

**MINUTES OF THE LADY LAKE
SPECIAL POLICE PENSION BOARD MEETING
LADY LAKE, FLORIDA**

July 20, 2016

The Police Pension Board Meeting was held in the Town Hall Commission Chambers at 409 Fennell Blvd., Lady Lake, Florida.

MEMBERS PRESENT: Chairperson/Member Capt. Jason Brough; Member Capt. Robert Tempesta; Member John Schmied; Member Leonard Cieciek, and Member Pete Chiasson

TOWN STAFF PRESENT: Kris Kollgaard, Town Manager; Chris McKinstry, Police Chief; and Nancy Slaton, Deputy Town Clerk

1. Roll Call: Chairperson/Member Capt. Jason Brough called the meeting to order at 2:30 p.m. with all members present.

2. Public Comment: Chairperson/Member Capt. Brough asked if anyone in the audience had any comments or questions.

Town Manager Kris Kollgaard commented that Eustis has a different Police Pension attorney than Christiansen & Dehner, and if the Board does not choose an applicant today, she can make a call to see if Eustis' Police Pension attorney would consider handling the disability hearing that is pending.

Member Chiasson asked if the disability hearing has been rescheduled.

Ms. Kollgaard replied that the Town cannot reschedule it until an attorney has been appointed to handle it, and that the claimant's attorney has been notified of the circumstances.

There were no objections to this suggestion.

3. Review of Responses to RFP No. 2016-0006 – Legal Services for the Police Pension Board

Chairperson/Member Capt. Brough asked for comments on the proposal received in response to the advertisement of RFP No. 2016-0006 for legal services for the Police Pension Board.

Member Chiasson stated he noted that this firm has no specific experience on a pension board.

Chairperson/Member Captain Brough stated he noted that as well.

Ms. Kollgaard pointed out that the firm does have some experience with the State of Florida Retirement System.

Chairperson/Member Captain Brough read the excerpt from the proposal which stated that the firm has provided legal advice regarding the Florida State Retirement System to a couple of Housing Authority boards.

Ms. Kollgaard noted that any attorney would need to become familiar with the particular operating procedures of the Town's Police Pension Board.

Member/Captain Tempesta asked if the attorney is bound by Rule 13.1 of the rules governing the Police Pension Board which states the attorney must have demonstrated competence in the area of public employee retirement systems in the State of Florida.

After further discussion on this issue, it was decided that if the attorney can demonstrate that he is familiar with the issue, then the Board can determine if this rule has been met.

Member Schmied asked if another bid request can be sent out since there was only one response to the RFP.

Ms. Kollgaard replied that it could be put out to bid again, or the Town could also contact other firms and ask if they are interested.

Chairperson/Member Captain Brough pointed out that it also states in Rule 13.1 that competitive bidding is not required in the selection of legal services.

Ms. Kollgaard commented that attorneys are taught in law school how to interpret statutes and procedures.

Member Chiasson asked if the Town Attorney has reviewed this input and given any feedback.

Ms. Kollgaard replied that he has not as it would be a conflict of interest.

Member/Captain Tempesta agreed and read the Board's operating Rule 13.3 which states that the Town Attorney may not serve in any legal capacity on the part of the Trust.

Member Schmied stated he compared the price quote with Christiansen & Dehner's expenses over the last fiscal year, and it appears there would be a cost savings for this attorney as the cost per hour is less at \$295 per hour versus \$394 for Christiansen & Dehner.

Member Chiasson asked whether the \$5,500 annual flat fee for quarterly meetings in the proposal included preparation for the quarterly meetings. He wondered how this fee compared to Christiansen & Dehner's professional fees, but stated it appears that Saxon & Gilmore's fee proposal would be significantly less expensive.

Member Schmied pointed out that there may be a difference in travel costs as Mr. Christiansen split his travel expenses between different boards as the meetings were scheduled accordingly.

Chairperson/Member Captain Brough commented that on the last pension board he was on, the attorney was from Palm Beach and she would not attend the meetings in person unless she needed to; instead she would be on speaker phone during the meeting.

Expenses were discussed further and Ms. Kollgaard suggested that the members ask Mr. Carraway any questions they may have regarding the fee schedule and experience regarding pension law.

4. Interview - J. Frazier Carraway of Saxon Gilmore & Carraway, P.A.

The Board members welcomed Mr. Carraway. Chairperson/Member Capt. Brough asked Mr. Carraway if he would like to give a presentation or answer questions.

Mr. Carraway briefly stated that his firm represents many public bodies, and he, himself, represented Hillsborough Community College for approximately 20 years. Partners in the firm represent approximately 30 housing authorities and other municipalities. He stated they are very familiar with government in the sunshine and public records law. Mr. Carraway stated they have very limited exposure to state and retirement accounts, although they are very experienced in running meetings and providing counsel to people running meetings.

Chairperson/Member Capt. Brough stated the board members' major concern is the firm's lack of experience in Police Pension funds. He stated the board has a disability hearing pending as well, and asked if this would be an issue.

Mr. Carraway stated he has varied experience and that he would not charge for his time in getting up to speed on this. He stated lawyers do not have core competencies in everything they do, and it is always good practice to review rules and statutes to refresh recollections and to insure that they have not changed. Mr. Carraway stated he has experience in the hearing environment and has read the minutes of the Town's Police Pension Board meetings and knows what is going on with the pending disability hearing. He stated he would have no compunction about being able to handle that.

Chairperson/Member Capt. Brough stated that one of his concerns is regarding the state funding the plans receives. He stated that if the annual reports or any other required documents are not specific, the plan could lose the funds and the Town would have to make up the difference.

Mr. Carraway stated that he has looked at the statute and ordinance and is aware of what is out there. He stated he is confident that these things have been done correctly, but that he would review them.

Member Chiasson stated his concern as well is the firm's lack of experience in operating a pension board and asked if this will be a problem for the firm.

Mr. Carraway replied that he would not be in attendance if he thought the firm could not handle it effectively; that it is a creature of ordinance and statute, and that he is confident that he can interpret them. He reiterated that he would not charge for his time for bringing himself up on the learning curve.

Member Chiasson asked about the firm's experience in other retirement systems.

Mr. Carraway stated that a couple of his partners have addressed state pension board issues for a couple of housing authorities, and that he will be able to call on his partners for research.

Member Chiasson asked how counsel would advise board members in interpreting evidence in disability hearings without injecting his own interpretation of the evidence.

Mr. Carraway replied that it is not counsel's role to act as a board member, but his role in the evaluation of evidence would be to act as a judge by reminding the members of the standard, and

perhaps reminding them of the evidence they have heard, but not to tell the board what it means. He stated it is the board members' role to interpret the evidence they have been furnished.

Member Schmied asked Mr. Carraway to further explain some of the costs shown on the price page such as out of pocket expenses for travel.

Mr. Carraway replied that out of pocket expense could include research costs, Fed Ex for packages, or for such as court reporter expenses if that was requested. He stated travel expenses would only include IRS reimbursement amounts, and that a hotel would not be necessary for travel from Tampa to Lady Lake.

Member/Captain Tempesta stated his concern is the firm's lack of experience as well, and the Board's responsibilities to the pension and the officers that are part of the pension.

Mr. Carraway stated he understands the concern, but that he is a good lawyer and that he and the firm are experienced in many aspects of the law, including public sector law. This demonstrates their ability to come up to speed quickly on different areas of law.

Member Cieciek stated that his questions have already been answered.

Chairperson/Member Capt. Brough asked if Mr. Carraway will be the one attending the Police Pension Board meetings if his firm is picked.

Mr. Carraway replied that he will be assigned to represent the Police Pension Board and that he will arrange his schedule accordingly as he feels it is much better to have the same person representing the Board.

Member Chiasson commented that the Board's responsibilities include understanding the financial implications of various decisions, as well as investment possibilities for the plan. He stated another side of the Board is dealing with disability claims, and asked Mr. Carraway if he is comfortable with the medical side of the law.

Mr. Carraway replied that he is not as familiar with medical issues as a personal injury attorney is, but there are lawyers in his firm that he can consult with. He stated the Board should be guided by the professionals such as doctors in evaluating medical testimony, not by himself. He agreed that if the Board had questions about the medical evaluations, he would do further research for them.

Mr. Carraway thanked the Board for having him, and stated he understands the Board's fiduciary responsibilities to the Police Pension fund, and that he feels sure they will make a good decision.

Ms. Kollgaard asked Mr. Carraway what prompted his firm to reply to this RFP.

Mr. Carraway replied that his firm does a lot of governmental work and they look for RFPs in the governmental sector.

The Board thanked Mr. Carraway for attending today and stated they will get back to him with a decision.

In discussion, the Board agreed that Mr. Carraway addressed all of their questions and that they were comfortable with the information presented by him; however, that they would like to look at information from other firms, such as the Eustis attorney.

Chairperson/Member Capt. Brough mentioned that he is familiar with Bonnie Jensen as the Brooksville pension attorney, and that he would get contact information on her for Ms. Kollgaard.

Ms. Kollgaard agreed to make a few calls on behalf of the Board to see if any other attorneys would be interested in the position, since it was clarified under Rule 13.1 that competitive bidding was not required.

The Board members agreed that they could attend a meeting on Wednesday, August 10, 2016, at 2:30 or 3:00 p.m., and that Ms. Kollgaard would attempt to arrange for other attorneys to be present if they are interested.

Ms. Kollgaard asked if the Board members would like her to contact the Eustis attorney in the interim to see if he would be interested in handling the disability hearing specifically as it has been pending for some time, and to try to get the disability hearing scheduled so that the Board can move forward on it.

The Board members asked Ms. Kollgaard to confirm that this would not violate any rules, and if so, were in agreement with her contacting the Eustis attorney to see if he would be willing to handle the disability hearing.

It was the consensus of the Board to postpone a decision at this time and to schedule a meeting for August 10, 2016.

5. Adjourn: With no further business to discuss, the meeting was adjourned at 3:10 p.m.

Kristen Kollgaard, Town Clerk

Chairperson/Captain Jason Brough

Transcribed by Nancy Slaton, Deputy Town Clerk