

Regular Meeting Minutes
Board of Trustees of the City of Winter Garden
Pension Plan for General Employees
September 6, 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 3:27 p.m. in Conference Room 213 at 300 West Plant Street, Winter Garden, Florida 34787-3009.

PRESENT: Chairman Theo Graham, Secretary Dan Kuhl, Board Member Jaquelin Mathis, Board Member Michael Cotton, John Thinnies of Bogdahn Consulting, L.L.C., Scott Christiansen of Christiansen & Dehner, P.A., Todd Wishnia of Highland Capital Management, LLC., Douglas Lozen of Foster and Foster, and Laura Zielonka, Steven Santiago, and Ariel Kenon of City Staff.

APPROVAL OF MINUTES

Approval of minutes of the regular meeting dated May 31, 2016. **Motioned by Secretary Kuhl to approve the minutes. Seconded by Board Member Cotton and carried 4-0.**

INVESTMENT REPORTS

Todd Wishnia of Highland Capital Management, LLC presented his firm's investment review for the Quarter Ending June 30, 2016. The Highland portfolio had a market value of \$8.8 million at the end of the quarter. Returns were 1.30% for the period, 7.37% fiscal year-to-date, and an annualized return of 7.66% for the past five years. The market value allocation of the Highland portfolio was 7% in Cash & Equivalents, 64.2% in Common Stock, and 28.8% in International Equity.

John Thinnies of Bogdahn Consulting, L.L.C. presented his firm's investment performance review for the Period Ending June 30, 2016. The fund experienced net inflows of \$281,313 and investment gains of \$148,579 resulting in an ending balance of \$24,389,382 as compared to the previous quarter of \$23,959,489. The current net rate of return for the quarter is 1.23% compared to the policy index of 2.07%. Fiscal year to date and for the past year, 3 years, 5 years, and since inception, the fund has had annualized returns of 6.38%, 1.81%, 7.48%, 7.81% and 5.57%, respectively.

Mr. Thinnies also suggested for Highland Capital to transfer funds from the Goldman Sachs Financial Square Prime Money Market fund to the Goldman Sachs Financial Square Treasury Obligation Fund to avoid negative yields. **Motioned by Secretary Kuhl to transfer funds from the Goldman Sachs Financial Square Prime Money Market fund to the Goldman Sachs Financial Square Treasury Obligation Fund. Seconded by Member Mathis and carried 4-0.**

Lastly, Mr. Thinnies requested an addendum to update the original agreement with Bogdahn Consulting, LLC from March 2010. Their request is for a fee increase from \$17,500.00 to \$22,500.00 annually and guaranteed for three years. **Motioned by Secretary Kuhl to approve the addendum to the agreement with Bogdahn Consulting, LLC to include a fee increase from \$17,500.00 to \$22,500.00 annually and guaranteed for three years. Seconded by Member Cotton and carried 4-0.**

OLD BUSINESS

Ariel Kenon updated the Board regarding training and Florida Public Pension Trustees Association (FPPTA) membership. He informed the board that they hadn't been members since 2012. 2017 membership and trustee school rates had not been released but membership dues remained the same at \$600 and trustee school registration fees were increased by \$50 from 2012 to 2016. **Motioned by Secretary Kuhl to approve 2017 FPPTA membership and dues. Seconded by Member Cotton and Carried 4-0.**

Mr Christiansen suggested the Board authorize for any members to attend January trustee school in advance. **Motioned by Member Cotton to approve the January trustee school attendance for the Board. Seconded by Secretary Kuhl and carried 4-0.**

NEW BUSINESS

Douglas Lozen from Foster and Foster presented the experience study approved at the Board's request back in the March 1, 2016 meeting. **Motioned by Secretary Kuhl to adopt the new assumptions in the experience study in conjunction with the October 1, 2016 valuation with the exception that the investment return assumption will remain at 7.25% net of fees. Seconded by Member Cotton and carried 4-0.**

The Board discussed survivor benefits for Barkley Wilson and the return of contributions to non-vested members Mark Jones, Robert Munger, and John Murphy. **Motioned by Secretary Kuhl to approve the survivor benefits for Barkley Wilson and the return of contributions to non-vested members Mark Jones, Robert Munger, and John Murphy. Seconded by Board Member Cotton and carried 4-0.**

The Board discussed the disposition for failure to return PF-11 Confirmation of Receipt of Retirement benefits for death beneficiary Kaitlyn Reichert. Mr. Kenon informed the Board that he received a faxed and copy of the form and was waiting on the original. Mr. Christiansen advised the Board not to take any action until the next meeting if the original form had not been received.

The Board discussed the member seat election results, with the regular seat awarded to Steve Santiago. **Motioned by Member Cotton to certify the member seat regular election results. Seconded by Secretary Kuhl and carried 4-0.**

The Board discussed the City's request for a calculation to transfer employees Marc Hutchinson and Viki Taylor from the Defined Contribution Plan to the Pension Plan for General Employees. Mr. Christiansen advised Mrs. Zielonka that the City would not need Board approval and could request the calculation by completing the required paperwork but the employees would be responsible for any actuarial fees incurred.

MATTERS OF THE CHAIRMAN AND BOARD MEMBERS

There were no matters of the Chairman and the Board.

ATTORNEY'S REPORT

Mr. Christiansen reminded the board that the terms that would be ending for Chairman Graham and Board Member Mathis on September 30, 2016 and Vice-Chairman Griffith would need to be reappointed at the next meeting since his term will be ending on December 31, 2016. He also informed the board that they would need to select officers at the next meeting as well.

Mr. Christiansen informed the Board that everyone turned in their financial disclosure forms with the State and reminded Mrs. Mathis to file an exit form when her term ends.

Lastly, Mr. Christiansen updated the Board on ordinance changes from the last meeting. They've resolved the issue involving prior credited service and are still working on finalizing a reduction in retirement age and the addition of a DROP option to the plan.

BILLS AND EXPENSES FOR APPROVAL

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

- A. Bogdahn Group Consulting invoice 17315 dated June 30, 2016 in the amount of \$4,375.00
- B. Christiansen & Dehner, P.A. invoice 28333 dated May 31, 2016 in the amount of \$948.34.
- C. Foster & Foster invoice 9045 dated July 22, 2016 in the amount of \$3,947.00.
- D. Garcia, Hamilton, & Associates, L.P. invoice 27225 dated July 18, 2016 in the amount of \$3,883.98
- E. Gibson & Wirt, Inc. invoice 43718 dated May 16, 2016 in the amount of \$5,629.00.
- F. Highland Capital Management, LLC Invoice 12832 dated July 5, 2016 in the amount of \$8,799.96
- G. Salem Trust Co. fee advice dated July 15, 2016 in the amount of \$3,696.62.
- H. Sawgrass Asset Management statement dated July 13, 2016 in the amount of \$9,517.18.

Motioned by Member Cotton to approve the Bills and Expenses as presented. Seconded by Board Member Mathis and carried 4-0.

ADJOURNMENT

Meeting was adjourned at 4:36 pm

Chairman

Secretary