

**CITY OF FT. PIERCE POLICE PENSION PLAN
MINUTES OF WORKSHOP HELD
August 20, 2003**

Sgt. Tony Hurtado called a workshop of the Board of Trustees to order on **August 20, 2003** at 2:10 PM.

TRUSTEES PRESENT Sergeant Antonio Hurtado
Ken Bloomfield

OTHERS PRESENT Noreen Dryer, Smith, Schuster & Russell, P.A.
Scott Baur and Nick Schiess, Pension Resource Center
Rob Little and Dave West, Burgess Chambers & Associates
Helen Donahue, Montag & Caldwell
Janey Singer, City of Ft Pierce
Steve Palmquist, Gabriel, Roeder, & Smith

MINUTES

The Trustees reviewed the Minutes for the meeting of May 21, 2003.

FINANCIAL REPORT

Janey Singer reported a balance of \$212,943.51 in the Plan's Harbor Federal checking account as of August 20, 2003.

ACTUARY REPORT

Steve Palmquist appeared before the Board on behalf of Gabriel, Roeder, & Smith. He reported that the amount of \$11, 651 was taken from the State Contribution Reserve to meet the required funding level due to negative investment returns. He then discussed the asset smoothing technique and projected that the amount of \$50,000 to \$100,000 must come from the reserve account each of the next years because the investment losses of prior years. Mr. Palmquist reported that the balance in the reserve account was in excess of \$1,000,000.

INVESTMENT MONITOR REPORT

Rob Little reported on the investment performance on behalf of Burgess Chambers & Associates for the quarter ending June 30, 2003. Investment earnings were positive at 6.0% compared to the benchmark return of 10.3%. The under performance was due to a return of only 9.4% for equities versus the benchmark return of 15.4%. The return on the Bond portfolio was 2.9% compared to the benchmark return of 2.7%. Mr. Little reported that the investment gain was \$345,913 for the quarter and \$548,827 for the fiscal year-to-date. He noted that over the long term, the Fund had out performed the benchmark and with less volatility.

Mr. Little reviewed and discussed the compliance checklist.

Mr. Little reported that \$260,000 was being held in the Fund's SunTrust account waiting to fund the new International Equity portfolio.

MONTAG & CALDWELL INVESTMENT COUNCIL

Helen Donahue appeared before the Board on behalf of Montag & Caldwell to deliver an Investment Management report. She updated the Board on personnel changes and reviewed the history of the investment firm noting a long relationship with the Plan.

Ms. Donahue reported that the investment earnings for Equities for the quarter ending June 30, 2003 were 9.3%. Although the portfolio performed well on an absolute basis, it did not do well compared to the benchmark return of 15.4% due to the portfolio's higher quality bias and the fact that the lower quality stock component of the index delivered the highest returns. She then reviewed the portfolio in great detail.

Ms. Donahue reviewed economic and market conditions in detail and anticipated Equity returns of just 3-4% and Bond returns to remain flat or negative.

NEW BUSINESS

A letter dated May 29, 2003 from a retired Participant, Warren Harden, was submitted to the Board. In this letter, Mr. Harden reviewed the benefit awarded him for a duty-related disability and also requested that questioned whether the benefit had been calculated properly. Noreen Dryer agreed to contact the City and research whether Mr. Harden was granted the benefits that he was entitled to under the Plan.

ATTORNEY REPORT

Noreen Dryer reported that proposed Ordinance redefining asset allocation had passed.

Ms. Dryer discussed the purchase of service credit for military service and advised the Board that the provisions of the General Employees' Pension Plan would apply.

Ms. Dryer then discussed the issue of a supplemental health benefit to help defray the cost of medical insurance until a retiree is of age to qualify for Medicare. She advised the board that this benefit would require an Ordinance change.

Ms. Dryer advised the Board that the terms for Trustee Brian Humm and Gloria Johnson were expiring and that an election would need to be forthcoming for Mr. Humm's position. The procedure for Trustee elections was briefly discussed.

Ms. Dryer Reported the receipt of Chapter 185 premium tax money by the City in the amount of \$366,000, an increase from the amount of \$312,00 received in the year 2002. A discussion arose to the investment of these monies. An additional discussion ensued to

the funding of the international equity portfolio at the target 5% of the total Fund portfolio. The \$285,00 needed to fund the new portfolio would come from the pension fund checking account maintained by the City of Fort Pierce. Janey Singer will move additional funds from the checking account to Suntrust for management by Montag.

ADMINISTRATOR'S REPORT

Scott Baur reminded the Trustees that Financial Disclosure Forms should have already been submitted by July 1, 2003. As a matter of information, Mr. Scott Baur provided a list of upcoming educational conferences.

Mr. Baur provided the Board with a signed copy of the Ordinance that had passed April 8, 2003.

Mr. Baur advised the Board that the Participants of the Fund would be better served with additional services provided by the Pension Resource Center. With the Trustees' permission, a presentation of additional services was scheduled for the next meeting.

There being no further business and the next meeting having been previously scheduled for November 19, 2003 at 2:00 PM, the meeting was adjourned at 3:27 PM.

Respectfully submitted,

Secretary