

**MINUTES
CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES SPECIAL MEETING
November 7, 2014**

Present: Chairman Steve Branham, Trustees William Forcht, Anne Ross, Judd Jensen, Thomas Sousa

Absent: Vice Chairman Frank Cona, Trustees Lou Levy, Nancy Woodley, Sandi Henley

Also Present: Attorney Lee Dehner, Deputy Town Clerk Jo Ann Mixon

1. Call to Order and Pledge of Allegiance

Chairman Branham called the Consolidated Retirement System Board of Trustees Special Meeting to order at 1:03 p.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida, and led the Pledge of Allegiance.

2. Oath of Office

Deputy Town Clerk Jo Ann Mixon administered the Oath of Office to Trustees Judd Jensen and Thomas Sousa

3. Public to be Heard – No Comments were made.

4. Approval of Minutes

Trustee Forcht moved to approve the October 10, 2014, Special Meeting minutes, as submitted. The motion, seconded by Trustee Ross, carried unanimously on a voice vote.

5. Reports

a. Graystone Consulting 2014 3rd Quarter Report Police Officers' Retirement System

b. Graystone Consulting 2014 3rd Quarter Report Firefighters' Retirement System

Graystone Consulting Representative David Wheeler and Charlie Mulfinger provided an overview of the current economic conditions, market performance, 3rd Quarter Investment Report, portfolio reviews, and the compliance checklists in regard to the Police Officers' Retirement System and the Firefighters' Retirement System.

Discussions were held on the following topics/issues:

- Investment performance/losses
- manager performance
- transition into a combined investment plan
- less risk/less return (Police Officers' Retirement System)
- Firefighters' Retirement System Wrap Program
- add the percentage of the fund to the spreadsheet (pages 4-6)
- asset allocations (decision of the Board with input from the consultant)
- manager selection.

5. Reports – Continued

c. The Bogdahn Group 2014 3rd Quarter Report – General Employees' Retirement System

The Bogdahn Group Representative John Thinnes identified the General Employees' Retirement System ordinance restrictions and presented the 2014 3rd Quarter Investment Performance Report highlighting the market environment, asset allocations, comparative performance of the fund, and compliance checklist.

Discussions were held of the following topics/issues:

- A-rated or better securities restriction (per Town Ordinance)
- international exposure/flat performance for October 2014
- report format.

d. Foster & Foster, Inc. – Fees, Rates of Return and Actuarial Report

Foster & Foster, Inc. Representative Doug Lozen discussed the fee schedule and upcoming actuarial reports.

Discussions were held on the following topics/issues:

- 7.0% net of fees assumption rate GERS for September 30, 2014 report
- 7.5% net of fees assumption rate PORS for September 30, 2014 report
- 7.5% net of fees assumption rate FFRS for September 30, 2014 report
- fee schedule as of October 1, 2014 (FFRS/GERS/PORS)
- fee schedule – Consolidated Retirement System September 30, 2015 report
- transition related actuarial cost
- comingling funds for investment purposes - separate liability for three funds
- funding policy – level dollar
- 2014 Valuation Report produce with nine separate assumptions (6.5% - 7.5%).

RECESS: (2:49, p.m. – 3:02 p.m.)

Chairman Branham inquired, and following discussion there was consensus to forward Agenda items 5e and 5f to the December 18, 2014, Special Meeting for presentation and discussion.

e. Presentation Governmental Accounting Standard Board (GASB) 67/68 and Senate Bill (SB) 534

f. GASB 67 Report regarding the Firefighters' General Employees', and Police Officers' Valuation Reports dated September 30, 2013

Minutes are in draft form and are not official until approved by the Board.

Reports – Continued

g. Consolidated Retirement System (CRS) financial statement as of June 30, 2014

Staff Liaison/Finance Director Sue Smith provided an unaudited Financial Statement of the combined plan as of September 30, 2014.

Following discussion Staff Liaison/Finance Director Sue Smith was directed to provide periodic updates.

h. Human Resources Reports – Authorization to begin retirement benefit payments from the General Employees' Retirement System for retiree Donnie Barth, and distribution of the Active Membership and Retiree Reports

Human Resources Manager Lisa Silvertooth presented the retirement documents regarding retirement benefit payments for General Employees' Retirement System retiree Donnie Barth.

Following discussion, there was consensus to authorize Chairman Branham to sign the required documentation.

Ms. Silvertooth inquired, and following discussion there was consensus to place the Firefighters' Retirement System Deferred Retirement Option Plan (DROP) participants balance data on-line and to further discuss the Cost of Living Adjustments (COLA). Foster & Foster, Inc. Representative Doug Lozen explained the DROP balance process.

Ms. Silvertooth presented the Active Membership and Retirees reports as informational.

6. Invoice Ratification

Sugarman & Susskind Invoice dated October 7, 2014 (FFRS)	\$1,681.00
Sugarman & Susskind Invoice dated October 7, 2014 (FFRS)	330.00
SalemTrust Company 2014 3 rd Quarter Custodian Fees (PORS)	1,250.00
SalemTrust Company 2014 3 rd Quarter Custodian Fees (GERS)	1,250.00
Morgan Stanley 2014 3 rd Quarter Investment Fees (PORS)	2,000.00
Delaware Invoice 2014 3 rd Quarter Management Fees (PORS)	643.70
GW Capital 2014 3 rd Quarter Management Fees (PORS)	643.94
HGK Asset 2014 m3rd Quarter Management Fees (PORS)	1,565.59
Madison Invoice 2014 3 rd Quarter Management Fees (PORS)	1,579.03
Renaissance 2014 3 rd Quarter Management Fees (PORS)	571.22

Following discussion, there was consensus to accept/ratify the invoices as submitted.

Trustee Forcht inquired, and discussions were held on the administrative fee process, and the direct payment process used for some expenses.

Following discussion, Staff Liaison/Finance Director Sue Smith was directed to place invoice payment process on a future agenda for discussion.

7. New Business

a. Discussion of Florida League of Cities' Florida Municipal Pension Trust Fund Plan Administrator (FMPTF)

8. Old Business

b. Status update on the Request for Proposals (RFP) regarding an Administrator
Staff Liaison/Finance Director Sue Smith reported on a third party administrator and the RPF responses.

c. Discussion on appointment a working group (subcommittee) to develop a new Investment Policy Statement (IPS)

Chairman Branham suggested the creation of a three-member subcommittee to review the three existing Investment Policy Statements and the need to create a combined document.

Discussions were held on the following topics/issues:

- creating a three member subcommittee
- Attorney Dehner and an Investment Consultant to review the Investment Policy Statement (IPS)
- Further discussion on this issue at a workshop
- Education proves.

Trustee Sousa moved to create a three-member subcommittee with appointments to be made by Chairman Branham. The motion, seconded by Trustee Jensen, carried unanimously on a voice vote.

Following discussion, Trustee Jensen moved to create a three-member subcommittee with appointments to be made by Chairman Branham. The motion, seconded by Trustee Sousa, carried unanimously on a voice vote.

8. Old Business – Continued.

a. Report by Attorney Lee Dehner regarding FFRS members with 10 or more years of service not given opportunity to receive a payout of their accrued benefit when the pension plan was frozen.

Attorney Lee Dehner advised this issue needed to be reviewed prior to issuance of a legal opinion.

Following discussion, there was consensus for Attorney Lee Dehner to research this issue and for Staff Liaison/Finance Director Sue Smith to place this issue on a future agenda for discussion.

Plan Member Eric Cumberland spoke regarding this issue.

Minutes are in draft form and are not official until approved by the Board.

8. Reports – Continued

c. Letter from Pension Attorney Jim Linn (Lewis, Longman, & Walker PA) regarding fiduciary responsibility approving Investment professionals, amending the Waiver of Recourse and Town Code Section 35.02

Staff Liaison/Finance Director Sue Smith recommended Town Code Section 35.02 be amended to reference the Consolidated Board.

Attorney Lee Dehner advised an indemnification provision be drafted into the ordinance that created the Consolidated Board.

Direction was provided to Staff Liaison/Finance Director Sue Smith to move the amendment forward.

d. Email from Staff Liaison/Finance Director Sue Smith on the follow up from the October 10, 2014, meeting.

Chairman Branham reviewed the follow-up list, and confirmed Attorney Lee Dehner wrote a letter regarding the benefit overpayment to Nathaniel Williams to Custodian First State and requested full reimbursement of the overpayment.

9. Attorney Comments – No comments were made.

10. Board Comments

a. Resumes

Trustee Forcht inquired and discussion was held regarding obtaining trustee resumes.

b. Agenda Materials

Trustee Forcht requested each agenda item be labeled with the related agenda number, and for the agenda items be displayed on the screen.

Following discussion, Staff Liaison/Finance Director Sue Smith was asked to place the agenda materials on the website prior to the meeting and have the materials available for display on the computer screens.

c. Future Meeting Dates

Chairman Branham identified two future Special Meeting dates as December 18, 2014, and January 7, 2015, both meetings were scheduled to start at 9:00 a.m. and discussed the subcommittee meeting requirements.

11. Adjournment

Chairman Branham adjourned the Consolidated Retirement System Board of Trustees Special Meeting at 4:20 p.m.

Jo Ann Mixon, Deputy Town Clerk
Minutes Approved: _____

Steve Branham, Chairman