

**MINUTES
FIREFIGHTERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES QUARTERLY MEETING
SEPTEMBER 23, 2014**

Present: Vice Chairman Armando Linde, Trustees Brandon Desch, Lee Riley,
Jason Berzowski

Vacant: Seats 1, 3 and 4

Also Present: Attorney Robert Sugarman, Staff Liaison and Finance Director Susan
Smith, Deputy Town Clerk Jo Ann Mixon

1. Call to Order

Vice Chairman Linde called the Firefighters' Retirement System, Board of Trustees, Quarterly Meeting to order at 2:00 p.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida.

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

3. Letters of Resignation

Vice Chairman Linde announced the resignation of Chairman Gerald Feder.

4. Approval of Minutes – June 24, 2014

Trustee Riley moved to approve the June 24, 2014, Quarterly Meeting minutes, as submitted. The motion, seconded by Trustee Desch, carried unanimously (4-0) on a voice vote.

5. Reports

a. Graystone Consulting 2014 2nd Quarter Report

Graystone Consulting Representatives David Wheeler and Charlie Mulfinger provided an overview of the current economic conditions, market performance, 2nd Quarter Investment Report, portfolio review, and the compliance checklist. Discussions were held on the U.S. economy (slow growth) and global investments.

b. Human Resources Report

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

- Cost-of-Living adjustment effective October 1, 2014 (for retirees Leo Brown, Patrick Carden, James Cena, Karsten Garber, James Haas, Julius Halas, Glenn Miller, Carroll Mooneyham, Michael Murphy, Johnny Rlgney, Klaus Schillenberger, Tom Sousa, Paul Spradlin, James Stradof, and Nathaniel Williams)
- benefit adjustment (overpayment of \$1,764.14 to retiree Nathaniel Williams.

5. Reports

b. Human Resources Report - Continued

Attorney Sugarman advised on the following topics/issues:

- written notification to retiree Nathaniel Williams regarding a pay-back retirement benefit reduction and the right to appeal
- authorizing Human Resources Manager Lisa Silvertooth to compose and send a letter to retiree Nathaniel Williams identifying the date of the next meeting where the overpayment refund schedule would be discussed/approved.

Following discussion consensus was reached for Ms. Silvertooth to write a letter to retiree Nathaniel Williams regarding the overpayment refund schedule and identify the Consolidated Retirement System Board of Trustees meeting date where this issue would be discussed.

Trustee Linde moved to execute the presented documents. Following discussion, the motion failed due to lack of a second.

Trustee Linde move to execute and approve the retirees' Cost-of-Living Adjustments effective October 1, 2014. The motion, seconded by Trustee Desch, carried unanimously (4-0) on a voice vote.

Ms. Silvertooth submitted the following as information:

- Plan Membership list
- Retiree List as of October 1, 2014
- Quarterly Deferred Option Retirement Benefit (DROP) balances for Mathew Altman, Thomas Batchelor, Peter Collandra, James Jacobs, James Martin, Franklin Stoudt, and Keith Tanner

Attorney Sugarman inquired and Ms. Silvertooth explained DROP balances were provided on a quarterly basis to retirees; however, they were not informed that this was their last opportunity to appeal to the Firefighters' Retirement System Board of Trustees.

Attorney Sugarman advised quarterly DROP balances be referred to the Consolidated Retirement System Board of Trustees.

6. Approval of Invoices

Sugarman & Susskind, PA - Invoice dated July 8, 2014	\$ 150.00
Sugarman & Susskind, PA - Invoice dated July 8, 2014	\$ 2,917.00
Sugarman & Susskind, PA - Invoice dated August 6, 2014	\$ 75.00
Sugarman & Susskind, PA - Invoice dated August 6, 2014	\$ 360.00
Sugarman & Susskind, PA - Invoice dated August 6, 2014	\$ 450.00
Sugarman & Susskind, PA - Invoice dated August 25, 2014	\$ 330.00

6. Approval of Invoices – Continued

Foster & Foster, Inc. Actuary - Invoice 6136	\$ 2,520.00
Foster & Foster, Inc. Actuary - Invoice 6391	\$ 2,746.00
Boyd Insurance – Invoice 27224	\$ 1,292.28

Following discussion, Trustee Desch moved to approve the invoices, as submitted. The motion, seconded by Trustee Linde, carried unanimously (4-0) on a voice vote.

7. New Business

a. Firefighters Retirement System Audit proposal from Mauldin & Jenkins

Attorney Sugarman advised a final audit was recommended. Discussion ensued.

Trustee Linde moved to engage Mauldin & Jenkins, CPA firm, to perform an audit of the Firefighters' Retirement System at a cost not to exceed \$7,500.00, with the opinion letter addressed to the Firefighters' Retirement System Board of Trustees. The motion, seconded by Trustee Desch carried unanimously (4-0) on a voice vote.

Attorney Sugarman advised each Trustee should maintain a copy of the opinion letter and audit results for a five-year period.

b. Correspondence from Attorney Robert Sugarman regarding Portfolio Monitoring

Attorney Sugarman advised on the correspondence send regarding Portfolio Monitoring. No action required.

c. Correspondence from Auditor Foster & Foster, Inc. regarding GASB and SB534

Foster & foster, Inc. Representative Doug Lozen commented on the following topics/issues:

- valuation percentages
- proposed fee structure for GASB reporting
- early implementation of GASB reporting
- Senate Bill (SB) 534 reporting requirement (cost \$3,000.00 to \$3,500.00)
- final valuation performed by Foster & Foster, Inc. (dated September 30, 2014)
- identifying the plus 200 basis points in the SB 534 reporting

Trustee Linde moved to authorize Foster & Foster, Inc., to proceed with the Valuation Report using 7.5% and 5.5% with an early implementation of GASB reporting, and for the Town of Longboat Key to determine the payment process. The motion, seconded by Trustee Riley, carried (4-0) on a voice vote.

8. Old Business

a. Answers to Firefighters questions regarding Final Pension Benefit Calculations

Attorney Sugarman advised on the following topics/issues:

- frozen plan benefit calculation for plan members
- confirmation from plan members regarding benefit levels
- questions from plan members regarding benefits
- Board of Trustees duty to administer the plan
- funding sources (investment income and Town contributions)
- Town Code and Florida Statutes Chapter 112
- Federal law (Internal Revenue Code)
- Florida case law
- Collective Bargaining Unit (ratified by bargaining unit members/established grievance procedures).

Attorney Sugarman provided advised and answered the questions presented by Plan Members Dawn Dunkum and Eric Cumberland regarding retirement benefits, and the FFRS plan freeze process.

Plan Member Eric Cumberland inquired and Attorney Sugarman advised regarding the snapshot of leave hours (prior to the plan freeze) and the use of leave hours after October 1, 2013, resulting in a reduction to the Average Final Compensation (AFC) figure.

Discussions were held on the following topics/issues:

- Town Code Section 34.42(A)
- benefit protection under Florida Statutes Chapter 175
- cash out distribution/lump sum
- benefit reduction after snapshot leave hours were used
- members' understanding that leave hours could be rebuilt
- snapshot figures (maximum not minimum)
- bargaining unit agreement with the Town of Longboat Key
- Union member agreement to the plan freeze not the reduction in AFC
- questions posed to the State of Florida, Division of Retirement, regarding benefit reduction
- possible loss of funding to the Town of Longboat Key from the State of Florida
- security of the retirement funds
- benefits earned while participating under Chapter 175.

Deferred Retirement Option Plan (DROP) participant Keith Tanner spoke in regard to Attorney Jim Linn (Town's Pension Attorney) writing the ordinance, and Attorney Reynolds Allen (Town's Union Attorney) negotiated the Union contract, and identified the purpose/intent of the AFC snapshot.

Attorney Sugarman advised on the grievance process available to plan members.

8. Old Business - Continued

b. Fiduciary Liability Tail coverage (October 1, 2014 – September 30, 2019)

Attorney Sugarman advised Fiduciary Liability Tail coverage was recommended.

Following discussion, Trustee Linde moved to purchase Fiduciary Liability Tail Insurance coverage (\$13,923.00) for the covered period of October 1, 2013 through September 30, 2019. The motion, seconded by Trustee Berzowski, carried unanimously (4-0) on a voice vote.

c. Proposal from Actuary Foster & Foster (Valuation Report dated October 1, 2014)

Discussions were held on the following topics/issues:

- asking the State of Florida if the Valuation date could be 09-30-2014
- asset transfer to the Consolidated Retirement Board effective October 1, 2014

Following discussion, Trustee Linde moved to approve the Foster & Foster, Inc., proposal (\$6,767.00) for a September 30, 2014, Valuation. The motion, seconded by Trustee Desch, carried unanimously (4-0) on a voice vote.

d. Correspondence from Attorney Sugarman (October 1, 2013 Valuation Report)

Attorney Sugarman advised a letter was sent on behalf of the FFRS to the State of Florida, Actuary Douglas E. Beckendorf regarding the October 1, 2013, Actuarial Valuation review and approval; to date no response has been received. He noted another letter would be sent identifying the transfer of assets to the Consolidated Retirement System, Board of Trustees.

9. Attorney Comments

Attorney Robert Sugarman advised on the following topics/issues:

- Form F1 Final Financial Disclosure
- transfer of records to the Consolidated Retirement System Board of Trustees
- ownership of records (consultants' files to be transferred).
- September 23, 2014 meeting minutes approval
- final invoice process/approval.

Trustee Linde moved to transfer the FFRS records to the Consolidated Retirement System, Board of Trustees. The motion, seconded by Trustee Berzowski, carried unanimously (4-0) on a voice vote.

Trustee Linde moved to authorize Board Secretary Desch to review and approve the 09-23-2014 meeting minutes and pending invoices on behalf of the FFRS. The motion, seconded by Trustee Riley, carried unanimously (4-0) on a voice vote.

Attorney Sugarman summarized 25 years of working with the Town of Longboat Key Firefighters Retirement System Board of Trustees and thanked the Trustees.

10. Board Comments

Trustee Linde identified a typographic error on the September 23, 2014, Agenda and requested the revised Agenda be included as part of the record.

11. Adjournment

Vice Chairman Linde adjourned the Firefighters' Retirement System Board of Trustees Quarterly Meeting at 4:19 p.m.

/s/Jo Ann Mixon
Jo Ann Mixon, Deputy Town Clerk

/s/Brandon Desch
Brandon Desch, Board Secretary