MINUTES
CONSOLIDATED RETIREMENT SYSTEM
BOARD OF TRUSTEES SPECIAL MEETING
DECEMBER 18, 2014

Present: Chairman Steve Branham, Vice Chairman Frank Cona, Trustees William Forcht, Anne Ross, Judd Jensen, Lou Levy, Nancy Woodley, Sandi Henley

Absent: Thomas Sousa, Lou Levy

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

1. Call to Order and Pledge of Allegiance

Chairman Branham called the Consolidated Retirement System Board of Trustees Special Meeting to order at 9:02 a.m., in the Town Commission Chamber, 501 Bay Isles Road, Longboat Key, Florida, and led the Pledge of Allegiance.

2. Public to be Heard

3. Approval of Minutes - Quarterly Meeting Minutes November 7, 2014

Following discussion there was consensus to have staff review the recording, and to place the 11-07-2014 minutes on the next agenda for approval.

Chairman Branham asked, and consensus was reached, to add the resignation of Trustee Thomas Sousa to the agenda for discussion at this time.

Discussion was held regarding the resignation of Trustee Sousa. Staff Liaison/Finance Director Sue Smith identified the Trustee election process and indicated the election would begin shortly.

There was consensus to move forward with the Trustee election process.

4. Reports

a. Doug Lozen, Foster & Foster and Susan Smith, Finance Director, presentation on Governmental Accounting Standards Board (GASB) GASB 67/68 and Senate Bill (SB) 534

Staff Liaison/Finance Director Sue Smith and Foster & Foster, Inc. Representative Doug Lozen provided information on GASB 67/68 and SB534.

Discussions were held on the following topics/issues:

- new standards for GASB 67/68
- funding policy
- terminology
- cost for implementation of new accounting requirements ($6,000.00)
- amortization period for funding and accounting
- entry age funding process.

Editor's Note: Firefighters' Retirement System FFRS; General Employees' Retirement System GERS; Police Officers' Retirement System PORS

4. Reports - Continued

a. Susan Smith, Finance Director, and Doug Lozen, Foster & Foster presentation on Governmental Accounting Standards Board (GASB) GASB 67/68 and Senate Bill (SB) 534

- Valuation Reports presentation at the February Quarterly Meeting
- unfunded mandate
- pension reform
- invite a local senator to attend a meeting and explain SB534.

Following discussion there was consensus to invite a local senator to attend a future meeting to discuss SB534.

Attorney Lee Dehner advised on SB534 filing and posting requirements (Longboat Key website).

Discussion was held on adding a footnote to the Valuation Report that references the Longboat Key website posting, and forwarding this issue to the Town Commission for placement consideration on the next legislative priorities list.

b. Doug Lozen and Susan Smith presentation GASB 67 Reports dated September 30, 2013, for Firefighters' Retirement System (FFRS), General Employees' Retirement System (GERS), and Police Officers' Retirement System (PORS)

Foster & Foster, Inc. Representative Doug Lozen and Staff Liaison/Finance Director Sue Smith provided information on the GASB 67 Report dated September 30, 2013, regarding the FFRS, GERS, and PORS.

Discussions were held on the following topics/issues:

- inflation with debt versus bonds
- disclosures
- mortality table (assumption changes made by the Board)
- funding policy.

Following discussion, Trustee Cona moved to use the PORS exhibit for the pension plan ending in 2013 as a template to absorb the FFRS and GERS, since it is the same process with exactly the same nomenclature and procedures. The motion, seconded by Trustee Henley, carried unanimously on a voice vote.

RECESS: 10:28 a.m. – 10:41 a.m.

c. Subcommittee Report – Investment Policy

Subcommittee Chairman Steve Branham reported on the subcommittee meeting and the review of a prepared draft.

Editor's Note: Consolidated Retirement System (CRS); Firefighters' Retirement System FFRS; General Employees' Retirement System GERS; Police Officers' Retirement System PORS

4. Reports - Continued

d. Subcommittee Report – Policy Manual (Operating Rules and Regulations)

Subcommittee Chairman Nancy Woodley reported on the subcommittee meetings held, utilizing the General Employees' Retirement System existing Operating Rules and Regulations as a reference, and future meeting date (January 6, 2015). Trustee Henley distributed a working draft of the Operating Rules and Regulations.

Chairman Brenham noted the original concept was to have one employee representative on each of the subcommittees; however, that did not occur.

e. Human Resources Manager Report

Human Resources Manager Lisa Silvertooth provided an update regarding the retirement benefit over-payment to retiree Nate Williams, and the agreement to repay the plan ($30.00 per month).

Chairman Branham explained a retired firefighter plan member was overpaid by custodian First State, and the Board had requested Attorney Lee Dehner to write a letter requesting full payment from the custodian. Staff Liaison/Finance Director Sue Smith identified that letter was not issued to First State and requested the Board provide direction.

Discussions were held on the following topics/issues:

- utilizing an in-house process
- retaining a debt to the plan
- requesting custodian First State to repay the debt
- if Board actions would establish a precedent.

Attorney Lee Dehner advised on the following topics/issues:

- the Board cannot forgive the debt
- create an in-house repayment plan
- demand payment from First State (Custodian)
- determine if interest should be added to the debt.

Following discussion, there was consensus to have retiree Nate Williams continue the reimbursement at a rate of $30.00 per month without interest, and not to send a letter to custodian First State.

Ms. Silvertooth provided active membership and retiree lists and noted retirees from the PORS and GERS had passed away.

5. Invoice Ratification

Christiansen & Dehner - Invoice 25568 (CRS)	$1,402.30
The Bogdahn Group – Invoice 11242 - 2014 4th Quarter Fees (GERS)	$3,875.00

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

6. New Business

a. Proposed Ordinance 2015-04 amending the Consolidated Retirement System

Staff Liaison/Finance Director Sue Smith provided information on the following topics/issues:

- proposed Ordinance 2015-04 amendments
- leave payout provision clarification (FFRS/GERS/PORS) snapshot totals
- snapshot benefits are to be paid at the pay rate at the time of the snapshot
- removal of references to Florida Statutes Chapters 175 and 185
- indemnification language for the Consolidated Retirement System Trustees
- having a Trustee attend Town Commission meetings when retirement issues are discussed (Chairman).

Attorney Lee Dehner advised on a plan member's snapshot balance, and the proposed amendment to Town Code (proposed Ordinance 2015-14).

Following discussion, there was consensus for Attorney Dehner to further review proposed Ordinance 2015-04, for Chairman Branham to review and approve any changes (made by Attorney Dehner), and to act as the Trustee representative before the Town Commission.

Attorney Lee Dehner reviewed the proposed Ordinance and provided an opinion referencing the existing language in Town Code Sections 34.42 and 34.72.

b. Adopt 2015 Meeting Dates and Times

Following discussion consensus was reached to schedule the quarterly meetings and to tentatively schedule monthly meetings. (special meeting January 30, 2015 at 9:00 a.m.; quarterly meeting February 27, 2015 at 1:30 p.m.; tentative March 25, 2015 at 9:00 a.m.; tentative April 22, 2015 at 9:00 a.m.; quarterly meeting May 22, 2015 at 1:30 p.m.; tentative June 18, 2015 at 9:00 a.m.; tentative July 22, 2015 at 9:00 a.m.; tentative August 28, 2015 at 1:30 p.m.; tentative September 23, 2015 at 9:00 a.m.; tentative October 21, 2015 at 9:00 a.m.; quarterly meeting November 5, 2015 at 9:00 a.m.)

Staff Liaison/Finance Director Sue Smith was directed to create a timeline for the consolidation goals using the quarterly and tentative meeting dates.

Editor's Note: Consolidated Retirement System (CRS); Firefighters' Retirement System FFRS; General Employees' Retirement System GERS; Police Officers' Retirement System PORS

6. New Business

c. Florida Public Pension Trustees Association (FPPTA) School February 1- 4, 2015

Chairman Branham announced a FPPTA Trustee School schedule for October 4 -7, 2015, in Naples, Florida. Trustee Henley explained the three existing FPPTA memberships were cancelled and one membership was created, and FPPTA agreed to waive the CEU deadline requirement for Trustee Henley's certification.

7. Old Business

a. Foster & Foster, Inc. discussion Cost of Living Adjustment (COLA) calculations

Foster & Foster Representative Doug Lozen reported one schedule (at the time of plan member retirement) with all benefit increases was provided to the custodian banks at the time benefits were requested by the retiree, and if the status of a retiree changes the Town and/or custodian bank must provide information to the Actuary.

Discussions were held on the following topics/issues:

- pension administrator function
- notification of retirees status annual letter
- stop change dates provided to custodian banks
- providing a COLA schedule as plan members retires.

Trustee Henley moved to use the actuary schedule provided to custodian banks when a plan member retires for COLA or benefit changes. The motion, seconded by Trustee Jensen, carried unanimously on a voice vote.

b. Foster & Foster, Inc. discussion timing of contribution payments and processing of invoices

Staff Liaison/Finance Director Sue Smith reviewed the Town's existing invoice payment process and offered options to the Board.

Discussions were held on the following topics/issues:

- making a lump sum contribution payment to the plan to avoid interest charges
- formal approval by the board to change a process
- reimbursement from the Town for administrative costs
- money manager fee (not reimbursable)
- trustee assets
- possible ordinance amendment.

7. Old Business

b. Foster & Foster, Inc. – Continued

Following discussion, there was consensus to defer this issue to the January 30, 2015, Special Meeting. Trustee Forcht left the dais at 11:58 a.m. and returned at 12:10 p.m.

7. Old Business - Continued

c. Status update of Request for Proposals (RFP) Pension Administrator

Staff Liaison/Finance Director Sue Smith announced the RFP, for a Pension Administrator, would be opened on December 19, 2014, and a Panel Review Committee meeting would be scheduled.

d. Status update on Police State Revenue Sharing payment

Staff Liaison/Finance Director Sue Smith announced State funds were received.

e. Status update on Fiduciary Insurance

Trustee Henley identified a copy of the Fiduciary Insurance Policy was included in the agenda materials. The town or trustee must pay for the insurance policy.

Attorney Lee Dehner advised on the fiduciary insurance policy payment restrictions.

f. Review of Email dated November 7, 2014, from Staff Liaison Sue Smith follow-up from the November 8, 2014 CRS Special Meeting

Staff Liaison/Finance Director Sue Smith reviewed a follow-up list that was created based on discussion held on the November 7, 2014, Consolidated Retirement System Meeting.

9. Board Comments

Agenda

Chairman Branham requested the agenda be forwarded for his review prior to posting on the Town's website.

Investment Policy Statement

Trustee Cona announced he forwarded to the Retirement Board Administrative Assistant Sharon Johnson a marked-up word document, and he was working on making the excel spreadsheets readable.

8. Attorney Comments

Attorney Dehner advised on the Form 1F filing requirements.

10. Adjournment

Chairman Branham adjourned the Consolidated Retirement System Board of Trustees Special Meeting at 12:09 p.m.

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Jo Ann Mixon, Deputy Town Clerk Steve Branham, Chairman

Minutes Approved: 03-20-2015

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