

**MINUTES
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
AUGUST 21, 2013**

Present: Chairman Steve Branham, Vice Chairman Lou Levy, Secretary Sandi Henley, Trustees Lyn Haycock, Larry Linhart, Ken Gorman, Steve Schield

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

1. Call to Order and Pledge of Allegiance

Chairman Branham called the General Employees' Retirement System Board of Trustees Quarterly Meeting to order at 10:35 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida, and led the Pledge of Allegiance.

2. Oath of Office

Deputy Town Clerk Jo Ann Mixon administered the Oath of Office to Trustees Gorman and Schield.

13. Town Manager Report

Town Manager Dave Bullock updated the Board on the August 14, 2013, Town Commission decisions regarding the General Employees' Retirement Plan, and reported the plan freeze would be effective on September 30, 2013, and allowed for a 5-year eligibility period for the Deferred Retirement Option Plan (DROP) provision, and included an early retirement eligibility provision.

3. Approval of Minutes

Chairman Branham requested two editorial changes to the July 12, 2013, Special Meeting minutes:

- Page 2: add the following to the note regarding Trustee Linhart leaving the dais, "*a quorum was maintained.*"
- Page 2: move the last sentence of the document to the top of Page 3.

Trustee Henley moved to approve the July 12, 2013, Special Meeting minutes, as amended. The motion, seconded by Trustee Levy, carried unanimously on voice vote.

4. General Employees' Pension Payment

Retiree Leonard Smally - General Retirement System Pension Payment

Retiree Leonard Smally noted his employment (1987 through 1998), identified an events timeline regarding the retirement benefit process, and requested a retroactive payment for April 2013. Human Resources Manager Lisa Silvertooth identified the process used for notifying vested retirees not receiving a retirement benefit, and the former employees' responsibility to maintain with the Town a current mailing address and phone number.

4. General Employees' Pension Payment - Continued
Retiree Leonard Smally - General Retirement System Pension Payment - Continued
Discussions were held on the following topics/issues:

- maintaining current contact information (address/phone number) for retirees
- eligibility date for benefit - April 1, 2013
- request for a one month retroactive payment (April 2013)
- actual date when benefits started May 1, 2013
- Board's responsibility to comply with plan documents.

Attorney Lee Dehner advised the plan did not have a provision to address retroactive payments.

Trustee Levy moved to deny the request from Leonard Smally for a retroactive retirement benefit payment (April 2013). The motion, seconded by Trustee Gorman, carried unanimously on a roll call vote Levy, aye; Gorman, aye; Schield, aye; Sandi Henley, aye; Larry Linhart, aye; Lyn Haycock, aye; Steve, Branham, aye.

5. Reports

a. The Bogdahn Group will present the 2013 2nd Quarter Report and hold discussion on the Domestic Equity Review.

Bogdahn Group Representative John Thinnes presented the 2013 2nd Quarter Investment Performance Report, highlighting the market environment, asset allocations, comparative performance of the fund, and the compliance checklist.

Discussions were held on the asset allocations and the ICC Manager resignation.

Mr. Thinnes reviewed a 2013 Domestic Equity Portfolio Evaluation and provided options for consideration. Discussions were held on the following topics/issues:

- back testing the proposed options
- proposed option 1 (page 3 of the report)
- proposed option 2 (page 4 of the report)
- receiving materials prior to the meeting
- moving funds into the extended option (100% Vanguard)
- moving 1.5 million into extended market
- interest rates
- Plan freeze (September 30, 2013)
- assumption rates / develop strategies regarding the Plan freeze.

Mr. Thinnes recommend the Board terminate services with ICC and move the investments into the Vanguard Extended Market Index, and further review the asset allocations at the November 20, 2013, Quarterly Meeting.

Following discussion, Trustee Henley moved to terminate services with ICC and to move the investments into the Vanguard Extended Market Index. The motion, seconded by Trustee Schield, carried unanimously on a voice vote.

5. Reports - Continued

a. The Bogdahn Group will present the 2013 2nd Quarter Report and hold discussion on the Domestic Equity Review - Continued

The Board directed The Bogdahn Group to send letters of termination to ICC and to provide the required documents to Custodian Salem Trust, as well as the Town for the Chairman's signature.

b. Foster & Foster, Inc. will present an Actuarial Impact Statement dated August 8, 2013, regarding the Plan Freeze

Foster & Foster, Inc., Representative Doug Lozen reported five impact statements were provided to the Town regarding the Plan freeze, reviewed Actuarial Impact Statement C, and identified the assumption used to perform the Actuarial Impact Statement, advising that once the plan freezes, another statement would be produced. Discussions were held on the following topics/issues:

- rate used for calculations (8.0%)
- present value of accrued benefits
- Town pay for the actuary statements (invoice sent to the Board)
- lump sum payout for eligible plan members.

c. Human Resources Report

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

- New Employee Acknowledgement for Plan Membership and Beneficiary Form for employee Kevin Mims
- Authorization to start Retirement Benefit payments (from the fund) for retiree Eva Waldrop
- Authorization to start Retirement Benefits payments (from the fund) for retiree Richard Brey

Human Resources Manager Silvertooth submitted the following documents as informational:

- Active List of plan members
- Retiree List dated August 21, 2013
- estimated deferred calculations and actuarial lump sum values for General Employees' Retirement System plan members.

Following discussion, there was consensus to approve Invoice 23344, as presented.

7. Public to Be Heard - No items were presented.

8. New Business

a. Discussion of renewal of the Fiduciary Liability Insurance

Budget Analysis Sandi Henley reported Atlerra America Insurance Company would provide the annual Fiduciary Liability Insurance policy for the Board of Trustees at a cost of \$5117.70. Attorney Dehner advised the Board should maintain a liability policy.

8. New Business - Continued

a. Discussion of renewal of the Fiduciary Liability Insurance - Continued

Following discussion there was consensus to ratify the \$5,527.80 expenditure for the Fiduciary Liability Insurance policy.

b. Approval of Proposed 2014 Quarterly Meeting Dates

Following discussion, there was consensus to approve the 2014 meeting dates as follows: February 19, 2014; May 21, 2014; August 20, 2014; and November 19, 2014.

9. Old Business

Proposed Ordinance 2013-16 submittal to the Town Commissioners regarding Internal Revenue Code (IRS) compliance

Attorney Lee Dehner advised Ordinance 2013-16 amendments would bring the plan into IRS compliance.

10. Attorney Comments

Attorney Lee Dehner advised on the following topics/issues:

- Senate Bill 534 signed into law by Governor Scott (reporting requirements)
- Financial Disclosure fines begin September 2013

11. Board Comments

Chairman Branham questioned and Attorney Dehner advised on the education opportunities available to the Trustees:

- Florida Public Pension Trustees Association (FPPTA) - certification session September 29 - October 3, 2013, in Palm Beach Gardens, Florida
- State of Florida - educational session October 22-24, 2014, in Orlando, Florida.

Finance Director and Staff Liaison Sue Smith was directed to develop a spreadsheet identifying educational opportunities for Trustees covering the next twelve months.

12. Adjournment

Chairman Branham adjourned the General Employees' Retirement System Board of Trustees meeting at 12:37 p.m.

/s/Jo Ann Mixon

Jo Ann Mixon, Deputy Town Clerk

/s/Steve Branham

Steve Branham, Chairman

Minutes Approved: November 20, 2013