

City of Lauderhill Police Officers' Retirement Plan
Minutes
March 05, 2014
10:00 A.M.

Call to Order / Roll Call:

Mr. David Hennessy called the meeting of the City of Lauderhill Police Officers' Retirement Plan to order at 10:10 A.M. at the Lauderhill Police Department 6279 West Oakland Park Blvd in Lauderhill Florida.

Members Present:

David Hennessy - Chairman, Floyd Harris – Secretary, Gary Celetti – Trustee (arrived at 10:30 a.m. and left at 11:20 a.m.).

Absent & Excused:

Kennie Hobbs - Excused

Others Present:

Paul Daragjati – Board Attorney (arrived at 10:30 a.m.); Dave Williams – Plan Administrator; Patty Ostrander – Administrative Assistant; Jeff Swanson – Southeastern Advisory; Julie Saunders – City of Lauderhill – Finance Department (arrived at 11:00 a.m.).

Public Discussion:

None

Consent Agenda: Warrant Ratification / Approval:

Approval of Minutes:

February 12, 2014 minutes tabled.

Warrant 351

Final calculation was prepared by Don Dulaney, Board Actuary. Payment of \$7,188.70 per month to Richard Sessions for Normal Retirement. This warrant supersedes prior warrant (342) on file which was estimate. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 352

Payment of \$798.44 to Richard Sessions for a retroactive payment due for February & March 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

Warrant 353

Final calculation prepared by Don Dulaney, Board Actuary. Payment of \$9,383.13 per month to Michael Lucas for Normal Retirement. This warrant supersedes prior warrant (343) on file which was estimate. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

Warrant 354

Payment of \$2,220.64 to Michael Lucas for a retroactive payment due for February & March 2014. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 355

Payment of \$1,999.75 to Klausner, Kaufman, Jensen & Levinson for legal services through February 2014. Motion by Mr. Celetti to approve as outlined, seconded by Mr. Harris. Motion passed 3-0.

Warrant 356

Payment of \$3,600.00 to Dulaney & Company, Inc. for Actuarial services through February 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Celetti. Motion passed 3-0.

ATTORNEY'S REPORT:

Mr. Daragjati had no formal report.

Southeastern Advisory – Performance Monitor Report:

Mr. Swanson advised that the total fund was valued at \$45,353,236 as of December 31, 2013. Mr. Swanson indicated the total asset allocation for the portfolio as of December 31, 2013 was 11.0% in absolute returns, 22.0% in fixed income, 49.4% in domestic equities, 13.4% in international equities and 2.9% in cash.

Mr. Swanson proudly announced the growth of the portfolio. Over the last five years the fund has grown from \$14 Million to nearly \$46 Million today. The Board provided accolades for Mr. Swanson's expertise and commitment to the Plan.

ICC Capital returned 9.2% for the quarter vs. 10.2% for the benchmark, placing it in the 81st percentile. On a one year basis, that portion of the portfolio returned 32.4% vs. 33.1% for the benchmark, placing it in the 62nd percentile. ICC Capital returned 12.7% and 16.3% respectively on a three and five year basis. During that same time frame, the Benchmark returns were 16.3% and 18.6% respectively. Mr. Hennessy expressed his concerns with ICC and talked about giving them a few more quarters and then revisit them.

Euro Pacific Growth returned 7.8% for the quarter vs. 5.7% for the benchmark, placing it in the 13th percentile. On a one year basis that portion of the portfolio returned 20.6% vs. 22.8% for the benchmark, placing it in the 37th percentile. On a three and five year basis, the return was 7.8% and 14.2% vs. 8.2% and 12.4% respectively placing it in the 32nd and 34th percentile.

Oakmark International returned 4.7% for the quarter vs. 5.7% for the benchmark, placing it in the 58th percentile. On a one year basis that portion of the portfolio returned 29.5% vs. 22.8% for the benchmark, placing it in the 5th percentile.

New Amsterdam returned 9.0% for the quarter vs. 8.7% for the benchmark, placing it in the 67th percentile. On a one year basis that portion of the portfolio returned 45.0% vs. 36.8% for the benchmark, placing it in the top 13th percentile.

Mr. Swanson explained how the Wilshire ranking is calculated and that they are the largest consultants in the World. Mr. Swanson further stated that the results are an independent blind comparison of 273 plans.

Mr. Swanson spoke about updating the Investment Policy due to the Housing Authority proposal. He will forward an update with a cover letter prior to the April meeting.

ACTUARY'S REPORT:

Not present. Mr. Hennessy asked Mr. Williams to secure a valuation presentation date from Mr. Dulaney.

PLAN ADMINSTRATOR'S REPORT:

Mr. Williams advised the Board that Mrs. Melissa Lucas would like to enter the DROP as of February 28, 2014. DROP paperwork is complete. It was noted that contract negotiations are

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currently underway, and may have to be considered. Motion to approve same by Mr. Harris, seconded by Mr. Celetti. Motion passed 3-0.

Mr. Williams discussed the buyback request of Mr. Adrian Santana. He originally requested a four year projection and now wants to change to a two year projection. This will mean a recalculation from our Actuary. The Board asked Mr. Williams to provide a quote to Mr. Santana for the additional calculation, as he will incur the additional cost.

Mr. Williams apprised the Board of a Public Records Request from the City of Lauderhill regarding past and present DROP members. The request was processed immediately.

Mrs. Ostrander provided Mr. Hennessy the final State Report which was duly executed by Mr. Hennessy and Mr. Harris.

NEW BUSINESS:

None.

OLD BUSINESS:

Fifth Member Appointment – Mr. Celetti stated that he talked to Mr. William Berk who has decided not to pursue the 5th Member position. Mr. Hennessy restated Mr. Sam Smith's interest in this position, however is concerned about his time constraints which may prove problematic. Mr. Hennessy stated that he had a conversation with Mr. Kaufman & Mr. Klausner regarding the Fifth Member position. It was conveyed to him that they might have an interested party or parties for the Board to consider. No further action, matter tabled.

OPEN DISCUSSION:

Mr. Hennessy introduced Ms. Saunders from the City of Lauderhill Finance Department. Ms. Saunders presented a \$1 Million proposed Promissory Note to the Board from the Housing Authority. The proposal was for a ten year note commencing on July 2014, with a rate of 5 1/2%. Mr. Hennessy voiced his concern with the interest rate & duration. Mr. Swanson shared other fixed income vehicles for the Board to consider as comparable rates to the Promissory Note. Mr. Swanson reflected that he was not opposed to the investment as long as this portion of the portfolio fell below the established 5% rule. After discussion, Mr. Harris made a motion to approve the Promissory Note for a ten year duration with a rate of 6% for \$1 Million based on review & approval of the Investment Monitor & the Board Attorney. Mr. Harris also asked to include assignment language in the Note. This motion was seconded by Mr. Celetti. Motion passed 3-0.

Mr. Hennessy asked to move the May 7th meeting to May 14th. There was no opposition. Mrs. Ostrander will advise all concerned parties and update the website accordingly.

ADJOURNMENT:

Being there was no other business; Mr. Hennessy adjourned the meeting at 11:56 a.m.

Approved: _____

Chairman Hennessy

Date: _____

4-9-14