

Regular Meeting Minutes  
Board of Trustees of the City of Winter Garden  
Pension Plan for General Employees  
March 1, 2016

A **REGULAR MEETING** of the Board of Trustees of the Pension Plan for General Employees was called to order by Chairman Theo Graham at 3:30 p.m. in Conference Room 213 at 300 West Plant Street, Winter Garden, Florida 34787-3009.

**PRESENT:** Chairman Theo Graham, Board Member Jacqueline Mathis, Board Member Michael Cotton, John Thinnes of Bogdahn Consulting, L.L.C., Scott Christiansen of Christiansen & Dehner, P.A., Grant McMurry and Todd Wishnia of Highland Capital Management, LLC., Douglas Lozen of Foster and Foster, Mark Rhein of Salem Trust Co., and Ariel Kenon of City Staff.

**APPROVAL OF MINUTES**

Approval of minutes of the regular meeting dated December 1, 2015. **Motioned by Board member Cotton to approve the minutes. Seconded by Board Member Mathis and carried 3-0.**

**INVESTMENT REPORTS**

Grant McMurray of Highland Capital Management, LLC. presented his firm's Investment Review for the Quarter Ending December 31, 2015. The Highland portfolio had a market value of \$8.6 million at the end of the quarter. Returns were 5.58% for the period, -1.29% for the year, and an annualized return of 8.14% for the past five years. The market value allocation of the Highland portfolio was 5.1% in Cash & Equivalents, 63.6% in Common Stock, and 31.3% in ADRs.

John Thinnes of Bogdahn Consulting, L.L.C. presented his firm's investment performance review for the Period Ending December 31, 2015. The fund experienced net inflows of \$91,888 and investment gains of \$597,482 resulting in an ending balance of \$23,554,157 as compared to the previous quarter of \$22,864,786. The current net rate of return for the quarter is 3.07% compared to the policy index of 3.26%. For the past 1 year, 3 years, 5 years, and since inception, the fund has had annualized returns of .05%, 9.30%, 8.30%, and 5.54%, respectively.

**OLD BUSINESS**

Mark Rhein of Salem Trust Co. briefly presented the board with an update on the status of the company stating that there have been no operational issues that have affected the plan in the past two years. Retirees received their 1099s earlier this year because they were prepared and sent on January 10<sup>th</sup>, prior to the deadline of the 31<sup>st</sup>. Lastly, Mr. Rhein informed the Board of an opportunity to reclaim foreign taxes through contracted party and would update the Board on the fees that would be withheld from the reclamation once he received updated figures on available monies to be claimed.

**NEW BUSINESS**

The Board discussed the approval of the benefit calculations and benefit selections for members Emmitt Haggins, Michael Lundskow, and Victoria Ward as well as the return of contributions to non-vested members Charlene White, Craig Sandt, and vested member Rene Collazo (Agenda items

A through F). **Motioned by Board Member Cotton to approve agenda items A through F. Seconded by Board Member Mathis and carried 3-0.**

Mr. Lozen recommended the Board conduct an experience study to review and update the assumptions used in conducting the actuarial evaluation each year. Upon inquiry of the Board, Mr. Lozen informed them that the cost would not exceed \$8,000.00. **Motioned by Board Member Cotton to approve the experience study with a cost not to exceed \$8,000.00. Seconded by Board Member Mathis and carried 3-0.**

Mr. Lozen presented the Actuarial Valuation as of October 1, 2015, showing a decrease in employer contributions from 10.49% of payroll for fiscal year 2016 to 9.55% of payroll for fiscal year 2017. **Motioned by Board Member Cotton to approve the Actuarial Valuation. Seconded by Board Member Mathis and carried 3-0.**

The Board discussed and determined the expected annual rate of investment return for the next year, the next several years, and the long-term thereafter to be 7.25%. **Motioned by Board Member Cotton to approve the expected investment rate of return of 7.25% for the next year, the next several years, and the long-term thereafter. Seconded by Board Member Mathis and carried 3-0.**

#### **MATTERS OF THE CHAIRMAN AND BOARD MEMBERS**

There were no matters of the Chairman and Board Members.

#### **ATTORNEY'S REPORT**

Mr. Christiansen reminded the board that the new Summary Plan Description had not been distributed by the last meeting in December and inquired as to whether they have since been. Mr. Kenon replied that they had.

Lastly, Mr. Christiansen informed the Board that the Internal Revenue Code changes to the General plan have still been postponed in order to meet the deadline for changes to the Fire & Police Pension Plan and would continue with the General plan's changes once those were completed.

#### **BILLS AND EXPENSES FOR APPROVAL**

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

- A. Bogdahn Group Consulting invoice 13339 dated December 24, 2015 in the amount of \$4,375.00
- B. Christiansen & Dehner, P.A. invoice 27710 dated December 31, 2015 in the amount of \$1,102.78.
- C. Garcia, Hamilton, & Associates, L.P. invoice 26623 dated January 12, 2016 in the amount of \$3,686.56.
- D. Highland Capital Management, LLC invoice 11449 dated January 07, 2016 in the amount of \$8,683.00.
- E. Salem Turst Co. fee advice dated October 15, 2015 in the amount of \$3,216.27.
- F. Sawgrass Asset Management statement dated January 11, 2016 in the amount of \$9,164.00.

**Motioned by Board Member Cotton to approve the Bills and Expenses as presented. Seconded by Board Member Mathis and carried 3-0.**

**ADJOURNMENT**

Meeting was adjourned at 4:23pm

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary