



**CITY OF LAKELAND**  
**POLICE OFFICERS' RETIREMENT FUND (PORF)**  
**Regular Pension Board Meeting Minutes**  
**Tuesday, February 21, 2006**

The City of Lakeland Police Officer's Retirement Fund Pension Board was scheduled for a regular meeting, Tuesday, February 21, 2006, at 12 noon, at 500 North Lake Parker Avenue, Lakeland, Florida. Present were Chairperson Mike Smith, Board Member Police Captain Greg Policastro, Board Member Police Lieutenant Jody Sisson, Board Member Police Lieutenant John Thomason, Michael Sebesta, Larry Cole, Director Gary Clark, Tracey Downs, Dana Blydenburgh and Annette Wieck. Absent: Board Member Keith Albritton.

❖ **Approval Of Minutes**

- Motion was made to approve the minutes of the November 15, 2005 meeting and January 13, 2006 special meeting. Motion was seconded and carried.

❖ **Money Manager Report**

- Michael Sebesta from Trusco Capital Management provided a performance review for the quarter ending December 31, 2005. Portfolio earned 3.48% over for the trailing twelve month period.

❖ **Consultant Report**

- Larry Cole, Merrill Lynch Consulting Services (ML), provided a review of the fund performance for the quarter ending December 31, 2005. Total portfolio value was \$17,254,490 at quarter end. Total fund performance was 2.5% versus the target index of 1.6% for the fiscal year.

- **Investment Management Alternatives**

- Mr. Cole recommends that if the Board favors one provider then remain with Trusco, otherwise look at other alternatives. ML is concerned with the large cap growth portion Trusco is managing. Chairperson Smith asked Mr. Cole to bring other alternatives to review including Trusco to the April 18<sup>th</sup> meeting.

❖ **Actuary Report**

- Mr. Murray Cohen of Boggs and Associates appeared before the Board to give the annual actuarial review. Mr. Cohen stated the actuarial requirements changed as of April 2003 when the defined benefit plan froze and we began a Share plan. The plan is now driven by paying off the \$5.5 million unfunded liability. Mr. Cohen explained ways we could pay off the unfunded liability and how sensitive the plan is to bad investment years. The actual rate of return was 9.1% versus the assumed return rate of 8.0%. The smoothed return was 6.5%. Salary increase was 8.8% versus the assumed salary increase rate of 6.5%. Plan costs are running about 65 basis points.
- Board Member Thomason asked why we have the \$5.5 M unfunded liability. Mr. Cohen explained bad investment years, large growth in police force and the implementation of Chapter 99-1 has caused the liability.
- Board Member Sisson asked about using a pension obligation bond to pay the debt. Discussion followed.

❖ **Retirement Report**

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

NAME	DOR	AMOUNT	JOB TITLE	CSD
Martin Jr, John P	4/5/2016	\$1,009.80	Master Police Officer	2 / 8 / 1989
Arbogast, R Michael	9/1/2005	\$1,239.84	Master Police Officer	6/5/1985

- **RETIREMENTS REFUNDS** - Board Member Policastro made motion to approve the retirement refunds. Motion carried.

NAME	CONTR DATE	CHECK DATE	REASON	AMOUNT
Kranitz, William	4/3/2005	11/26/2005	TER	\$1,260.15
Segree Sr, Donald C	5/4/1998	11/26/2005	TER	\$2,678.18
Beckley, Matthew T	1/13/2003	10/15/2005	TER	\$1,093.27
Bucy, Rickey D	11/1/2004	9/3/2005	TER	\$194.81
Marlowe, David W	10/2/1989	9/3/2005	TER	\$3,778.90
Steele, Shirley M	12/16/2002	9/3/2005	TER	\$773.07

- **Share Distributions Options**

- Director Gary Clark explained 4 different share distribution calculations with a 5 and 8 year distribution schedule with and without a retiree bonus. Board Member Sisson favored the 5 year distribution schedule with a retiree bonus. Chairperson Smith favored the 8 year distribution schedule with a retiree bonus. Board Member Thomason favors giving the retirees a bonus. Board Member Sisson made motion to adopt the 5 year distribution schedule with a retiree bonus. Board Member Policastro seconded. Motion passed unanimously. Board asked for a letter to be drafted and mailed to retirees explaining the bonus.
- Share program adopted by the Board is the following:
  - Excess State money including FY 2005 distribution totals \$814,631



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- \$55,000 will be used to provide retirees a one time bonus.
- FY 2005 Share distribution will include the FY 2005 excess of \$239,966 plus \$120,000 of the remainder reducing the excess State money to be used to \$519,631.
- FY 2006 Share distribution will include the assets described in the plan plus \$200,000 of the remaining State excess monies leaving a remainder of \$319,631.
- FY 2007 Share distribution will utilize \$140,000 of this remainder.
- FY 2008 Share distribution will utilize \$100,000 of the remainder.
- FY 2009 Share distribution will utilize the remaining \$79,631.

#### ❖ **Miscellaneous**

- Upcoming tentative board meeting dates:
  - April 18<sup>th</sup>
  - May 16<sup>th</sup>
  - July 18<sup>th</sup>
  - August 15<sup>th</sup>
  - October 17<sup>th</sup>
  - November 21<sup>st</sup>

#### ❖ **Adjournment**

- Upon motion meeting was adjourned at 2:35 p.m.