

MINUTES

FIREFIGHTERS' PENSION TRUST FUND BOARD OF TRUSTEES

September 24, 2009

The Firefighters' Pension Trust Fund Board of Trustees met on Thursday, September 24, 2009, at City Council Chambers, 201 Howell Avenue, Brooksville, Florida.

PRESENT: Timothy Mossgrove, Chairman; Gerald Ward, Vice Chairman; Paul Babcock, Secretary Regina Martin, Member Brian Bakardjiev, Bogdahn Associates; Mike Dana of Dana Investments; Scott Christiansen, Christiansen and Dehner and Susan Mae McCrary, Secretary.

ABSENT: Frank Phillips was out of town on business.

CALL TO ORDER: The meeting was called to Order by the Chairman at 6:03 p.m.

MINUTES OF MEETING:

March 26, 2009 and April 30, 2009

Motion: Motion made by Paul Babcock to approve both dates of Minutes of the meetings; seconded by Regina Martin, voted upon and carried to approve. 4-0

RENEWAL OF FIDUCIARY INSURANCE

Gibson and Wirt \$1808.91

Fiduciary Insurance is renewable as of October 1, 2009.

Motion: Motion made by Regina Martin; seconded by Paul Babcock; voted upon and carried unanimously to approve. 4-0

DANA INVESTMENTS-

Mike Dana spoke to the Board regarding the investments. He stated that the performance has been great since March and has been up fifty percent. He explained that the economy is getting better all around. Since June 30th, 2009) there has been an 18.80% performance quarter paid. He added that inflation is stable. Overall, the investments are above average for the quarter.

BOGDAHN GROUP

Brian Barkardjiev addressed the Board regarding the performance monitoring for the period ending June 30, 2009. He advised that the market recovered 40% from the lows and that some of the "worst" stocks performed the "best." He stated that many companies had better than expected earnings.

There was a significant gain of \$245,965 for the portfolio for the quarter ending on June 30, 2009. The performance return for the quarter was 8.7% which is a large return on an absolute basis. For the month of July the benchmark returns were 4.59%, August 2.32%, and through the month of September, benchmark was up about 2.125%. All together it is up to about 9%.

Agincourt has done better than the benchmark, Dana has also been on the top which should put us in the positive territory for the fiscal year. The overall average of the returns has improved and increased.

He stated that he would be drafting a new Investment Policy Statement with the approval of Scott Christiansen which would incorporate new legislative changes. The last time it was updated was 2007.

There were no questions by the Board.

SCOTT CHRISTIANSEN – ATTORNEY FOR BOARD

Scott advised that the Internal Revenue Code changes in the ordinance was passed. Mrs. McCrary stated that it was sent to Tallahassee, all the Board Members and consultants and a copy posted at the station. Summary Plan Description submitted to all members of the Plan.

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Terms of the trustees. Regina reappointed. Paul Babcock got a letter regarding the expiration of his term. He thought his term expired last year and he renewed. Susan McCrary indicated that she would check into this. Frank Phillips' term expires January, 2010.

Scott asked if the information regarding the member contribution reduction was taken care of. Mrs. McCrary indicated that she sent the information to the finance department with a copy of the Ordinance.

Scott stated that the next meetings that he is scheduled to attend are March 25, 2010 and September 23, 2010. All Board members concurred with these dates.

Scott advised that the State money was less than in previous years. One draw was \$73,000 and the supplement was \$50,000. Last year we got \$80,000, and \$60,000. This is probably due to the economy.

Next discussed was the three individuals who had breaks in service over the period of time when we went from the methodology before inputting service, meaning that if someone left and was vested they would be able to draw a benefit on the date that they would have been eligible for retirement had they continued to work. This was changed in 2000 to say that service is not inputted anymore. They would not be able to draw a benefit when they would have reached 20 years of service, they have to wait until age 55. Employees had left and come back so therefore, they worked under two different rules.

Patrick from Foster treated any service that stopped prior to 2000, as one calculation and the other service will be calculated differently (separately). Scott stated that the Board could take the position that they all come under the non-inputting rule, but he and Patrick did not think that was fair.

Flood can start drawing his full time service in 2010. The reserve he will have to wait until age 50 or 55. Tinchler can start drawing in 2012 and the other service at age 50 or 55. Keefer can retire after 20 years. He is still employed as a firefighter.

Motion: Motion made by Regina Martin to accept the methodology for computation of retirement benefits as proposed by Patrick Donlan of Foster and Foster, in the e-mail dated September 24, 2009, as presented by Scott Christiansen seconded by Paul Babcock, voted upon and carried unanimously. 4-0

Scott stated that we recently made changes in the Ordinance to comply with Internal Revenue Codes, but since it was done the legislature made changes to the Law. As a result of this, we have to do another Ordinance to comply.

One of the current provisions is for a retiree to designate that the premiums come directly out of the pension check and be sent to the city, if the retiree has city insurance. The new provision applies to outside insurance.

Legislature changed the limitation with respect to foreign investments. The Board has the authority now to go up to 25%. Next is a provision, which has been applicable to the Florida Retirement System for several years, that we are not allowed to invest in companies which do business with Sudan or Iran. He advised there is a list of stocks to sell, which would be passed on to the two managers. The time limit to comply is one year.

Another important provision is the changes in the termination provisions of the Plan. If the Plan is terminated everyone becomes 100% vested in their accrued benefit. All the retirees are paid the value of their benefit first; those vested are paid their benefit value, and if then if there is any money left, the non-vested are paid. However, now if there is not enough money left to pay out all, then the city must put the money in to pay everyone out. Chapters 175 and 185 have been amended to include the Court ruling.

Two other changes are optional. One is a buy back of time. There currently is a buy back in the Plan which allows someone to buy back firefighter service in the State of Florida, not allowing other state service. It was changed to allow the Board to put in a provision to allow out of state service with the

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proviso to show that the service in another state or federal service, is equivalent to the certification for Florida.

Mossgrove asked if he could buy FRS service if he were not vested. Scott stated that you could not use service in two places to draw a benefit, but that he could purchase full time service. He asked what type of impact it would have on the Plan. Scott stated there is no impact to the Plan as the member puts all the money in, plus the cost for the actuary to compute the service. Mossgrove stated that as long it does not cost the Plan anything he was fine with it.

Regina asked if it was in other Plans, and Scott stated it was. The Board agreed that it was a recruiting tool. All agreed that this provision should be put in.

The terms of the Trustees can now be changed from two years to four years. Mossgrove felt the volunteering on the Board was an asset since it is his retirement. Ward felt the same way. Scott asked if he felt that it would be harder to get civilians. Regina stated she has been on the Board for many years/terms, so there was no significant difference with four year terms. The Board agreed.

Motion: Regina Martin made a motion to direct Scott to draft the Ordinance to comply with the necessary and optional legislative changes as discussed. reference to the buy backs and terms of the members; seconded by Gerald Ward, voted upon and carried. 4-0.

41st ANNUAL CONFERENCE- October 21-23, 2009

Motion: Regina Martin made a motion to allow any two Board member to attend the Conference; seconded by Paul Babcock. 4-0

INVOICES

- (a) Christiansen and Dehner- \$1140.50
- (b) Foster and Foster- \$2509 and \$1000
- © Agincourt Capital Management \$1015.46
- d. Salem Trust fees 3/31/09 \$750 and June 30,2009 \$750
- e. Dana Investments 6/30/09 \$969.10 and \$1830.52

Motion: Motion made by Regina to approve all invoices; Seconded by Paul Badcok voted upon and carried. 4-0

ITEMS TO BE HANDLED BY BOARD

No one had any items.

ADJOURNMENT: Meeting adjourned at 7:17 p.m.


Timothy A. Mossgrove, Chairman

Typed: Susan Mae McCrary