

Regular Meeting Minutes
Board of Trustees of the City of Winter Garden
Pension Plan for General Employees
June 2, 2015

A **REGULAR MEETING** of the Board of Trustees of the Pension Plan for General Employees was called to order by Vice-Chairman Mark Griffith at 3:31 p.m. in Conference Room 213 at 300 West Plant Street, Winter Garden, Florida 34787-3009.

PRESENT: Vice-Chairman Mark Griffith, Secretary Peggy Carpenter, Board Member Joseph Conn, John Thinnes of Bogdahn Consulting, L.L.C., Scott Christiansen of Christiansen & Dehner, P.A., Grant McMurry and Tom Riznia of Highland Capital Management,LLC., Brian Bizzell and Lynn Skinner of Salem Trust Co., and Frank Gilbert, Laura Zielonka, Elizabeth Medina, and Ariel Kenon of City Staff. Board Member Dan Kuhl arrived at 4:02 p.m.

APPROVAL OF MINUTES

Approval of minutes of the regular meeting dated March 3, 2015. **Motioned by Board Member Conn to approve the minutes. Seconded by Secretary Carpenter and carried 3-0.**

INVESTMENT REPORTS

Grant McMurray of Highland Capital Management, LLC. presented his firm's Investment Review for the Quarter Ending March 31, 2015. The Highland portfolio had a market value of \$9 million at the end of the quarter. Returns were 2.92% for the period, 5.72% fiscal year-to-date, and an annualized return of 10.64% for the past five years. The market value allocation of the Highland portfolio was 4.5% in Cash & Equivalents, 61.6% in Common Stock, and 33.9% in ADRs.

John Thinnes of Bogdahn Consulting, L.L.C. presented his firm's investment performance review for the Period Ending March 31, 2015. The fund experienced net inflow of \$90,637 and investment gains of \$389,661 resulting in an ending balance of \$23,994,775 as compared to the previous quarter of \$23,514,477. The current net rate of return for the quarter is 2.17% compared to the policy index of 1.88%. For the trailing 1 year, 3 years, 5 years, and since inception, the fund has had annualized returns of 8.79%, 11.00%, 10.18%, and 5.93%, respectively. John also provided the bids requested by the Board from the last meeting to consider a replacement custodian for Salem.

Brian Bizzell and Lynn Skinner of Salem Trust Co. attended the meeting to address the Board's concerns with the audit report they were informed of in the prior meeting. They explained to the Board that their transition to a new trust accounting system back in 2013 was difficult and placed a strain on their operations, causing numerous problems that resulted in the opinion. They've since then corrected these issues and are confident that they will pass the audit in the coming months. Mr. Christiansen also informed the Board that the majority of his clients decided to remain with Salem understanding that this was a one-time event under the circumstances. The Board decided to take no actions until Salem's next audit results are available.

OLD BUSINESS

There was no old business for discussion.

NEW BUSINESS

The Board discussed the return of contributions to vested member Angela Ewanitz. **Motioned by Board Member Conn to approve the return of contributions to vested member Angela Ewanitz. Seconded by Secretary Carpenter and carried 4-0.**

The Board discussed the overpayment of benefits to retiree Lana Dees and determined that she would pay \$179.86 over 18 months. **Motioned by Board Member Kuhl to approve the repayment plan. Seconded by Secretary Carpenter and carried 4-0.**

The Board reviewed a quote provided by Travelers Insurance for a \$1,000,000 annual aggregate limit for fiduciary liability insurance, with a \$2,500 deductible per claim, an annual premium cost of \$5,629.00, and a three year term. **Motioned by Board Member Conn to approve the quote from Travelers Insurance. Seconded by Board Member Kuhl and carried 4-0.**

MATTERS OF THE CHAIRMAN AND BOARD MEMBERS

There were no matters of the Chairman and Board Members.

ATTORNEY'S REPORT

Mr. Christiansen inquired again on whether the Vice-Chairman had been re-appointed by the City Commission and reminded the Board that both Board Member Kuhl and Secretary Carpenter's terms will be ending September 30, 2015. Mr. Kenon replied that Vice-Chairman Griffith had been reappointed.

Mr. Christiansen informed the Board that it was time to update the Summary Plan Description to incorporate any new Trustees or changes in the ordinances. He requested the Board vote to give him authorization to update the Summary Plan Description. **Motioned by Board Member Conn to authorize changes to the Summary Plan Description. Seconded by Secretary Carpenter and carried 4-0.**

Mr. Christiansen reminded the Board that they needed to complete and file their Financial Disclosure forms by July 1st to avoid a \$25 per day penalty.

Mr. Christiansen informed the Board they were in the process of finalizing plan changes to maintain the tax status of the plan with the IRS. He also spoke to them about a new legislative bill that could affect the plan by requiring the plan to use the mortality table used by Florida Retirement Systems, but it wouldn't be in effect until the 2016 plan evaluation.

Mr. Christiansen informed the Board that ICC Capital Management is now Highland Capital Management and they were in the process of updating their agreement and will present it to the Board once it's been finalized.

Lastly, Mr. Christiansen inquired about an issue brought up at the last meeting regarding prior service being awarded to employees by the commission. Assistant City Manager of Administrative Services Frank Gilbert replied that the issue was being worked on by the City Manager and he would notify Mr. Christiansen once a decision has been made.

BILLS AND EXPENSES FOR APPROVAL

The following bills and expenses were presented to the Board for Approval:

- A. Bogdahn Group Consulting invoice 11949 dated March 16, 2015 in the amount of \$4,375.00
- B. Christiansen & Dehner, P.A. invoice 26317 dated February 28, 2015 in the amount of \$265.30.
- C. Christiansen & Dehner, P.A. invoice 26318 dated February 28, 2015 in the amount of \$2,274.78.
- D. Christiansen & Dehner, P.A. invoice 26458 dated March 31, 2015 in the amount of \$1,331.45.
- E. Christiansen & Dehner, P.A. invoice 26459 dated March 31, 2015 in the amount of \$76.78.
- F. Foster & Foster, Inc. invoice 6985 dated February 27, 2015 in the amount of \$15,590.00.
- G. Garcia Hamilton & Associates, L.P. invoice 25819 dated April 22, 2015 in the amount of \$3,738.60.
- H. ICC Capital Management Invoice 57534355 dated March 31, 2015 in the amount of \$9,075.09.
- I. Sawgrass Asset Management statement dated April 8, 2015 in the amount of \$9,402.00.

Motioned by Board Member Conn to approve the Bills and Expenses as presented. Seconded by Board Secretary Carpenter and carried 4-0.

ADJOURNMENT

Meeting was adjourned at 4:29pm

Chairman

Vice-Chairman