

**MINUTES
POLICE OFFICERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
AUGUST 21, 2013**

Present: Chairman Peter Kasdan, Vice Chairman Randy Thompson, Secretary John Martin, Trustees Frank Cona and Joseph Iannello (9:00 A.M. arrival)

Also

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

1. Call to Order

Chairman Peter Kasdan called the Police Officers' Retirement System Board of Trustees Quarterly Meeting to order at 8:00 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

2. Approval of Minutes

Trustee Cona moved to approve the May 30, 2013, Quarterly Meeting minutes, as submitted. The motion, seconded by Trustee Thompson, carried unanimously on a voice vote.

3. Public to Be Heard

Chairman Kasdan questioned and Attorney Lee Dehner explained the recent changes to Florida Statute 286.0144, Public Records, and advised on the requirement to allow the public an opportunity to speak.

4. Notice of Hearing on Police Pension Disability

Resigned Former Employee Dean Greathouse Disability Pension Request

Attorney Lee Dehner announced the matter and materials before the Trustees included an application for disability retirement dated May 30, 2013, submitted by former employee Mr. Dean Greathouse and advised on the following:

- ordinance requirement to be an actively employed member of the plan
- three legal principles to use when making a decision:
 - substantial and competent evidence
 - procedural due process / Operating Rules and Regulations Rule 14
 - compliance with essential requirements of law.

Discussions were held on the following topics/issues:

- Town Code Section 34.13 Definitions / active employment requirement
- informal initial hearing (this meeting)
- Operating Rules and Regulations (Rule 14)
- workers compensation settlement and the Release of All Claims document
- injury date August 7, 2012.

Mr. Greathouse discussed a letter received from the Town of Longboat Key that requested the return of all work related equipment.

4. Notice of Hearing on Police Pension Disability – Continued

Human Resources Manager Lisa Silvertooth explained the Workers' Compensation process, Family Medical Leave Act (FMLA) process, Longboat Key Personnel Rules and Procedures (PRR), as well as the different types of utilized leave. Discussions were held on the following topics/issues:

- FMLA (12 weeks without pay)
- PRR (work related injury up to six months)
- leave of absence (with a requirement to obtain a release to return to work)
- application for Disability Retirement sent to Mr. Greathouse (February 2013)
- Workers' Compensation settlement (April 2013).

Attorney Dehner reviewed the Release of All Claims document, the Disability Retirement application, the leave timeline, and the requirement to be a plan member when applying for a Disability Retirement. Discussions were held on the following topics/issues:

- resignation date (April 17, 2013)
- Disability Retirement application date (July 25, 2013)
- Workers' Compensation settlement / disability provision of the Town Code
- maximum medical improvement determination under Workers' Compensation
- Workers' Compensation leave (August 2012 through February 2013)
- signed resignation by Mr. Greathouse under the advice of his Attorney.

Mr. Greathouse summarized his comments regarding the application for a Disability Retirement benefit and opined that the Town Code was not clear on the active employment requirement.

Trustee Cona moved to deny the request from resigned former employee Dean Greathouse for a Disability Retirement benefit, based on the evidence that Mr. Greathouse was not a current member of the Plan. The motion, seconded by Trustee Thompson, carried unanimously on a voice vote.

Attorney Dehner advised Mr. Greathouse on the appeals process, the procedure to request a formal hearing, and Town Code Sections 34.20 (Disability) and 34.13 (Definitions). Mr. Greathouse requested a copy of the Town Code.

5. Approval of Invoices

To consider approval of the following invoices:

| | |
|----------------------------------------------------------------------------|-------------|
| Christiansen & Dehner – Invoice # 23204 | \$ 737.10 |
| Christiansen & Dehner – Invoice # 23345 | \$ 777.82 |
| Christiansen & Dehner – Invoice # 23346 | \$ 288.52 |
| Morgan Stanley Smith Barney – 2013 2 nd Quarter Investment Fees | \$ 2,000.00 |
| Congress Management - 2013 2 nd Quarter Management Fees | \$ 1,767.75 |
| Delaware Investments – 2013 2 nd Quarter Management Fees | \$ 570.29 |
| GW Capital, Inc. – 2013 2 nd Quarter Management Fees | \$ 696.27 |
| HGK Asset Management – 2013 2 nd Quarter Management Fees | \$ 1,525.59 |
| Madison Investments – 2013 2 nd Quarter Management Fees | \$ 1,364.21 |

5. Approval of Invoices – Continued

| | |
|------------------------------------------------------------------------|-----------|
| Oak Ridge Investments – 2013 2 nd Quarter Management Fees | \$ 588.84 |
| Renaissance Investments – 2013 2 nd Quarter Management Fees | \$ 480.76 |

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

Note: Trustee Iannello arrived on the dais at 9:00 a.m.

6. Reportsa. Morgan Stanley Smith Barney / Graystone Consulting 2013 2nd Quarter Report and Rebalancing the Asset Allocation

Graystone Consulting Representative David Wheeler reported on the market environment, economy, global easing, and provided a 2nd Quarter report (ending June 30, 2013). Discussions were held on the following topics/issues:

- developed markets index / Japan
- investments (positive quarter) and fixed income (negative quarter)
- annualized run rate / interest rate
- fixed income location
- rebalancing the portfolio to policy levels / maintain current portfolio allocations
- Mortgage Backed Securities (MBS) and Real Estate Investment Trusts (REIT).

Mr. Wheeler reported on the current asset allocation, 7-year strategic return expectations, risk tolerance for asset classes, and identified alternatives.

Trustee Thompson moved to accept the advice of consultant Graystone to rebalance the portfolio to the low end of the policy index from cash (fixed income from 28.44% to 30%). The motion, seconded by Trustee Cona, carried by a 4-1 roll call vote, as follows: Thompson, aye; Cona, aye; Martin, aye; Kasdan, aye; Iannello, no.

There was consensus for Mr. Wheeler to provide information on Mortgage Backed Securities (MBS) and Real Estate Investment Trusts (REIT) managers at the November 20, 2013, Quarterly meeting, and to inform Salem Trust of the portfolio rebalancing.

b. Human Resources Report

Human Resources Manager Lisa Silvertooth submitted the following documents for approval and execution:

- New Employee Richard Schoepfer Acknowledgement for Plan Membership and Beneficiary Form
- Return of Contributions from funds to former plan members Daniel Cooney and Thomas Frasier.

Following discussion, there was consensus to accept and authorize Chairman Kasdan to execute the presented documentation.

6. Reports - Continuedb. Human Resources Report - Continued

Ms. Silvertooth submitted the following as informational:

- Active Plan Members List
- Retiree List dated August 21, 2013
- Police Benevolent Association (PBA) Union deferred calculations and actuarial lump sum values for active plan members
- Cost-of-Living increase effective October 1, 2013 (two eligible retirees).

7. New Businessa. Discussion on the Town's Annual Required Contribution change from percent of payroll to a dollar determination

Finance Department Budget Analyst Sandi Henley reported on the annual required contribution from the Town of Longboat Key to the Police Officers' Retirement System, and recommended a methodology change from percent of payroll to a dollar based determination for the 2013 Valuation Report.

Foster & Foster, Inc., Representative Doug Lozen recommended, as long as the plan remained open, changing the methodology to a dollar based determination for calculating the Annual Required Contribution from the Town.

Following discussion, Trustee Thompson moved to change the methodology for the Town's Annual Contribution, from a percentage of payroll to a dollar based determination, in conjunction with the October 1, 2013, Valuation Report. The motion, seconded by Trustee Martin, carried unanimously on a voice vote.

b. Discussion of renewal of the Fiduciary Liability Insurance

Finance Department Budget Analyst Sandi Henley reported Atlerra America Insurance Company would provide the annual Fiduciary Liability Insurance policy for the Board of Trustees at a cost of \$5,117.70. Attorney Dehner advised the Board should maintain a liability policy.

Chairman Kasdan moved to ratify the Fiduciary Liability Insurance policy (\$5,117.70). The motion, seconded by Trustee Iannello, carried unanimously on a voice vote.

Staff was directed to place the Fiduciary Liability Insurance policy discussion on the May 2014 quarterly meeting agenda to allow for Board review.

c. 2014 Proposed Meeting Dates

Following discussion Trustee Thompson moved to schedule the 2014 Police Officers' Retirement System meetings at 8:00 A.M. on February 19, 2014, May 21, 2014, August 20, 2014, and November 19, 2014. The motion, seconded by Trustee Martin, carried unanimously on a voice vote.

8. Old Business

Proposed draft Ordinance submittal to the Town Commissioners for compliance with the Internal Revenue Service (IRS) Code

Attorney Lee Dehner advised that proposed Ordinance 2013-17 (IRS regulations and compliance) was submitted to the Longboat Key Town Commission for adoption.

9. Attorney Comments

Attorney Lee Dehner advised on Senate Bill 534 signed into law by Governor Scott, and the Financial Disclosure filing. Town Clerk Trish Granger advised that members of the Police Officers' Retirement System, Board of Trustees had been contacted if there were filing issues identified.

10. Board Comments

Chairman Kasdan announced he would be attending the Florida Public Pension Trustees Association (FPPTA) educational school session in late September 2013 for certification. Attorney Dehner announced an educational opportunity sponsored by the State of Florida, Division of Retirement, October 22-24, 2014, in Orlando, Florida.

11. Adjournment

Chairman Kasdan adjourned the Police Officers' Retirement System Board of Trustees meeting at 10:21 A.M.

/s/Jo Ann Mixon

Jo Ann Mixon, Deputy Town Clerk

/s/Peter Kasdan

Peter Kasdan, Chairman

Minutes Approved: November 20, 2013