

**MINUTES
FIREFIGHTERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
FEBRUARY 27, 2013**

Present: Chairman Keith Tanner, Vice Chairman Shannon Gault, Trustees Michael Murphy, Matt Taylor, Gerald Feder

Also Present: Attorney Robert Sugarman, Deputy Town Clerk Jo Ann Mixon

1. Call to Order

Chairman Tanner called the Firefighters' Retirement System Board of Trustees Quarterly Meeting to order at 1:30 p.m. in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

2. Public to Be Heard – No items were presented.

3. Approval of Minutes

November 28, 2013 Quarterly Meeting and December 17, 2012 Special Meeting Minutes

Trustee Gault moved to approve the November 28, 2012, Quarterly Meeting and December 17, 2012, Special Meeting minutes, as submitted. The motion, seconded by Trustee Feder, carried unanimously on a voice vote.

4. Approval of Invoices

To consider approval of the following invoices:

Morgan Stanley 2013 1st Quarter Manager Fees	\$ 23,300.52
Sugarman & Susskind – Invoice dated December 4, 2012	\$ 192.50
Sugarman & Susskind – Invoice dated December 4, 2012	\$ 330.00
Sugarman & Susskind – Invoice dated December 4, 2012	\$ 2,292.88
Sugarman & Susskind – Invoice dated December 4, 2012	\$ 605.00
Sugarman & Susskind – Invoice dated January 9, 2013	\$ 1,210.00
Sugarman & Susskind – Invoice dated January 9, 2013	\$ 605.00
Sugarman & Susskind – Invoice dated January 9, 2013	\$ 206.25
Sugarman & Susskind – Invoice dated January 9, 2013	\$ 178.75
Sugarman & Susskind – Invoice dated February 6, 2013	\$ 68.75
Sugarman & Susskind – Invoice dated February 6, 2013	\$ 55.00

Secretary Feder reviewed the Sugarman & Susskind invoices, and Trustee Taylor questioned the Morgan Stanley 2013 - 1st Quarter Manager's Fee invoice.

Following discussion there was consensus to table the Approval of Invoices until later in this meeting.

5. Reports

a. The Carter Hester Group will present the 2012 4th Quarter Report

b. Graystone Consulting Custodian Service Relationship with First State Trust Company
Morgan Stanley Wealth Management, Carter Hester Group, Representative Joe Carter reviewed the 2012 (October – December) 4th Quarter Report and highlighted the Asset Allocations, Growth Analysis, Investment Performance, and Compliance Checklist.

Mr. Carter announced an alliance (partnership) with Graystone Consulting Group (Charles Mulfinger) and explained the model portfolio, and noted changes to the portfolio would be presented to the Board at the May 22, 2013, Quarterly Meeting.

Graystone Consulting Representative Charles Mulfinger discussed the Carter Hester Group and Graystone Institutional Group partnership, proposed portfolio change, and maintaining the existing Client Service Agreement with the following modifications:

- the compensation paid to Morgan Stanley Smith Barney LLC for services provided
- the custody and trust services changes in accordance with the terms of a separate agreement
- retain all other terms, conditions, provisions, and sections in the existing agreement.

Attorney Sugarman inquired and Mr. Mulfinger indicated Graystone Consulting would sign the addendum to the existing agreement. Mr. Mulfinger explained the custodian services relationship with First State Trust Company, and the proposed fee schedule. Discussions were held on the following topics/issues:

- portfolio managers performance
- selection of portfolio managers (risk factors)
- statement availability (Trust Department)
- Graystone Consulting existing municipal plan clients
- performance based fees
- Graystone Consulting fee schedule
- elimination of existing Custodian Services at Morgan Stanley
- real estate investments
- existing plan status (possible plan freeze).

Attorney Sugarman advised the Board would need to receive a proposal from Graystone outlining the proposed changes and fee schedule, and advised the proposal would be subject to a legal review.

Following discussion there was consensus to accept the Carter Hester Group and Graystone Consulting partnership.

Trustee Gault moved to accept and sign the Addendum to Client Services Agreement with Morgan Stanley Smith Barney and pay the lower fees reflected therein, and to authorize the Chairman to sign the Custodial Agreement with First State Trust after review and approval by Counsel. The motion, seconded by Trustee Murphy, carried unanimously on a voice vote.

5. Reports – Continued

b. Graystone Consulting Custodian Service Relationship with First State Trust Company
- Continued

Chairman Tanner signed the Addendum to Client Services Agreement.

First State Trust Company Representative James Robinson provided a company background and identified available Custodian Services.

There was consensus to further discuss this issue at the May 22, 2013, Quarterly Meeting.

c. Human Resources Report

Finance Department Accountant 2 Sharon Johnson distributed the pension list of Active Employees, the Retirement list as of February 27, 2013, and identified the quarterly Deferred Retirement Option Plan rate as provided by the Human Resources Department.

6. New Business

Records Management/Audio Tapes 2005 - 2009 Retention 2 years after adoption

Following discussion there was consensus for Acting Finance Director/Staff Liaison Sandi Henley to investigate the related cost to convert the existing audio tapes and all future recordings to the cloud, and to report back to the Board at the May 22, 2013, Quarterly meeting.

RECESS: 3:00 p.m. - 3:12 p.m.

7. Old Business

a. Discussion Retirement Benefits Former Plan Member Bruce Ivey Update

Trustee Taylor noted the following:

- obtained phone numbers from beneficiaries of Bruce Ivey (Vivian Ivey)
- confirmed residence and attempted contact with Ms. Ivey
- documents on file with the State of Florida (impact statements).

Discussions were held on the following topics/issued:

- past attempts to have Vivian Ivey contact the Town
- sending a certified letter to Vivian Ivey (from chairman)/authorizing Attorney Sugarman to draft a letter to be sent certified to Vivian Ivey.

There was consensus for Attorney Sugarman to compose a certified letter for the Chairman's signature requesting Vivian Ivey contact the Firefighters' Retirement System Board of Trustees.

b. Independent Auditor Update

Following discussion there was consensus for Acting Finance Director/Staff Liaison Sandi Henley to arrange a telephone conference call with Trustee Taylor and the Town's auditor (Carr, Riggs, & Ingram) to review the 2011 Audit.

7. Old Business - Continued

c. Florida Public Pension Trustee Association (FPPTA) Membership Renewal - No action was taken.

8. Attorney Comments

Attorney Sugarman advised on the Internal Revenue Service (IRS) Determination Letter (favorable determination).

Following discussion Trustee Feder moved to authorize Chairman Tanner to approve the IRS amendments and plan Ordinance amendments recommended by Attorney Sugarman to meet the requirements of the IRS determination letter subject to ratification at the next quarterly meeting. The motion, seconded by Trustee Gault carried unanimously on a voice vote.

Attorney Sugarman advised on the following topics/issues:

- existing board determination on how to operate once the current plan was frozen
- Longboat Key Firefighters' Retirement System plan status
- membership vested (100%) when the plan freezes
- DROP participants eligible for Florida Retirement System enrollment
- Ordinance amendments regarding existing plan provisions
- Plan Administration (duties and responsibilities of current Trustees)
- Town Code Section 34.59
- ERISA opinion letter sent to Town
- opinion letter regarding Trustees and Public Records (responsibilities of Trustees)
- Certified Public Accountant Request for Proposal (RFP) issued
- current Operating Rules and Regulations for the Firefighters' Retirement System
- continuing education opportunity hosted by State of Florida, Retirement Division (May 21-22, 2013, at Florida State College in Tallahassee)

7. Old Business - Continued

b. Independent Auditor Update

There was consensus to identify the cost to request a separate engagement letter from the Town's auditors (addressed to the Firefighters' Retirement System) to satisfy the audit requirement, and for the Board to further discuss this issue at the May 22, 2013, Quarterly Meeting.

9. Board Comments

Chairman Tanner announced the next Quarterly Meeting was scheduled for May 22, 2013, at 1:30 P.M.

Plan Membership Questions

Chairman Tanner explained any plan member who had a question regarding the current status of the Longboat Key Firefighters' Retirement System should put their question in writing and provide it to one of the Trustees or the Staff Liaison to be answered.

3. Approval of Minutes – Continued

Deputy Town Clerk Jo Ann Mixon announced a typographic error in the November 28, 2012, approved minutes, and requested an amendment to the minutes to reflect \$23,144.37 in lieu of \$12,144.37 for Morgan Stanley Smith Barney's 2012 - 4th Quarter Manager Fees.

There was consensus to amend the November 28, 2012, Quarterly Meeting minutes to reflect \$23,144.37.

4. Approval of Invoices – Continued

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

10. Adjournment

Chairman Tanner adjourned the February 27, 2013, Firefighters' Retirement System Board of Trustees meeting at 4:18 p.m.

/s/Jo Ann Mixon

Jo Ann Mixon, Deputy Town Clerk

/s/Gerald Feder

Gerald Feder, Chairman

Minutes Approved: May 15, 2013