

**City of Lauderhill Police Officers' Retirement Plan**  
**Minutes**  
**August 06, 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 10:11 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 & Sam Smith – Trustees.

**Absent & Excused:**

Kennie Hobbs

**Others Present:**

Paul Daragjati – Board Attorney; Dave Williams – Plan Administrator & Patty Ostrander – Administrative Assistant (left at 11:25 A.M.), Grant McMurray – ICC Investment Manager and Jeff Swanson – Southeastern Advisory (left at 11:20 A.M.)

**Public Discussion:**

No Comments Provided

**Approval of Minutes:**

The Board of Trustees reviewed the minutes for the July 09, 2014 meeting. Mr. Smith made a motion to approve the minutes, seconded by Mr. Harris. The motion passed 4-0.

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

**Warrant 383**

Payment of \$7,898.25 to ICC Capital Management Payment from period April 01, 2014 to June 30, 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 384**

Payment of \$27,467.86 (as per Board Actuary) to Charles Schwab & Co. FBO Jesse Elmore for a Refund of his pension contributions via a qualified rollover. Motion by Mr. Smith to approve as outlined, seconded by Mr. Celetti. Motion passed 4-0.

**Warrant 385**

Payment of \$5,450.54 to Salem Trust Company for Custodial Fees from period April 01, 2014 to June 30, 2014. Motion by Mr. Smith to approve as outlined, seconded by Mr. Celetti. Motion passed 4-0. Mr. Swanson will check with Salem Trust regarding a difference in the account balance.

**Warrant 386**

Payment of \$7,548.46 to New Amsterdam Partners, LLC from period July 01, 2014 to September 30, 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 387**

Payment of \$450.00 to FPPTA for Floyd Harris to attend the FPPTA Annual Conference in October 2014. Motion by Mr. Smith to approve as outlined, seconded by Mr. Celetti. Motion passed 4-0.

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**Warrant 388**

Payment of \$1,390.00 to Dulaney & Company, Inc. for Actuarial services through July 2014. Motion by Mr. Harris to approve as outlined, seconded by Mr. Smith. Motion passed 4-0.

**Warrant 389**

Payment of \$1,301.75 to Klausner, Kaufman, Jensen & Levinson for legal services through July 2014. Motion by Mr. Smith to approve as outlined, seconded by Mr. Harris. Motion passed 4-0.

**ATTORNEY'S REPORT:**

Mr. Daragjati presented a draft ordinance for the Board to consider. This ordinance was developed as a result of a collective bargaining agreement between the City and the Union. Upon doing so, trustees had more questions than answers. Trustees were concerned with the timing on member's contributions. Mr. Hennessy was concerned that a city snap shot of the time on the books was never taken. By consensus, the Board wanted Mr. Klausner to be involved in this discussion. Furthermore, the Board also felt that Mr. Dulaney should be an active participant as well. Mr. Daragjati advised the trustees that they should not move forward on this matter until clarity is received.

**ACTUARY'S REPORT:**

No report.

**INVESTMENT REPORT – ICC**

Mr. McMurray reported that Mr. Stack is now the acting President. A new CEO is effective 07-01-14.

Mr. Stack indicated that as of 06-30-14, the portfolio had a market value of \$6,318,603. The allocation at the end of the quarter based on each asset class is as follows: 5.7% in cash, 30.3% in growth equity, 64.0% in value equity.

Investment performance for the quarter (06-30-14) by asset category is as follows: Value 4.40% vs. the benchmark of 5.12%, growth 4.38% vs. 5.12% for the benchmark. This equates to a quarterly return of 4.39% vs. 5.12%. These numbers are gross basis.

Investment performance for the fiscal year through 06-30-14 by asset category is as follows: Value 16.84% vs. the benchmark of 18.24%, growth 15.18% vs. 18.24% for the benchmark. This equates to a quarterly return of 16.32% vs. 18.24%. These numbers are gross basis.

The investment performance on a five year basis by asset category is as follows: Value 16.72% vs. the benchmark of 19.25%. This equates to a total return of 17.07% vs. 19.25%. These numbers are gross basis.

**Southeastern Advisory – Performance Monitor Report:**

Mr. Swanson advised that the total fund was valued at \$46,465,278 as of June 30, 2014. Mr. Swanson indicated the total asset allocation for the portfolio as of June 30, 2014 was 8.9% in absolute returns, 17.5% in fixed income, 48.9% in domestic equities, 15.5% in international equities, 0.6% in cash and 8.6% in real estate.

ICC Capital returned 4.4% for the quarter vs. 5.1% for the benchmark, placing it in the 78<sup>th</sup> percentile. On a one year basis, that portion of the portfolio returned 21.5% vs. 25.4% for the benchmark, placing it in the 93<sup>rd</sup> percentile. ICC Capital returned 13.3% and 16.8% respectively on a three and five year basis. During that same time frame, the Benchmark returns were 16.6% and 19.3% respectively.

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Euro Pacific Growth returned 2.9% for the quarter vs. 4.1% for the benchmark, placing it in the 78<sup>th</sup> percentile. On a one year basis that portion of the portfolio returned 22.4% vs. 23.6% for the benchmark, placing it in the 33<sup>rd</sup> percentile. On a three and five year basis, the return was 7.4% and 12.3% vs. 8.1% and 11.8% respectively placing it in the 35<sup>th</sup> and 33<sup>rd</sup> percentile.

Oakmark International returned 1.4% for the quarter vs. 4.1% for the benchmark, placing it in the 92<sup>nd</sup> percentile. On a one year basis that portion of the portfolio returned 21.1% vs. 23.6% for the benchmark, placing it in the 41<sup>st</sup> percentile.

New Amsterdam returned 1.1% for the quarter vs. 3.6% for the benchmark, placing it in the 99<sup>th</sup> percentile. On a one year basis that portion of the portfolio returned 25.8% vs. 25.6% for the benchmark, placing it in the top 57<sup>th</sup> percentile.

Mr. Hennessy asked Mr. Swanson about ICC's performance. Mr. Swanson replied that he may seek future changes splitting the assets in a passive product, but to stay the course at this juncture. Mr. Swanson was hopeful that ICC would out perform in a down market which would be beneficial to the Plan.

Mr. Swanson indicated that our current cash inflows were as follows: 25% to New Amsterdam, 75% to International. Mr. Swanson wanted to alter the cash flows as follows: 50% PIMCO Total Return and 50% PIMCO Investment Grade Corp Bond. The Trustees concurred with the recommendation provided by Mr. Swanson. Mr. Celetti made the motion to proceed with the changes as outlined above. This motion was seconded by Mr. Smith. Motion passed 4-0. Mr. Swanson will prepare a sample letter to the Administrator. Mr. Williams will finalize the changes with Salem Trust.

Mr. Swanson also noted that going forward we have \$1M investment pending with the Housing Authority and \$1M pending with Principal. Mr. Swanson expects the Principal account to be called by year end. Mr. Swanson felt that the Board should consider entering another queue with JP Morgan for \$1M. It could take 12-18 month for the funds to be called. The Trustees concurred with the recommendation provided by Mr. Swanson. Mr. Harris made a motion as outlined above. This motion was seconded by Mr. Celetti. Motion passed 4-0. Mr. Swanson will follow up with representatives from JP Morgan and Mr. Williams will finalize all the requirements to enter the queue. Mr. Swanson left at 11:20 A.M.

### **PLAN ADMINISTRATOR'S REPORT:**

Mr. Williams indicated that Salem Trust wants all the Plan vendors to enter into an ACH Agreement instead of mailing payments via check. Salem provided a form for the Board to execute so they may pursue the matter directly with each vendor. The Board agreed by consensus and Mr. Hennessy executed.

Travel Card Update provided by Mr. Williams. The applications were received by three of the five trustees.

Annual retiree mail out was undertaken for the purpose of retirement confirmations. This is conducted as part of our annual internal review with the auditor. Mr. Williams provided information on two upcoming educational events.

### **OLD BUSINESS:**

**RFP Independent Auditing Services** – Matter tabled.

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**OPEN DISCUSSION:**

Mr. Hennessy had a question regarding how retirement benefits are calculated. It was felt that it would be best for Mr. Dulaney to be present and comment on any questions of this nature. Mr. Williams will invite Mr. Dulaney to the next meeting.

**ADJOURNMENT:**

Being there was no other business; Mr. Hennessy adjourned the meeting at 12:09 P.M.

Approved:  Date: 09-10-14  
Chairman Hennessy