

MINUTES

FIREFIGHTERS' PENSION TRUST FUND BOARD OF TRUSTEES September 22, 2011

The Firefighters' Pension Trust Fund Board of Trustees held a meeting on September 22, 2011, at City Council Chambers, 201 Howell Avenue, Brooksville, Florida .

PRESENT: Present were Regina Martin, Chairwoman; Paul Babcock, Vice-Chairman; Wayne Sufficool, Secretary, Driver Engineer, Joe Keefer and Captain Bill Kaplan, Members; Scott Christiansen, Attorney; Brian Bakardiev, Bogdahn Group and Lynn Skinner of Salem Trust. Susan Mae McCrary, Adm. Asst. was also present. It should be noted that Scott arrived at approximately 6:35 p.m. due to inclement weather.

CALL TO ORDER: Meeting called to order by Chairwoman Martin at 6:07 p.m.

MINUTES- August 10, 2011

Motion: Motion made by Joe Keefer to approve Minutes as written; seconded by Bill Kaplan; voted upon and carried unanimously.

INVESTMENTS

Bogdahn Group- Brian Barkardiev

Investments as of June 30, 2011. He had current updated information and went over each page of the report. He explained the allocation of the Plan, and it is in line with policy guidelines. There was a gain this quarter of \$58,027. The plan is in the 7th percentile, which means it beat 93% of the other plans. He advised that both Dana and Agincourt performed the benchmark consistently. The Bond portfolio continues to have positive results.

A letter to Salem trust dated 2006 must be updated for contributions and distributions to keep the asset allocation consistent.

They will present any recommendations by the end of the next quarter, which will be discussed with the Board.

Motion: Motion by Joe Keefer to have Bogdahn draft a letter for the Board to forward to Salem Trust to allow them to use the State money to balance targets of the current 45% domestic equity, 15% international equity and 40% in fixed income; seconded by Wayne Sufficool; voted upon and carried.

Dana and Agincourt were not in attendance even though they were on the agenda.

SALEM TRUST

Lynn Skinner had been asked by the Board to come to the meeting to discuss several issues which were brought to the Board's attention by the auditors..

She addressed the Board explaining Salems function to the new Trustees. As custodians they hold the assets, pay invoices, make benefit payments, etc.

She advised that the letter received from Mrs. McCrary indicated that the auditor wanted trade date statements. She advised that they are set up for trade date statements in their computer as of December and therefore the statement he was looking at were not set up for September. Next year the statements will be in compliance with his request and should not be an issue. She brought with her a statement of pending trades. She explained that if a trade is done at the end of the month and will not settle, the trade date statement will show a pending trade. A settlement statement will show what happened on those days. The information has been fixed for the auditors and there should be no further concerns.

Foreign tax refunds are being worked on and they are trying to outline everything necessary such as taxes, etc., She indicated that it is very involved when you are dealing with foreign

countries. They have reviewed transactions for the last 17 months, period ending June 30th, 2011. The total owed to the fund is approximately \$600. She did not want the Board to be under the assumption that there was thousands of dollars outstanding.

Scott explained that there are different treaties in place for different countries. The Board discussed this. If the money was not coming in, is it worth the investments. The performance benefit is less if the tax benefit is not coming back to the fund. The current performance is net of those taxes.

Bill Kaplan asked if the Board wanted to continue these investments or freeze everything until the taxes are collected. Bakardiev advised that this would actually be bad for the fund. Kaplan stated that they are the custodians and he was just thinking about the members.

Regina Martin asked Brian what he suggested. He stated that if they wanted to do foreign investments, that it could be rolled into an international mutual fund, which has built in systems to collect the foreign tax.

Ms. Skinner explained the forms sent to Susan, which must be signed by the Board. She also asked if the new members wanted on-line access and if the others wanted to remain the same. Ms. McCrary advised that she would like to go on-line rather than to keep getting paper as she has so many boxes.

FIDUCIARY INSURANCE

Fiduciary insurance is renewed annually. There are two quotes. One from the current carrier, Gibson and Wirt for \$2072.60 and one from Alliant Insurance in the amount of \$2,735.

After review the Board decided to renew with the current carrier.

Motion: Motion made by Bill Kaplan to renew with Gibson and Wirt; seconded by Paul Babcock; voted upon and carried.

FOSTER AND FOSTER

Foster had submitted a realignment of their fees in conjunction with the new Laws designated under Senate Bill 1128. Scott explained the work required. He explained that he contracted Brad Heinrichs with Foster and Foster and Brad explained to him why they were requesting the increases.

Calculations of Liabilities using FRS interest rates. In this legislation there is a requirement that with each Actuarial Valuation Foster has to compare our investments returns (8%) with FRS investments returns assumption, so separate calculations are required. The fee increase is 10% of the Actuarial Valuation.

The other changes are created because of the legislation regarding the definition of salary. It provides that sick and vacation lump sum payments will not be included in this calculation or 300 hours of overtime. This will become effective after next union contract which is 9/30/12. However, any time on the books of the effective date, will be calculated toward retirement.

Scott sent a memorandum, which is to be discussed and settled at the time of union negotiations. He explained the examples in the memo.

Motion: Motion made by Joe Keefer to approve the fees requested by Foster and Foster and for Scott to do an amendment to their contract; seconded by Bill Kaplan, voted upon and carried unanimously.

SCOTT CHRISTIANSEN-ATTORNEY

Scott discussed legislation. The main item was the salary definition which dealt with benefits. Chapter 175 was changed to allow the firefighters to vote to increase their contributions to the Plan without the requirement that you have to do a benefit improvement as previously required.

A State Task Force is in the process of studying the presumptions for in line of duty illnesses in all the Plans. They are required to promulgate a report by the end of the year making recommendations on those presumptions.

Joe Keefer asked about physicals. Scott advised that it was based on the pre-employment physical. If you did not have a disease at that time, anything you incur, is considered to be incurred in the line of duty.

The terms of office for Bill Kaplan and Joseph Keefer expire December, 2013. The letter they received stated differently. Mrs. McCrary advised that she would take care of it with the city clerk.

All disclosure forms have to be done for new members. Old members have to do form F-1. Mrs. McCrary stated that she would take care of it.

Waiver of recourse premium must be paid by the City. Mrs. McCrary stated that she would take care of it. Scott explained it to the new members.

Scott advised that he was contacted by the City Attorney's office regarding the Reserve firefighters and the Pension Plan. Mrs. McCrary explained how many were vested.

Scott explained the State money premium tax monies to the new members. Last year we got \$75,600 and \$17,367 was supplemental funds. We got \$74,233, supplemental amount is \$10,955.

Scott explained a "Stop/Start". He stated that it is basically resetting the cost of the benefits. A current level of benefits has a current cost. The frozen amount of money is the amount the city can use to fund the Plan. Anything above that frozen amount has to be used for additional benefits. Amount is \$102,371. Since we are only getting \$85,000 there is no frozen money for benefits. Stop/Start takes the current benefits and allows for reducing the benefits in an ordinance down to the levels of 1999. This results in a savings to the Plan. At the same time you do an ordinance that restores all those benefits, but it restores all the benefits using the current people in the Plan, the assumptions and expectations in the Plan. He advised that it generally costs more to restore the benefits using state money. And frozen amount goes up higher. It costs more to restore the benefits. Currently we are not getting money up to the frozen amount. In the cities where the frozen amount is lower than the state money received, there is an immediate benefit to the city, because they can use more of the state money. As of the money we currently have, it does not seem as if it would be a benefit to the city until some future date. If the city wanted to do this they would have to get our actuary to do the study and they would pay for it.

Scott advised that when the union contract was negotiated regarding definition of salary, he would like to review it for meeting the requirements of the Law. According to Scott, all members of the Plan have the same effective date, even the non bargaining members.

INVOICES

- a. Dana Investments- \$5091.90- quarter ending 3/31/11
- b. Christiansen and Dehner- \$102.34- \$54.00
- c. Agincourt- \$1107.76- quarter ending 6/30/11
- d. Bogdahn Group- \$3875. quarter ending 6/30/11
- e. Davidson, Jamieson and Cristini, \$5000 f/y ending 9/30/10
- f. UPS \$19.52
- g. Salem Trust- \$1565.

Motion: Motion made by Wayne Sufficool; seconded by Joe Keefer, voted upon and carried.

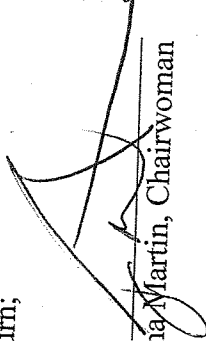
ITEMS TO BE HANDLED

Mrs. McCrary advised that there was not going to be a fall conference this year, it is combined with the Spring conference in Tallahassee.

FIREFIGHTERS' PENSION TRUST FUND BOARD OF TRUSTEES
September 22, 2011

ADJOURNMENT: There being no further business to come to the Board at this time, the meeting was adjourned at 7:55 p.m.

Motion: Motion to adjourn made by Joe Keefer; seconded by Bill Kaplan; voted upon and carried to adjourn;



Regina Martin, Chairwoman

Typed: S.McCrary