

**MINUTES
POLICE OFFICERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
MAY 30, 2013**

Present: Vice Chairman Randy Thompson, Secretary John Martin, Trustees Frank Cona, and Joseph Iannello (8:55 a.m.), Chairman Peter Kasdan (teleconferenced)

Also

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

1. Call to Order

Vice Chairman Randy Thompson called the Police Officers' Retirement System Board of Trustees Quarterly Meeting to order at 8:07 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

2. Oath of Office

Town Commission Appointed Trustee Frank Cona

Deputy Town Clerk Jo Ann Mixon administered the Oath of Office to Trustee Frank Cona.

4 Approval of Minutes

Quarterly Meeting Minutes from February 20, 2013

Trustee Cona moved to approve the February 20, 2013, Quarterly Meeting minutes, as submitted. The motion, seconded by Trustee Martin, carried unanimously on a voice vote.

3. Public to Be Heard

Longboat Key Police Officer Chris Skinner discussed the retirement negotiation offer from the Town of Longboat Key regarding a return of contributions for those members who were not vested (employees with less than five complete years of service) if the plan were to freeze noting the opinion of the Police Benevolent Association (PBA) Attorney was in conflict identifying 100% vesting for all members of the existing plan. Mr. Skinner requested an opinion from the Pension Board Attorney.

Attorney Lee Dehner advised the Police Officers' Retirement System Board of Trustee's role was to act as a resource to the bargaining parties if requested by both parties negotiating.

Discussions were held on the following topics/issues:

- terminated plan requirement in Florida Statutes Chapter 185
- frozen plan requirement identified in Florida Statutes Chapter 185
- providing a copy of Florida Statutes Chapter 185 to the Board at the next meeting.

5. Police Pension Disability

Resigned employee Dean Greathouse stated he hired Attorney Patrick Hogan to represent him in regards to an application to this Board for a Retirement Disability. He submitted documentation (signed application and letter from physician) and requested his medical records be maintained confidential.

5. Police Pension Disability - Continued

Attorney Lee Dehner advised on the following topics/issues:

- initial contact with Attorney Patrick Hogan
- accepting the application for disability retirement benefits
- issuing a waiver of privacy rights regarding medical records (not confidential)
- scheduling a special meeting to hold a Disability Hearing by this Board.

6. Approval of Invoices

To consider approval of the following invoices:

Christiansen & Dehner – Invoice 22585	\$ 70.20
Christiansen & Dehner – Invoice 22725	\$ 596.70
Christiansen & Dehner – Invoice 23029	\$ 210.60
Morgan Stanley Smith Barney – 4 th Quarter 2012 Investment Fees	\$2,000.00
Morgan Stanley Smith Barney – 1 st Quarter 2013 Investment Fees	\$2,000.00
Salem Trust Co. – 1st Quarter 2013 Custodian Fees	\$1,250.00
Congress Management-1st Quarter 2013 Management Fees	\$1,803.10
Delaware Investments-1st Quarter 2013 Management Fees	\$ 568.06
GW Capital, Inc. – 1st Quarter 2013 Management Fees	\$ 690.16
HGK Asset Management-1st Quarter 2013 Management Fees	\$1,450.48
Madison Investments – 1st Quarter 2013 Management Fees	\$1,408.38
Oak Ridge Investments-1st Quarter 2013 Management Fees	\$ 579.04
Renaissance Investments-1st Quarter 2013 Management Fees	\$ 480.58

Trustee Cona moved to approve the invoices, as submitted. The motion, seconded by Trustee Martin, carried unanimously on a voice vote.

7. Reports**a) Graystone Consulting - 2013 1st Quarter Report**

Graystone Consulting Representative David Wheeler reported on the market environment, economy, and global easing. Discussions were held on the following topics/issues:

- 6.6% inflation rate
- unemployment target / funding withdrawal.

Graystone Consulting representative Charles Mulfinger reviewed portfolio management, alternative asset classes, website regarding markets, and distributed educational materials. Discussions were held on the following topics/issues:

- strategies
- Hedge Fund investments
- illiquid investments / illiquid obligations
- bond portfolio / less risk.

Mr. Wheeler reviewed the 2013 1st Quarter Report and requested the Board rebalance the portfolio. Discussion was held on the following topics/issues:

- large cap value (large cap domestic versus large cap international)

7. Reports

a) Graystone Consulting - 2013 1st Quarter Report – Continued

- private real estate (income substitute for bonds)
- reallocation of current portfolio
- alternative investments
- WRAP program (commissions / strategy).

b) Human Resources Report

Accountant 2 Sharon Johnson submitted the following documents for approval and execution:

- New Employee Acknowledgement for Plan Memberships and Beneficiary Forms for Frank Rubino and Daniel Cooney
- authorize contribution refund to former member William Tokajer.

Following discussion, there was consensus to accept and authorize Vice Chairman Thompson to sign the presented documentation.

Ms. Johnson submitted the following as informational:

- active membership list
- retiree benefit list as of 5/30/13
- Confirmation of Receipt of Retirement Benefits (mailed April 28, 2013).

8. Old Business – No items were presented.

9. New Business

Plan Freezing

Trustee Iannello requested an update to the Plan Freezing issues. Vice Chairman Thompson updated the Board on the pending issues, union negotiations, and possible plan freeze date of September 30, 2013.

Attorney Lee Dehner advised on the different possibilities referencing freezing and closing the plan and the Board of Trustees administrative responsibilities.

10. Attorney Comments

Attorney Lee Dehner advised on the following topics/issues:

- ordinance amendments to satisfy the Internal Revenue Code revisions, mortality table, and 7.50% assumption rate
- Senate Bill 458 and Senate Bill 534 (legislative update)
- Form 1 Financial Statement filing requirements
- addendum to the Operating Rules & Regulations (exemption birth dates).

Trustee Cona moved to amend the Operating Rules & Regulations (Section 15.1) to add the birth dates as confidential and exempt from public record review. The motion, seconded by Trustee Iannello, carried unanimously on a voice vote.

10. Attorney Comments - Continued

Attorney Dehner advised a Town Official needed to execute the request to maintain information as confidential, as permitted in Florida Statutes.

11. Board Comments

WRAP Program

Trustee Cona requested a review of the possible benefits of a WRAP program. Graystone Consulting Representative Charles Mulfinger identified the benefits and disadvantages of a WRAP program.

Vice Chairman Thompson announced the next Quarterly Meeting was scheduled for 8:00 a.m. on August 21, 2013.

7. Reports - Continued

a) Graystone Consulting will present the 2013 1st Quarter Report – Continued

Mr. Wheeler requested the Board of Trustees rebalance the portfolio (fixed income).

Following discussion consensus was reached to maintain the portfolio with the existing allocations.

12. Adjournment

Vice Chairman Thompson adjourned the Police Officers' Retirement System Board of Trustees meeting at 9:24 a.m.

/s/Jo Ann Mixon

Jo Ann Mixon, Deputy Town Clerk

/s/Randy Thompson

Randy Thompson, Vice Chairman

Minutes Approved: _____