

**MINUTES
FIREFIGHTERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES SPECIAL MEETING
JANUARY 30, 2014**

Present: Chairman Gerald Feder, Vice Chairman Armando Linde, Secretary Shannon Gault, Trustees Jason Berzowski, Lee Riley, Brandon Desch, James Pappas

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

1. Call to Order

Chairman Feder called the Firefighters' Retirement System, Board of Trustees, Special Meeting to order at 9:36 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

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

3. Actuarial Valuation Review (draft report dated October 1, 2013)

Chairman Feder stated the Firefighters' Retirement System, board of Trustees, did not receive written correspondence from the State of Florida that identified a requirement to reduce the assumption rate to a specific percentage, and requested that Mr. Lozen refrain from referencing a verbal statement since the information could not be verified.

Foster & Foster Representative Doug Lozen reviewed the draft Actuarial Valuation dated October 1, 2013.

Attorney Robert Sugarman inquired and Mr. Lozen announced all plan members were provided a pension benefit calculation when the plan was frozen. Mr. Sugarman suggested the Board send a letter via US Mail to all plan members

Discussion ensued regarding plan members snapshot of benefits and disputes identified by plan members. Attorney Sugarman suggested this issue be placed on the February 26, 2014, Quarterly Meeting agenda, and for staff to provide a report regarding plan membership, delivery date of the information to the plan member, identify any unresolved time related issues, and determine if the Town would receive State Funds for Fiscal Year 2013.

There was consensus to place the Pension Benefit calculations for the Frozen Plan, and related issues on the February 26, 2014, Quarterly Meeting agenda, for discussion.

Discussions were held on the following topics/issues:

- partial payment from the State of Florida for Fiscal Year 2013
- amortization of the total unfunded actuarial accrued liability
- time period (number of years) to pay down the debt (unfunded liability)

3. Actuarial Valuation Review (draft report dated October 1, 2013) – Continued

- Board of Trustees requirement to establish the pay down time period
- lowering the assumption rate and increasing the unfunded liability debt
- Town's obligation to make annual payments to reduce the liability
- annuity purchase/insurance company participation
- issue bond to payoff unfunded liability (pension obligation bond)
- protocol for discussion with the Town
- trustee's duty to identify what is in the best interest of the beneficiaries
- gains and losses (current 10-year pay down)
- creating a subcommittee to work with the Town
- impact to the Town if assumption rate was 7.75%
- frozen plan assumption rate (7.0% to 7.5% average)
- plan cost based on investment returns received
- establishing a goat (set number of years)
- sliding scale to payoff unfunded liability
- performing a 30-year cash flow analysis.

Staff Liaison and Finance Director Susan Smith reviewed an Annual Required Contributions (ARC) schedule with various rate of return.

Discussions were held on the following topics/issues:

- 2013 tax increase to property owners (10%)
- annual required payment from the Town
- assumption rate drop dead date for the Town (May)
- 60-day transmittal requirement once the Valuation Report were approved
- interest charged if not fully paid by October 1, 2013 (method change)
- Town's contribution quarterly payment vs. full payment.

There was consensus to create a subcommittee of the Firefighters' Retirement System, Board of Trustees, consisting of Chairman Feder, vice Chairman Linde, and Secretary Shannon Gault, and to hold the meeting at 1:00 p.m. on February 21, 2014.

Graystone Representative David Wheeler identified updated reports would be available at the February 26, 2014 Quarterly Meeting. Foster & Foster Representative Doug Lozen was asked to provide a historical return of the fund.

4. Adjournment

Chairman Feder adjourned the Firefighters' Retirement System, Board of Trustees Special Meeting at 11:26 a.m.

/s/Jo Ann Mixon

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

/s/Gerald Feder

Gerald Feder, Chairman