

**MINUTES  
FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD OF TRUSTEES QUARTERLY MEETING  
MAY 15, 2013**

Present: Chairman Gerald Feder, Vice Chairman Armando Linde, Trustees Shannon Gault, James Pappas, Lee Riley, Keith Tanner, Matt Taylor

Also Present: Town Clerk Trish Granger

1. Call to Order

**Chairman Feder called the May 15, 2013, Firefighters Retirement System Board of Trustees Quarterly Meeting to order at 9:04 a.m.**

2. Oath of Office to New Board Members

Trustee Tanner requested consideration to address the Board prior to the Oath of Office being administered. Chairman Feder noted the Oath of Office would be administered prior to individual comments.

Town Clerk Trish Granger administered the Oath of Office to Trustees Feder, Gault, Linde, Pappas, Riley, Tanner, and Taylor.

3. Introduction of Board Members

Chairman Feder noted that each Trustee would make a brief statement introducing themselves to the other Board Trustees and provided information on himself, followed by the remaining trustees, in the following order: Mr. Armando Linde, Ms. Shannon Gault, Mr. James Pappas, Mr. Lee Riley, and Mr. Matt Taylor. Mr. Keith Tanner noted objection to holding the meeting, excused himself from participation, and left the dais.

4. Town Manager Comments

Chairman Feder introduced Town Manager Dave Bullock.

Town Manager Bullock gave a PowerPoint presentation and an overview of the reconstituted Firefighters' Retirement System Board of Trustees commenting on the historical costs of the pension funds, the required Town contributions, the chronology for implementing changes to the Firefighters defined benefit plan, and the process for freezing the current pension plan. Discussions were held on the following topics/issues:

- continued payment of required annual funding by the Town for the current plan
- anticipated time period to resolve unfunded liability
- make-up of the Board of Trustees prior to plan termination.

5. Overview of Duties and Responsibilities of Board Members

Finance Department Accountant 2 Sharon Johnson advised that she had forwarded an e-mail to Board members on the duties and responsibilities of the Board of Trustees and requested that Board members contact her with any questions.

Chairman Feder noted the Operating Rules and Procedures outlined the responsibilities and the requirements to abide by the Sunshine and Public Record Laws.

5. Overview of Duties and Responsibilities of Board Members - Continued

Attorney Jim Linn, with Lewis, Longman, and Walker, commented on the powers and duties of the Board of Trustees, referring to Town Code Chapter 34, Employment Policies, Firefighters' Retirement System, and reviewed the required compliance with the Florida Sunshine Law and the Public Records Law governing public bodies. Attorney Linn noted that Manatee County was hosting a seminar on May 28, 2013, encouraged participation by new Board members, and noted that Attorney Jennifer Cowan, with his firm, would be available on that date to provide an overview of the duties of the Board members as it specifically relates to Trustee requirements.

Attorney Linn commented on the provisions and compliance with Florida Statutes (F.S.) Chapter 175, noting that participation was voluntary and that the Town has currently opted out of the Chapter 175 provisions, and advised that the Board will be governed by F.S. Chapter 112. Discussions were held with Attorney Linn and Chairman Feder on the following topics/issues:

- provisions of F.S. Chapter 112
- the February 27, 2013, Quarterly Meeting Minutes relating to the Investment Policy discussion
- provisions of F.S. Chapter 175 relating to plan terminations and composition of the Board of Trustees
- Town's option to opt out of participation in F.S. Chapter 175
- compliance with Florida Statutes.

6. Election of a Secretary

**Vice Chair Linde nominated Trustee Gault to serve as Secretary. The nomination, seconded by Trustee Pappas, carried unanimously by voice vote.**

7. Approval of Minutes

To approve the Quarterly Meeting Minutes from February 27, 2013.

Chair Feder noted that three Trustees were not seated for the meeting.

**Trustee Gault moved to approve the February 27, 2013, Quarterly Meeting minutes. The motion, seconded by Trustee Pappas, carried unanimously on voice vote.**

8. Reports

A. The Carter Hester Group/Graystone Consulting - 2013 1st Quarter Report

Graystone Consulting Representative Charles Mulfinger provided an overview of Graystone Consulting and introduced Mr. David Wheeler. Discussions were held on the following topics/issues:

- Graystone's services (Feder)
- date of report (Armando)
- timeframe for receiving reports (in advance of meeting)
- report structure and options to customize to Board's preference
- impacts on closing, freezing, terminating plan on allocations.

8. Reports - Continued

A. The Carter Hester Group/Graystone Consulting - 2013 1st Quarter Report - Continued

Mr. David Wheeler, Graystone Consulting, provided an overview of the current economic conditions and the impact on market performance and the Quarterly Performance Evaluation as of March 31, 2013. Discussions were held with Mr. Mulfinger and Mr. Wheeler on the following topics/issues:

- fixed income options
- options for investment of pension funds
- cost of Graystone services
- bond allocation options/bond versus other investment options
- impact of market changes/Graystone's ability to modify investment options outlined in the Investment Policy
- anticipated market action/option to adjust Investment Policy
- current fixed income rate (32.2%)/asset allocations
- recommendation to reduce the Return Rate Assumption (RRA)
- option to hold a Special Meeting in June 2013 to discuss RRA and reallocation considerations
- role of investment advisors versus investment managers
- review of contract requirements/requirements of Florida Statutes (F.S.) Chapter 175 versus Chapter 112
- process for selection of Investment Managers by Board of Trustees
- capture of market returns during current market upswing
- current reductions in RRA's for various entities/State of Florida actions
- inclusion of Manager search in a Special Meeting.

**There was consensus to schedule a Special Meeting in June 2013.**

B. Foster and Foster, Inc. - October 1, 2012 Valuation Report

Foster and Foster Representative Actuary Doug Lozen presented an overview of the actuarial services provided. Mr. Lozen provided an overview of the summary sheet distributed this date entitled Select Valuation Results as of October 1, 2012. Discussions were held on the following topics/issues:

- reduction in payroll costs/Town percentage contribution increased
- percentage of payroll increased/dollar contribution decreased
- impact of Plan - frozen versus closed
- recommendation to fund as a dollar funding methodology versus a percentage methodology
- reflection of pensionable pay as a salary reduction
- actuarial review and evaluation options to be considered
- employee vesting schedule for frozen plan
- funding assumptions for a frozen or closed plan/re-evaluation requirement
- statutory requirements for providing Ordinances to State of Florida between first and second readings of Ordinance
- impact on a State interpretation of the current Plan as terminated versus frozen
- impact on the evaluation presented/option to delay approval of the Actuarial Valuation (as of October 1, 2012) until June Special Meeting.

8. Reports - Continued

B. Foster and Foster, Inc. - October 1, 2012 Valuation Report

Attorney Jim Linn noted statutory requirements for an annual evaluation of the Plan and a required Impact Statement for Ordinances modifying the Plan. Discussion continued on the approval of the Actuarial Valuation report.

**Trustee Taylor moved to accept the actuarial evaluation as of 10/01/12. Subsequent to comments on the cost of administrative fees paid by the Town, the motion, seconded by Trustee Pappas, carried unanimously on voice vote.**

Mr. Lozen inquired on preparing an actuarial study versus a required Impact Statement. Town Manager Dave Bullock noted the need to receive an accurate cost analysis prior to July 2013 for budgetary purposes.

Following comments on the anticipated time frame for the second reading of the Ordinances and statutory requirements, Mr. Lozen advised that an Impact Statement could not be prepared prior to June 3, 2013, noted that the Impact Statement prepared would be reflected as an estimate as it will be based on anticipated earnings through the end of September 30, 2013, and reviewed the options to modify the Impact Statement after the year end closes. Discussion ensued with Mr. Lozen and Attorney Linn on the following topics/issues:

- time frame for preparation (approximately four weeks) of Impact Statement for submission to the State on the Ordinances to be implemented
- vesting schedule to be implemented
- active employee list to include current members and/or participation in the Deferred Option Retirement Plan (DROP)
- time frame for entering the DROP
- requirement for a final Impact Statement and Actuarial Valuation after September 30, 2013.

Graystone Representative Charles Mulfinger commented on options to consider a reduced RRA in the preparation of the Impact Statement. Discussions were held Mr. Lozen, Mr. Mulfinger, and Attorney Linn on the following topics/issues:

- lack of complete data for a June Special Meeting
- ability to authorize actuary to re-run Impact Statement with various RRA scenarios
- options for various scenarios to be developed
- increasing risk versus controlling portfolio to provide for safer increased growth
- impact of RRA on Town's required contribution and Investment Policy.

**There was consensus to authorize Mr. Lozen to work with Town representatives to prepare the necessary documents required by the Town in moving forward with the freezing of the Firefighters Retirement System Defined Benefit Plan.**

8. Reports - Continued

C. Human Resources Department Report

Finance Department Accountant 2 Sharon Johnson advised that she had submitted documents provided by Human Resources Manager Lisa Silvertooth for approval and execution, as follows:

- Notification of Retirement Benefits forms for: Keith Tanner (estimate); Peter Collandra (estimate and final); Matthew Altman (estimate); Thomas Batchelor (estimate); Jeffrey Bullock (estimate); James Martin (estimate); James Jacobs (estimate); and Frank Stoudt (estimate)
- Authorization for refund of retirement benefits for: Frank Stoudt and Peter Collandra for May 1, 2013.
- Authorization for payment of contributions from funds for: Matthew Gouge and Jason Coats
- New Employee Acknowledgement for Plan Membership and Beneficiary forms for: Brandon Hiott and Chase Opela.

**There was consensus to authorize the Board Secretary to execute the documents.**

Finance Department Accountant 2 Sharon Johnson advised that she had submitted documents provided by Human Resources Manager Lisa Silvertooth to the Secretary of the Board for informational purposes, as follows:

- Pension List of Active Employees
- Retirement List as of May 15, 2013
- Quarterly Deferred Retirement Option Plan (DROP) rate (via e-mail)
- Confirmation of receipt of retirement benefits sent to retirees on April 28, 2013
- Town Manager approval for an estimated and a final calculation, to be done by Foster & Foster, with Town covering the costs for firefighters eligible to DROP (5 year window and requirement to DROP between July 1, 2013 and September 1, 2013, prior to the plan freeze of September 30, 2013).

9. Approval of Invoices

To consider approval of the following invoices:

- Morgan Stanley – 1st Qtr. 2013 Custodian Fees	\$ 2,274.12
- Morgan Stanley – 1st Qtr. 2013 Manger Fees	\$26,235.02
- Sugarman & Susskind – Inv. dated March 6, 2013	\$ 2,009.06
- Sugarman & Susskind – Inv. dated March 6, 2013	\$ 68.75
- Sugarman & Susskind – Inv. dated March 6, 2013	\$ 137.50
- Sugarman & Susskind – Inv. dated April 4, 2013	\$ 220.00
- Sugarman & Susskind – Inv. dated April 4, 2013	\$ 385.00
- Sugarman & Susskind – Inv. dated April 4, 2013	\$ 55.00
- Sugarman & Susskind – Inv. dated April 4, 2013	\$ 110.00
- Sugarman & Susskind – Inv. dated April 4, 2013	\$ 660.00
- Foster & Foster – Inv. #4558	\$ 8,045.00

9. Approval of Invoices

**Trustee Riley moved to approve the invoices as submitted. The motion, seconded by Trustee Pappas, carried unanimously on voice vote.**

10. Public to Be Heard

A. Board of Trustees

Mr. Keith Tanner noted concern with the Town's action to revise the membership of the Board of Trustees and requirements relating to participation in Florida Statutes (F.S.) Chapter 175 benefits and his election to not participate in the Board of Trustees meeting held this date.

Trustee Taylor commented on requirements of F.S. Chapter 112.

Following individual comments, Attorney Linn noted that Florida Statutes give governmental agencies the ability, without restriction, to withdraw from the Chapter 175 plan participation and the Town would be operating under F.S. Chapter 112. Discussion ensued on the time frame for establishing the new Board of Trustees.

Chairman Feder noted the terms included and accepted in the International Association of Firefighters (IAFF) contract between the Town and the IAFF relating to the Firefighters Retirement Defined Benefit Plan.

Trustee Tanner commented on the formation of the previous Board of Trustees and following comments from Trustee Pappas on the status of the previously seated Board of Trustees, discussion ensued.

11. New Business

B. Discussion of Meeting Schedule

**Following comments on the proposed meeting schedule, Finance Department Accountant 2 Sharon Johnson was requested to coordinate a follow-up meeting of the Board of Trustees between June 4, 2013 and June 6, 2013.**

A. Discussion of Attorney Contract

Chair Feder noted that the previous Board had retained Sugarman & Susskind as their Attorney and Foster and Foster, Inc., as their Actuary, noted that a Request For Proposals (RFP) had been issued for attorney services with no responses received.

Discussion ensued on the following topics/issues:

- process utilized in the issuance of the RFP for attorney services at the Board of Trustees direction (handled by the seated Attorney)
- options for issuance of a new RFP for attorney and actuarial services
- consideration to mail notice to firms specializing in pension funds (attorney and actuarial services)
- providing adequate time to issue and review a new RFP/time frame for selection of firms from respondents to a RFP
- option to utilize list of service providers that may be available from the State of Florida.

11. New Business - Continued

A. Discussion of Attorney Contract - Continued

Following comments on the process to distribute/provide information to and between the Trustees, Town Clerk Trish Granger advised the Board if two or more Trustees communicate, via written or verbal methods, between each other a violation of the Sunshine Law would occur. Town Clerk Granger noted that all communications between the Trustees should be handled through the Staff Liaison's office to avoid any potential violations.

12. Old Business

A. Meeting Schedule

Chair Feder inquired and Finance Department Accountant 2 Sharon Johnson advised that the previous Board had two quarterly meeting dates scheduled for the remainder of the year, as follows: August 28, 2013 (at 1:30 p.m.) and November 20, 2013 (at 1:30 p.m.) and requested direction on maintaining those dates.

**There was consensus to retain the two scheduled meetings at the dates and times noted.**

13. Attorney Comments - No items were presented.

14. Board Comments - No items were presented.

15. Adjournment

**Chairman Feder adjourned the Firefighters' Retirement System Board of Trustees meeting at 1:01 p.m.**

/s/Trish Granger

Trish Granger, Town Clerk

/s/Gerald Feder

Gerald Feder, Chairman