

**MINUTES  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES QUARTERLY MEETING  
JANUARY 9, 2014**

**Present:** Chairman Steve Branham, Vice Chairman Lou Levy, Secretary Sandi Henley, Trustees Ken Gorman, Steve Schield, Lee Riley

**Absent:** Trustees Lyn Haycock and Larry Linhart

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

**1. Call to Order**

**Chairman Branham called the General Employees' Retirement System Board of Trustees Special Meeting to order at 1:05 p.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.**

**2. Public to be Heard** – No items were presented.

**3. Foster & Foster**

Foster & Foster, Inc., Representative Doug Lozen presented an Investment Return Study, Actuarial Valuation Report as of October 1, 2013 (draft document), and discussed proposed investment return rates.

Discussions were held on the following topics/issues:

- valuation results as of October 1, 2013
- four-year smooth return projections (2014-2017)
- assumption rates
- State's review of the Valuation Report and the acceptance or denial process
- tax revenue monies received by the Town of Longboat Key from the State
- investment return assumption analysis (assumption rates 6.50% - 7.75%)
- 15 year payoff of unfunded liability
- previous employer contributions (2008 – 2013)
- fund ratio.

Bogdahn Group Representative John Thinnis discussed the current asset allocation (basically 60/40) and recommended a 7.0% assumption rate.

Discussions were held on the following topics/issues:

- conservative approach to investments
- 7.0% assumption rate with a 20-year payoff schedule
- independence from other Longboat Key Retirement Systems.

Finance Director Sue Smith identified the impact to the Town's budget if all three plans were to identify a 7.0% investment rate of return.

**3. Foster & Foster** - Continued

Discussions were held on the following topics/issues:

- Town's \$1.6 million reserve for pension contributions
- 7.0% assumption rate with a 20 year payoff schedule.

Attorney Dehner advised there would be no benefit in approving the draft Valuation Report today, however, it would be beneficial to establish the rate of return and amortization period, and to provide direction to the actuary to present the Valuation Report at the February 26, 2014, Quarterly meeting.

**Trustee Henley moved to set the Rate of Return at 7.0% and to authorize Foster & Foster to revise the Valuation Report. The motion, seconded by Trustee Levy, carried unanimously on a 5-0 voice vote.**

Discussion was held on establishing an amortized period. Attorney Dehner advised a super majority vote was necessary to change the amortized period (4 affirmative votes).

**Trustee Levy moved to amortize the impact of the decrease from 7.75% to 7.0% for an amortized period of 15 years. The motion, seconded by Trustee Gorman, failed on a (3-2) roll call vote: Levy, aye; Gorman, aye; Henley, no; Schield, no; Branham, aye.**

Mr. Lozen stated he would revise the Valuation Report for presentation and approval at the February 26, 2014, Quarterly Meeting.

**4. Adjournment**

**Chairman Branham adjourned the General Employees' Retirement System Board of Trustees Special Meeting at 2:14 p.m.**

*/s/Jo Ann Mixon*

Jo Ann Mixon, Deputy Town Clerk  
Minutes Approved: 02-26-2014

*/s/Steve Branham*

Steve Branham, Chairman