

**MINUTES
POLICE OFFICERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
NOVEMBER 20, 2013**

Present: Chairman Peter Kasdan, Vice Chairman Randy Thompson, Secretary John Martin, Trustee Frank Cona

Absent: Trustee Joseph Iannello

Also

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

1. Call to Order

Chairman Kasdan called the Police Officers' Retirement System Board of Trustees Special Meeting to order at 8:03 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

2. Oath of Office

Trustees John Martin - Seat 4 and Peter Kasdan - Seat 5

Deputy Town Clerk Jo Ann Mixon administered the Oath of Office to Trustees John Martin and Peter Kasdan.

3. Approval of Minutes

Quarterly Meeting August 21, 2013 and Special Meeting September 30, 2013

Trustee Thompson moved to approve the August 21, 2013, Quarterly Meeting and the September 30, 2013, Special Meeting minutes, as submitted. The motion, seconded by Trustee Cona, carried unanimously on a voice vote.

Chairman Kasdan inquired and Attorney Dehner confirmed former plan member Dean Greathouse would file a request for a formal Disability Hearing.

Chairman Kasdan announced attendance at the Florida Public Pension Trustees Association (FPPTA) School and achieved a Public Trustee Certification.

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

5. Approval of Invoices

Christiansen & Dehner – Invoice # 23651	\$ 693.50
Christiansen & Dehner – Invoice # 23652	\$ 512.67
Morgan Stanley Smith Barney – 2013 3rd Quarter Investment Fees	\$ 2,000.00
Salem Trust Company – 2013 2 nd Quarter Custodian Fees	\$ 1,125.00
Foster & Foster – Inv. #5219	\$ 5,356.00
Foster & Foster – Inv. #5491	\$ 1,065.00
Congress Management- 2013 3 rd Quarter Management Fees	\$ 1,977.53
Delaware Investments- 2013 3 rd Quarter Management Fees	\$ 653.60
GW Capital, Inc. – 2013 3 rd Quarter Management Fees	\$ 752.91
HGK Asset Management - 2013 3 rd Quarter Management Fees	\$ 1,658.01
Madison Investments – 2013 3 rd Quarter Management Fees	\$ 1,439.17

5. Approval of Invoices – Continued

Oak Ridge Investments – 2013 3 rd Quarter Management Fees	\$ 697.53
Renaissance Investments – 2013 3 rd Quarter Management Fees	\$ 571.87

Discussions were held on the following topics/issues:

- Plan Member calculations
- Town's reimbursement for expenses
- identifying an expenditure total on the agenda.

Human Resources Manager Lisa Silvertooth confirmed individual estimated calculations were placed in the personnel file for each plan member.

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

Staff was directed to place an expenditure total on the agenda.

6. Reports

a. Graystone Consulting

Graystone Consulting Representative David Wheeler presented a Real Estate Investment Trust (REIT) report highlighting the definitions of Equity and Mortgage REITs, a Trailing Return Analysis, and reviewed a 10-year Risk/Rate Analysis.

Discussion was held on the following topics/issues:

- comparison to existing markets / equity indexes
- filter through REITs / limit investments to first mortgages only
- maximum 2.5% investment.

There was consensus to further discuss REITs at the February 26, 2014, Quarterly Meeting, and for Graystone Consulting to provide a comparison chart of REITs and current investment universes.

Mr. Wheeler reported on the market environment, economy, and global easing.

Graystone Consulting Representative Charles Mulfinger provided the 3rd Quarter Report (ending September 30, 2013). Discussions were held on bonds and rebalancing the portfolio (from stocks to bonds).

Trustee Thompson moved to rebalance the portfolio (from stocks to bonds) based on the recommendation of Graystone Consulting Representative Charles Mulfinger. The motion, seconded by Trustee Cona, carried unanimously on a voice vote.

Mr. Mulfinger continued the 3rd Quarter Report, and discussion ensued.

6. Reports - Continued**b. Foster & Foster, Inc. - Proposed timeline for 2013 Valuation Report / State Accepted 2011 and 2012 Actuarial Valuations**

Foster & Foster, Inc. Representative Doug Lozen reviewed the State-Accepted Valuation letter, projected timeline for the plan freeze, and the 2013 Valuation Report.

Discussions were held on the following topics/issues:

- 60-day window available to run projections on the 2013 Valuation Report
- investment assumption rate
- financial urgency
- prior gains from investments / investment returns with new assumption
- obtaining a summary from Foster & Foster regarding the timeline
- receiving Fiscal Year 2014 monies from the State of Florida (Chapter 185 F.S.)
- four-year smooth (around 9.5% return)
- plan freeze process.

Finance Department Budget Analyst Sandi Henley reported on assumptions and fiscal year calculations, and requested a Town-funded Cost Projection Study be performed.

Following discussion, there was consensus to authorize Foster & Foster, Inc. to perform a Cost Projection Study.

Mr. Lozen reviewed the proposed timeline highlighting the 60-day window to run projections on the 2013 Valuation. Discussion ensued regarding a forward-looking rate of return.

c. Human Resources Report

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

- New Employee Acknowledgement for Plan Membership and Beneficiary Form John Majka and Raymond Wier
- Refund of Contributions to former plan members Monica Quarmby and Paul Bourdeaux.
- Cost-of-Living increase for retirees Richard Landis and Martin Sharkey

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

Ms. Silvertooth provided a list of active plan members and a retirees list dated November 20, 2013, as informational.

7. New Business**a. Florida Public Pension Trustees Association (FPPTA) 2014 Membership**

Following discussion, there was consensus to approve the \$600.00 expenditure and to maintain membership in the FPPTA.

7. New Business - Continued

b. Records Management Compliance Statement

Following discussion, there was consensus to authorize Chairman Kasdan to sign the Records Management Compliance Statement, and for staff to process the paperwork as required.

8. Old Business

Dean Greathouse Disability

Chairman Kasdan inquired and Attorney Dehner advised that Mr. Greathouse communicated that he would be requesting a full hearing within the required timeframe.

9. Attorney Comments

2014 Meeting Date

Following discussion, there was consensus to amend the previously adopted meeting schedule and to hold meetings on February 26, 2014, May 28, 2014, August 29, 2014, and November 19, 2014.

Attorney Dehner advised on proposed legislation and Senate Bills 388 and 246.

10. Board Comments

Trustee Thompson inquired and Attorney Dehner advised that no changes to the defined benefit plan were received.

11. Adjournment

Chairman Kasdan adjourned the Police Officers' Retirement System Board of Trustees meeting at 9:32 A.M.

/s/Jo Ann Mixon

Jo Ann Mixon, Deputy Town Clerk

/s/Randy Thompson

Randy Thompson, Vice Chairman