

**MINUTES  
LONGBOAT KEY TOWN COMMISSION  
SPECIAL WORKSHOP  
FEBRUARY 7, 2011 - 1:00 P.M.**

**Present:** Mayor George Spoll, Vice Mayor Jim Brown, Commrs. David Brenner, Lynn Larson, Hal Lenobel, Bob Siekmann, Phillip Younger

**Also Present:** Town Manager Bruce St. Denis, Deputy Town Clerk Jo Ann Mixon

**CALL TO ORDER**

The Special Meeting of the Longboat Key Town Commission was called to order at 1:00 p.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

**PLEDGE OF ALLEGIANCE**

Mayor Spoll requested and Commr. Siekmann led the Pledge of Allegiance.

**1. Pension Discussion**

Town Manager Bruce St. Denis introduced Attorney James Linn and Actuary James Rizzo. Attorney Linn, shareholder in the Tallahassee office of Lewis, Longman, and Walker, P.A., and Senior Consultant and Actuary Rizzo, in the Fort Lauderdale office of Gabriel, Roeder, Smith and Company, reported on the following issues/topics:

- Town Pension Costs (FY2009-10 and FY 2010-11)
- Average Town Pension Cost per employee
- Pension Cost Components
  - Normal costs – annual cost of current benefits without unfunded actuarial liability
  - Unfunded Actuarial Accrued Liability (UAAL)
- Town Pension Cost (2005 – 2011)
- Unfunded Actuarial Accrued Liability (10-01-2003 through 10-01-2009)
- Funded Ratio of Town Pension Funds (10-01-2003 through 10-01-2009)
- Future Town Pension Cost
- Impact of the Market Downturn
- Four Year Smoothing
- Firefighters' and Police Officers' Florida Retirement System (FRS) Plan Provisions
- General Employees' FRS Plan Provision
- Firefighters' and Police Officers' benefit comparison (Longboat Key Plan /FRS)
- Florida Statutes - Chapters 175 and 185 Premium Taxes
- Options (Close/Freeze/Terminate Existing Plans)
- Legal Guidelines
- Pension Reform Options
- Advantages/Disadvantages regarding New Hires Joining FRS
- Advantages/Disadvantages regarding Reduced Benefits for New Hires (2 tier plan)
- Reduced Benefits for All Employees
- Defined Contribution (DC) Plan
- Increased Employee Contributions
- Adjusted Benefits for Current Employees
- Pension Reform (What Other Florida Cities Are Doing)
  - Cities Identified: Stuart (All Employees), Ft. Lauderdale (General Plan), Coral Gables (Police Plan), Naples (Fire Plan), Hollywood (Fire Plan) Port Orange (Fire Plan), Palm Bay (Fire Plan), Miami Beach (General Plan), Coral Gables (General Plan), Miami (Police, Fire, General Plans)

1. Pension Discussion – Continued

Discussion was held on the following issues/topics:

- Financial Reporting
- Florida Retirement System (FRS) proposed changes by Florida Governor Rick Scott

**RECESS:** 2:14 p.m. – 2:20 p.m.

2. Public Interest Committee (PIC) Review and Study Results Presentation

Public Interest Committee (PIC) representative Ed Adams introduced the PIC Pension Committee and discussions were held on the following issues/topics:

- Mission of the Committee
- Actuarial Reports review
  - Town's contribution to the three retirement plans from 1999 through 2010
  - Percentage of tax revenues (from 5% in 1999 to 32% in 2010)
  - Pension Liabilities vs. Plan Assets (1999 through 2009)
  - Pension Formulas
  - PIC Recommendations
- Transition to a Defined Contribution Plan for all employees
  - Definition of Compensation should exclude unused vacation and sick pay
  - Modification to reduce "employee compensation" from 75% to 50%
  - Apply Defined Benefit Plan to existing employees only
  - Amend the Normal and Early Retirement Age
  - Social Security offset
  - Deferred Retirement Option Plan interest rate should be lowered
  - Cost of Living Adjustment – lowered and modified
  - Periodic Review of Assumptions
  - Establish a policy of transparency regarding future financial obligations
  - \$11,856,000.00 revenue collected.

**PUBLIC TO BE HEARD**

A. Pension Funding

Mr. William Forcht, Gulf of Mexico Drive, spoke regarding funding service liability, and the related expenses (administrative and legal) versus the actuarial forecast identified in reports.

1. Pension Discussion – Continued

Discussions were held on the following topics/issues:

- Creating a subcommittee to review the pension issues
- PIC pension education session to be held on March 9, 2011
- Establishing interaction between the retirement boards and the Commission
- Obtaining an annual report from the retirement boards
- Hosting workshops over the next few months to discuss pension issues
- Identifying a standing meeting schedule
- Allowing consultants to attend these meeting via teleconferencing
- Identifying a start and end timeframe for the meeting.

1. Pension Discussion – Continued

**Subsequent to discussion, there was consensus for the Town Commission to schedule Special Workshops relating to pension issues every other Monday starting in February 2011.**

**Subsequent to discussion, there was consensus to hold a Town Commission Special Workshop at 3:00 p.m. on Tuesday, February 22, 2011.**

**ADJOURNMENT**

**Mayor Spoll adjourned the February 7, 2011, Special Meeting at 3:22 p.m.**

/s/ Trish Granger  
Trish Granger, Town Clerk

/s/ George Spoll  
George Spoll, Mayor

Minutes Approved: 03/07/2011