

**City of Lauderhill Police Officers' Retirement Plan**  
**Minutes**  
**October 02, 2013**  
**10:00 A.M.**

**Roll Call:**

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 10:17 a.m. at the City of Lauderhill Police Department.

**Members Present:**

David Hennessy - Chairman, Michael Lucas – Secretary & Kennie Hobbs (left at 11:50 a.m.) – Trustee.

**Absent & Excused:**

Mr. Floyd Harris (FPPTA Trustee School) & Mr. Gary Celetti

**Others Present:**

Robert Klausner, Board Attorney - Klausner, Kaufman, Jensen & Levinson; Jeff Swanson, Performance Monitor - Southeastern Advisory; Dave Williams & Patty Ostrander – Precision Pension Administration & Officer Mike Gordon.

**Consent Agenda: Warrant Ratification / Approval:**

**Approval of Minutes:**

The Board of Trustees reviewed the minutes for the September 04, 2013 meeting. Mr. Hennessy asked if there were any changes required to the minutes. Mr. Lucas made a motion to approve the minutes as outlined, seconded by Mr. Hobbs. Motion passed 3-0.

**Warrant 320**

Payment of \$200.00 to Dulaney & Company, Inc. for Actuarial services through August 2013. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Lucas. Motion passed 3-0.

**Warrant 321**

Payment of \$4,407.56 to Professional Indemnity Agency, Inc. for Fiduciary Insurance Renewal for October 12, 2013 – October 12, 2014. Motion by Mr. Hobbs to approve as outlined, seconded by Mr. Lucas. Motion passed 3-0.

**Public Discussion:**

Officer Mike Gordon, FOP President attended the meeting to discuss what he felt were inequities between management & non-management police employees entering the DROP. Management was being permitted to cash out time upon entering the DROP, where as non-management employees were not being provided the same opportunity. Having the ability to cash out would enhance the final average final compensation - AFC of the members. Officer Gordon conveyed that he has already filed a grievance in this matter, to protect the members as a labor issue, but he feels it is a pension board issue. Mr. Hobbs stated the city sponsored an early retirement program for a short period to allow members to participate. That program has since closed. Officer Gordon named another member who entered the DROP who was able to cash out and was not in the city sponsored program. That member was in management. Mr. Hobbs then stated that he believes the time is pensionable, but not until the member separates service. It was interjected that the Board Actuary also takes the banked time into account when valuing the Plan costs. Mr. Klausner felt that a snapshot of the time could be taken when the member enters the DROP. This would not put the city in a situation with its budget and at the same time provide the member the opportunity to be treated alike. Mr. Klausner felt the formula would then be reasonable.

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Mr. Klausner asked for a copy of the grievance as well as the Collective Bargaining Agreement, so he could review the matter & provide his formal legal position. Mr. Hennessy expressed his concern on legal fees for this and Mr. Klausner advised him it is a reasonable expense.

### **Attorney's Report:**

- Mr. Hennessy feels that Salem Trust has not earned their fees since June 2013. Mr. Hennessy asked Mr. Williams to contact Salem Trust and get a copy of their invoices.
- Mr. Klausner will send a letter instructing Salem Trust to not automatically withdraw their fees for services rendered without Boards approval.

### **Actuary Report:**

- No report provided.

### **Southeastern Advisory Report:**

- Mr. Swanson reported that the second quarterly report has been received. Salem Trust issues were the reason for the delay.
- Mr. Swanson advised that the total fund was valued at \$39,305,985 as of June 30, 2013.
- Mr. Swanson indicated the total asset allocation for the portfolio as of June 30, 2013 was 12.5% in absolute returns, 25.2% in fixed income, 35.6% in domestic equities, 13.0% in international equities, 2.7% in Real Estate and 11.0% cash.
- ICC Capital returned 2.8% for the quarter vs. 2.7% for the benchmark, placing it in the 52<sup>nd</sup> percentile. On a one year basis, that portion of the portfolio returned 26.4% vs. 21.2% for the benchmark, placing it in the 7<sup>th</sup> percentile. ICC Capital returned 14.7% and 5.4% respectively on a three and five year basis. During that same time frame, the Benchmark returns were 18.6% and 7.1% respectively.
- Euro Pacific Growth returned -0.7% for the quarter vs. -1.0% for the benchmark, placing it in the 29<sup>th</sup> percentile. On a one year basis that portion of the portfolio returned 15.9% vs. 18.6% for the benchmark, placing it in the 41<sup>st</sup> percentile. On a three and five year basis, the return was 10.2% and 1.7% vs. 10.0% and -0.6% respectively placing it in the 29<sup>th</sup> percentile and 19<sup>th</sup> percentile.
- Oakmark International returned 3.8% for the quarter vs. -1.0% for the benchmark, placing it in the 2<sup>nd</sup> percentile. On a one year basis that portion of the portfolio returned 34.6% vs. 18.6% for the benchmark, placing it in the 1<sup>st</sup> percentile. As this is a new addition to the portfolio there are no longer term historical numbers.
- New Amsterdam returned 3.4% for the quarter vs. 2.3% for the benchmark, placing it in the 29<sup>th</sup> percentile. As this is a new addition to the portfolio there are no longer term historical numbers.
- Mr. Swanson provided an updated account balance showing the fund was valued at \$42,399,480 as of September 30, 2013.
- Mr. Swanson recommended rebalancing the new funds coming into the portfolio. Mr. Swanson proposed the following: 37.5% Oakmark, 37.5% American Funds & 25% New Amsterdam. After a brief discussion a motion to accept Mr. Swanson's recommendation was made by Mr. Hobbs, seconded by Mr. Lucas. Motion carried 3-0.
- Mr. Swanson additionally suggested that the Board earmark \$1M to the Principal Real Estate account. The funds will be placed in queue for a future capital call. Motion to accept Mr. Swanson's recommendation was made by Mr. Lucas, seconded by Mr. Hobbs. Motion carried 3-0.
- Mr. Swanson suggested sending out RFP's for Custodian services. Mr. Swanson will then bring a one page summary for review at a future meeting and making Salem Trust aware

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of same. However, no action can be taken until the current issue is resolved in full. The Board by consensus concurred with Mr. Swanson's recommendation.

- Mr. Swanson provided an ICC management update.

**Plan Administrator's Report:**

- Mr. Williams presented the GSK letters (previously approved by Mr. Kaufman) to Mr. Hennessy for signature. After board discussion, Mr. Williams was directed to e-mail Mr. Clement Johns for a billing breakdown.
- Mr. Williams provided a Notice of Nomination and Election to the trustees. Self-nominations can be made by phone or in person at the Office of Retirement from October 22, 2013 at 9:00 a.m. to October 24, 2013 at 9:00 a.m. if an election is warranted, the election dates will be October 29, 2013 and October 30, 2013 from 4:00 – 6:30 p.m. in the first floor training room. Motion to adopt election process as explained by Mr. Lucas, seconded by Mr. Hobbs. Motion carried 3-0. Copies were provided to Mr. Hennessy for distribution. Mr. Williams will also post to the Pension website.
- Mr. Williams disseminated information regarding the 43<sup>rd</sup> Annual Police and Fire Pension Trustees Conference sponsored by the State of Florida.

**New Business**

- Mr. Hobbs suggested doing an Auditor RFP for the 2014-2015 fiscal year as one has not been done in a few years. Motion for Mr. Klausner to prepare an RFP was made by Mr. Hobbs, seconded by Mr. Lucas. Motion carried 3-0. Mr. Klausner stated that his firm already has an RFP prepared. Responses from the RFP will be directed to the Plan Administrator.

**Old Business**

- No Discussion.

**Open Discussion:**

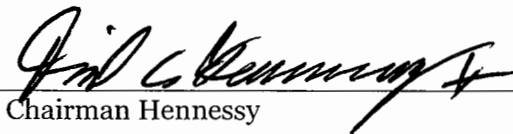
- Mr. Hennessy asked Mr. Klausner when a snapshot should be taken of the time on the books. Mr. Klausner felt it would be reasonable to obtain that information upon ratification of the new Collective Bargaining Agreement.

**Adjournment:**

Being there was no other business; the meeting was adjourned at 12:45 p.m.

Approved: \_\_\_\_\_

Chairman Hennessy



Date: \_\_\_\_\_

11-06-13