

**MINUTES
GENERAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
FEBRUARY 26, 2014**

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

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 10:55 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida, and led the Pledge of Allegiance.

2. Approval of Minutes (November 20, 2013 Quarterly Meeting / January 9, 2014 Special Meeting)
Trustee Schield moved to approve the November 20, 2013, Quarterly Meeting minutes. The motion, seconded by Trustee Levy, carried unanimously (7-0) on a voice vote.

Trustee Levy moved to approve the January 9, 2014, Special Meeting minutes. The motion, seconded by Trustee Gorman, carried unanimously (7-0) on a voice vote.

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

4. Reports

a. Bogdahn Group 2013 4th Quarter Report and Revised Investment Policy Statement
Bogdahn Group Representative John Thinner presented the 2013 4th Quarter Investment Performance Report, highlighting the market environment, asset allocations, comparative performance of the fund, the compliance checklist, and presented an amended Investment Policy Statement.

Discussions were held on the following topics/issues:

- Investment Policy Statement (IPS)
- floating rate on bank loans
- fixed income
- existing Ordinance restrictions.

The Bogdahn Group was directed to provide, in advance of the next Quarterly Meeting, information on all investment opportunities for discussion at the May 28, 2014, Quarterly Meeting.

4. Reports

a. Bogdahn Group 2013 4th Quarter Report and Revised Investment Policy Statement
Trustee Levy moved to accept the Revised Investment Policy Statement dated February 26, 2014. The motion, seconded by Trustee Henley, carried unanimously (7-0) on a voice vote.

b. Foster & Foster Revised Draft Actuarial Valuation dated October 1, 2013
Foster & Foster, Inc., Representative Doug Lozen presented a revised draft Actuarial Valuation dated October 1, 2013.

Discussion was held on the process of approving the revised Actuarial Valuation dated October 1, 2013, and the required motions.

Trustee Henley moved to accept the Revised Actuarial Valuation dated October 1, 2013. The motion, seconded by Trustee Gorman, carried unanimously (7-0) on a voice vote.

Trustee Gorman moved, based on the recommendation from The Bogdahn Group, a 7.0% Rate of Return for the current year, the next several years, and the long term thereafter. The motion, seconded by Trustee Haycock, carried unanimously (7-0) on a voice vote.

Foster & Foster Inc., Representative Doug Lozen requested and consensus was reached to add an item to the agenda, Cost Projection Analysis.

Cost Projection Analysis

Mr. Lozen reported on cost projects utilizing various Investment Return Assumptions.

Discussions were held on the following topic/issues:

- estimated 20-year run out of Town required contributions
- drop of funding requirement between the years of 2020 and 2021
- Exhibit C (twenty-year projection) 7.0% Investment Return Assumption.

c. Discussion on the Rate of Return and Assumption Changes

Staff Liaison and Finance Director Susan Smith reviewed the Rate of Return Assumption information that was presented to the Town Commission on February 18, 2014, the impact to the Town's budget, and adding the Finance Director to the correspondences from the Board Actuary.

Discussions were held on the tax impact and the Town's budgetary challenges.

Following discussion, consensus was reach to add Staff Liaison and Finance Director Susan Smith to the distribution list for correspondence from the Board's actuary Foster & Foster.

4. Reports – Continued

d. Human Resources Report

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

- Authorization to Refund Contributions to former plan members Nick Disalvo, Alaina Ray, Jason Schmidt, Ronald Thornton, Kevin Mimbs, William Perry, Sheila Pilato.

Trustee Levy moved to authorize Chairman Branham to sign the presented documents to return member contributions to Nick Disalvo, Alaina Ray, Jason Schmidt, Ronald Thornton, Kevin Mimbs, William Perry, and Sheila Plato. The motion, seconded by Trustee Haycock, carried unanimously (7-0) on a voice vote.

Ms. Silvertooth submitted the Plan Membership and the Retiree lists.

5. Approval of Invoices

Christiansen & Dehner – Invoice 24049	\$ 912.50
Christiansen & Dehner – Invoice 24181	\$ 110.46
Christiansen & Dehner – Invoice 24314	\$ 620.50
The Bogdahn Group – 2013 4 th Quarter Investment Consulting Fees	\$ 3,875.00
Salem Trust Company – 2013 3 rd Quarter Custodian Fees	\$ 1,125.00

Trustee Gorman moved to approve the invoices, as submitted. The motion, seconded by Trustee Henley, carried unanimously (7-0) on voice vote.

Trustee Levy referenced the November 20, 2013, meeting minutes and inquired as to whether an investigation was made regarding a reimbursement to the Plan, from the Town, for benefit calculation expense.

Chairman Branham forwarded this issue to the May 28, 2014, Quarterly Meeting Agenda for discussion.

6. New Business – No items were presented.

7. Old Business

Trustee Education Opportunity

Chairman Branham discussed an educational session and requested Staff Liaison and Finance Director Susan Smith schedule this event.

8. Attorney Comments

Attorney Lee Dehner advised the Board on the following topics/issues:

- legislative session March and April 2014) provide periodically legislative updates
- State of Florida, Division of Retirement education conference May 12-14, 2014
- Senate Bill 534

9. Board Comments – No items were presented.

10. Adjournment

Chairman Branham adjourned the General Employees' Retirement System Board of Trustees Special Meeting at 12:18 p.m.

/s/Jo Ann Mixon

Jo Ann Mixon, Deputy Town Clerk

/s/Steve Branham

Steve Branham, Chairman

Minutes Approved: **June 20, 2014**