

*TOWN OF LONGBOAT KEY CONSOLIDATED RETIREMENT SYSTEM*  
BOARD OF TRUSTEES QUARTERLY MEETING

**MINUTES: DECEMBER 18, 2015**

**1. CALL TO ORDER**

Chairman Steve Branham called a Special Meeting of the Board of Trustees for the Town of Longboat Key Consolidated Retirement System to order at 9:00 AM in the Town Commission Chamber located at 501 Bay Isles Road, Longboat Key, Florida.

Those persons present included:

TRUSTEES

Steve Branham, Chair  
Nancy Woodley  
Lou Levey  
Sandi Henley  
Chief Peter Cumming  
Joe Fabrizio  
Randy Thompson

OTHERS

Lee Dehner, Christiansen & Dehner  
Scott Baur & Amanda Kish , Resource Centers  
Sue Smith, Finance Director

TRUSTEES ABSENT AND EXCUSED:

Frank Cona

All present recited the Pledge of Allegiance.

**2. PUBLIC COMMENTS**

No members of the public were present to comment.

**3. APPROVAL OF THE MINUTES**

The Board discussed attendance by Trustees at scheduled meetings. Jim Haas did not provide advance notice that he could not attend the Quarterly Meeting of November 18, 2015; therefore, he was not excused from his absence.

Nancy Woodley chair made a motion to approve Minutes for Quarterly meeting of November 18, 2015 as amended. The motion was seconded by Lou Levy and approved by the Trustees 7-0.

**4. REPORTS**

Administrator Report (Scott Baur, Resource Centers)

Custodian Transition Update

Mr. Baur provided a brief update on the transition for the Custodian and the Investment Consultant. Counsel for the Town continues to review the agreements provided by Morgan Stanley/Graystone and First State. Mr. Baur hopes to transition the assets now during January 2016, pending executed agreements with the Town. He originally hoped to transition the assets with First State making all benefit payments as of

January 1 to avoid having retired members received two Forms 1099R for 2016. Morgan Stanley will provide a mapping of the assets from the existing accounts into the new manager accounts to both fund the new managers and balance the assets to the Investment Policy targets.

#### Operating Rules and Procedures

The Board reviewed the final draft for the Operating Rules and Procedures. The Trustees briefly discussed the process for the Board to recommend the selection of service providers to the Town, and the Town to engage the service providers. The Board requested to periodically review the Operating Rules to keep the document up to date.

Nancy Woodley made a motion to adopt Operating Rules and Procedure for the Town of Longboat Key Consolidated Retirement System. Joe Fabrizio seconded the motion, approved by the Trustees 7-0.

#### Executed Investment Policy Statement

Mr. Branham provided the Board with a clean copy of the Investment Policy updated at the Meeting of November 18, 2015. He noted that the Investment Policy acknowledges a possible future allocation to hedge funds, but the current Policy has a 0% allocation to these investments. The Town previously received a final copy of the revised Investment Policy as well. Lee Dehner indicated that the Policy would take effect 30 days after filing with the Town on December 2, 2015. The administrator will also file copies with the actuary and the Division of Management Services.

#### Attorney Report (Lee Dehner)

Lee Dehner advised the board regarding the state mandate to adopt the FRS mortality rates with the October 1, 2016 valuation. He also reviewed the required documents that the Resource Centers posts to the website maintained for the Consolidated Retirement System. The Board briefly discussed the recent assumption changes, included the 7% Investment Return Assumption adopted with the October 1, 2015 Valuation.

### 5. PLAN FINANCIALS

#### Interim Financial Statement

Mr. Baur briefly reviewed the interim financial statements for the Consolidated Retirement System for the fiscal year ending September 30, 2015, and the current fiscal year to date. Nancy Woodley commented on the differences in historical investment performance for the three legacy plans, and the Board discussed the investment performance at length. The Town contributed an additional \$1.3 Million to the legacy Firefighters' Retirement System as of September 29, 2015, to prefund some of the liabilities for the Consolidated Retirement System. Lou Levy noted that the investment portfolios recovered the majority of losses as of September 30, 2015 during the current quarter.

#### Ratification of Warrants

The Board reviewed the Warrants for payment of invoices dated December 18, 2015, for the former General Employees, Police Officers, and Firefighters Retirement Systems. Scott Baur noted that the fee to his firm for plan administration services reduced per the terms of his agreement.

Lou Levy made a motion to ratify warrants for quarterly meeting December 18, 2015. Nancy Woodley seconded the motion, approved by the Trustees 7-0.

#### Benefit Approvals

Scott Baur presented a Benefit Approval for Franklin Stoudt, a member of the former Firefighters Retirement System.

Randy Thompson made a motion to approve the Benefit Approval for Franklin Stoudt to exit the DROP, seconded by Joe Fabrizio, and approved by the Trustees 7-0.

Mr. Baur confirmed for Trustee Randy Thompson that the Board actuary reviewed and provided certified calculations for all members of the plan.

#### 6. OLD BUSINESS

The Board had no old business to discuss.

#### 7. NEW BUSINESS

#### Board Recommendation: Legal Counsel

Mr. Branham addressed the recently complete Request for Proposal for legal counsel. The Selection Committee board included Trustees Steve Branham, Sandi Henley, Nancy Woodley and Randy Thompson; Kari Kennedy coordinated the process as the Town Purchasing Manager. Three law firms responded and made presentations: Jim Lynn for Lewis Longman & Walker; Pedro Herrera for Sugarman & Susskind; and Ron Cohen for Rice Pugatch Robinson. The Selection Committee scored the proposals and presentations 45% by Profile and Qualifications, 30% on Responsiveness, and 25% on Fees. While all the firms making presentations appeared well qualified, the Selection Committee overwhelmingly favored Ron Cohen of Rice Pugatch Robinson. Mr. Cohen prepared well and reviewed the specific requirements to provide counsel to the Board for the Consolidated Retirement System in advance of the presentation. He also functioned previously in similar environments or circumstances. Trustee Randy Thompson confirmed that Mr. Cohen distinguished himself with an outstanding presentation, making him the first choice for every member of the Selection Committee.

Mr. Levy asked about the references for each attorney. Mr. Baur attempted to contact the references provided by all of the attorneys making presentations, with limited success. Mr. Baur has worked directly with all of the attorneys making presentations to the Board.

Nancy Woodland made a motion to recommend the Town to engage the services of Rice Pugatch Robinson as Counsel to the Board of Trustees for the Consolidated Retirement System. Randy Thompson seconded the motion, approved by the Trustees 7-0

#### Meeting Attendance

The board discussed attendance at meetings by Trustees. Jim Hass last attended a meeting in July, missing to subsequent special meetings and two quarterly meetings. Mr. Baur stated that he spoke to Mr. Haas, and Mr. Haas indicated his intent to resign from the Board due to conflicts with his work schedule. The Board directed the administrator to formalize the resignation for Mr. Haas and proceed with an election

for his replacement. Mr. Haas holds one of three seats on the Board representing the employee member groups, in this case the Firefighter members of the Consolidated Retirement System.

**8. BOARD COMMENTS**

The Trustees again thanked Lee Dehner for his service to the Consolidated Retirement System during the process to consolidate the three legacy plans in the Town of Longboat Key.

**9. NEXT MEETING DATE**

The Trustees discussed the need for a January meeting, scheduling the next meeting as the Quarterly Meeting on Friday, February 26 at 9:00 AM. Lee Dehner stated that he had a conflict on February 26, although the Board hopes to complete the engagement with new counsel by that date.

**10. ADJOURNMENT**

There being no further business, Chairman Branham adjourned the meeting at 10:17 a.m.

Respectfully Submitted,

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Sandi Henley