



CITY OF LAKELAND

POLICE OFFICERS' RETIREMENT FUND (PORF)

Regular Pension Board Meeting Minutes

Tuesday, May 14, 2007

The City of Lakeland Police Officers' Retirement Fund Pension Board was scheduled for a regular meeting, Tuesday, May 14, 2007, at 9:00 a.m., at 219 North Massachusetts Avenue, Lakeland, Florida. Present were Chairperson Keith DeLoach, Board Member Police Captain Greg Policastro, Board Member Police Lieutenant John Thomason, Board Member Richard Carter, Board Counsel Lee Dehner, Board Actuary Brad Heinrichs, Retirement Services Director Kevin Torres, Deborah Stefanski, Dana Blydenburgh and Annette Wieck.

A warm welcome was extended to the newly appointed board member, Richard Carter. Additionally, a plaque of appreciation was presented to departing PORF chairman, Keith Albritton.

❖ **Approval Of Minutes**

- Motion was made to approve the minutes of the February 20, 2007; February 26, 2007; March 23, 2007; April 5, 2007 meeting minutes. Motion was seconded and carried.

❖ **Money Manager Report – Michael Sebesta, Trusco Capital Management**

- The ending portfolio market value as of March 31, 2007 was \$13,641,826.57. Over the trailing 12 months, the equity portion of the portfolio reported a return of 10.86% and the fixed income reported 6.42%. Upon inquiry by Board Member Thomason, Mr. Sebesta reported that the large cap growth portion should be trimmed back to large cap value. This action should be recommended by Larry Cole, advisor to the Board.

❖ **Actuarial Report – Brad Heinrichs, Foster & Foster, Inc.**

- Mr. Heinrichs produced an actuarial analysis report that projects contribution requirements for different proposed pension plans. The report details the projected contribution requirements as a dollar amount and as a percentage of payroll as well as a comparative analysis of other police plans in the area. Currently, Police Officer pension benefits are under negotiation and a copy of the full report contains specific details relating to the bargaining process underway.
- Mr. Heinrichs will present the 2006 valuation report at the next PORF board meeting.

❖ **Money Management Proposals**

Prior to the presentations, the board discussed the RFP process and defined those presenting today as managers of money managers. Board member Thomason made a motion to interview other traditionally defined consultants at the special meeting to take place within 3-4 weeks. Board member Policastro seconded the motion. Motion carried.

- John Daly of **Lockwood Advisors, Inc.** appeared before the board. Lockwood offers a non-discretionary program that allows the financial advisor to build portfolios by selecting money managers from the Lockwood Research Coverage list. The list includes approximately 50 money managers representing more than 90 investment options.
Mr. Daly reported that the advisor on the account will be Will Curtis. They will work together to recommend money managers with Lockwood performing the manager searches. The advisor and board would decide on hiring and firing of money managers. Director Torres inquired if the contract would be directly with Lockwood. Mr. Daly reported that the contract would be with Will Curtis and Walnut Street Investors. Lockwood's fees are 117 basis points.
- Steve Duffy of **Curian Capital** appeared before the board. Curian is a registered investment advisor headquartered in Denver, Colorado and is a wholly owned subsidiary of Jackson National Life. Curian utilizes separately managed accounts, individual stocks, exchange traded funds, and securitized cash instruments that are allocated across multiple asset classes managed by institutional money managers.
Mr. Duffy reported that Will Curtis will be the account advisor. Curian is responsible for money allocation and recommendations on the selection of money managers. Curian's fee is 120 basis points.
- Rick Mussar and David Gibbons of **ARIS** appeared before the board. They began by stating that ARIS is a pension administration firm that is based on managing risk and offering objectively selected funds.
Will Curtis will be the account advisor working with ARIS to provide performance reporting. ARIS' hard dollar bill fee is 75 basis points. The costs associated with the money managers are separate. It was estimated that the total fee would be between 110 and 130 basis points.

❖ **Legal Report – Lee Dehner, Christiansen & Dehner, P.A.**

- Mr. Dehner reviewed the 10% early withdrawal penalty applied on the 457 plan reduction in age from age 55 to age 50.
- The City of Lakeland retirees are not eligible to take advantage of an aspect of the Pension Protection Act involving \$3,000 paid toward insurance premiums to the carrier due to the self insured nature of the City's health plan.



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- The senate bill involving an effort to move the trustee term from 2 years to 4 years and to increase foreign securities allocation to a maximum of 20% did not pass. This may be reintroduced next year.
- Mr. Dehner reminded the board to file their 2006 financial disclosure forms by July 1.

❖ Director Report – Kevin Torres

- RETIREMENTS – Board Member Thomason made motion to approve the retirements. Motion carried.

| NAME | CHECK DATE | REASON | AMOUNT |
|---------------------|------------|--------|-------------------|
| Fulcher,Deziree D | 3/17/2007 | TER | \$438.20 |
| Hammersla,Michael R | 4/28/2007 | TER | \$2,027.34 |
| Total | 2 | | \$2,465.54 |

| NAME | DOR | AMOUNT | JOB TITLE | CSD |
|----------------------|------------|------------|-----------------|-----------|
| Retired | | | | |
| Jones,Charles Randal | 3/1/2007 | \$1,154.93 | Police Sergeant | 1/14/1987 |
| Vested | | | | |
| Martin,Elisa C | 1/1/2015 | \$446.58 | Police Officer | 3/16/1997 |
| Townsend,Michael A | 11/15/2019 | \$608.33 | Police Officer | 7/09/1995 |

3 Police Plan Retirements

- Director Torres discussed the hold harmless clause currently in place by the City. The fiduciary liability insurance issue was tabled until the board feels the need to research again.
- Director Torres presented the board with a resolution to change the authorized signers on the Sentinel fund to the Finance Director, Assistant Finance Director and City Treasurer. The resolution was signed by the Chairman and ad hoc Secretary, Greg Policastro.

❖ Adjournment

- Upon motion meeting was adjourned at 12:15 p.m.