding the spin-off from the employee pension plan to the new police pension plan. Mr. Ingram would propose for the City of Lakeland to allow some employees to stay with the present retirement plan or to retain the present retirement plan with no changes to employee contributions and go with the new contract. Mr. Ingram submitted a letter to be attached to these minutes, see Addendum.

Herman Moulden, retiree, appeared before the Board with concerns regarding the Survivors Benefit which was not included in contract negotiations. Director Torres advised Mr. Moulden that the Survivors Benefit was not in the plan document because it is a City of Lakeland Ordinance. Mr. Moulden was advised that his concerns could not be dealt with by the Board and that he needed to bring this issue to City Management's attention.

DIRECTOR REPORT - Kevin Torres

◆ Retirements, Share Distribution, and Terminations

NAME	CHECK DATE	REASON	AMOUNT
Boggs, James M	2/16/2008	TER	\$992.95
Keappock, Kevin M	1/19/2008	TER	\$1,415.57
Moore, Deborah Ann	1/19/2008	RET	\$2,930.85
Shinn, Tana	1/19/2008	DEATH	\$1,725.73
Total	4		\$9,991.20

NAME	DOR	AMOUNT	JOB TITLE	CSD
Retired				
Moore, Deborah Ann	2/1/2008	\$1,043.55	Police Sergeant	10/1/1984
Vested				
Cain, Nicole A	11/23/2023	\$490.96	Police Officer	3 /9 /1997
Total Retirements	2			

Board member Sisson made a motion to approve the Director report. The motion passed unanimously.

MISCELLANEOUS

- ◆ PORF Board Meeting May 19, 2008

ADJOURNMENT

Upon Motion the meeting was adjourned at 11:15 a.m.



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MARK INGRAM
219 N. Massachusetts Ave.
Lakeland, FL 33801

February 24, 2008

PORF Board

RE: Pending PORF distribution changes to police officer's retirement

Dear Board Members,


The LPD Union has proposed a change to the police officer's retirement that could reduce some of our benefits by 15% or more. The present retirement consists of a yearly 3% multiplier and supplemental PORF (Police Officer's Retirement Fund). We also have an age penalty for early retirement under 60 y.o. Early retirees are penalized 3% a year for retirement from ages 50-55 and 2% a year from 56-60.

The new union retirement would have a flat yearly multiplier of 3% a year and no PORF benefit. The PORF money would be placed in the general retirement fund to help subsidize the early retirements. The PORF money would no longer be going to the individual officers who earned it. There would be no age penalty for early retirement under the new fund.

This new retirement is good for younger officers but will reduce the retirement of those of us older than 48 y.o. and who plan to retire at 55 y.o. or later. There are not enough years left to work to make up for the loss of retirement income with the new plan. The new union retirement plan is unfair to older officers.

I am proposing that the city allow a few of us to stay with our present retirement with no changes and to be absorbed into the city general fund. The few adversely affected officers would be separate from the union retirement fund. A second option would be to allow us to retain our present retirement with no changes or additional contributions and go with the union.

Sincerely,


Mark Ingram