

MINUTES

The Firefighters' Pension Trust Fund Board of Trustees held its quarterly meeting on Thursday, March 24, 2011, in the City Council Chambers, located at 201 Howell Avenue, Brooksville, Florida 34601.

PRESENT: Timothy Mossgrove, Chairman; Gerald E. Ward, Vice-Chairman; Regina Martin, Member; Wayne Sufficool, Member; Scott Christiansen, Attorney; Jack Evatt, Bogdahn Group; Patrick Donlan, Foster and Foster and Brad Coates, Agincourt. Jennifer Rey, Representing City Attorney, Hogan Law Firm. Joseph Keefer and Ryan Russell, Firefighters were in the audience.

ABSENT: Paul Babcock, Secretary.

CALL TO ORDER: Meeting called to order by Chairman Mossgrove at 6:00 p.m.

PRESENTATION BY CITY ATTORNEY REPRESENTING HOGAN LAW FIRM:

Ms. Rey gave a presentation, requested by the City Manager, on the Sunshine Law Requirements, Chapter 286 of Florida Statutes and Chapter 119 of Florida Statutes, Public Records. She stated if there were any questions they could be directed to her, the city manager or Scott Christiansen.

ELECTION OF OFFICERS:

Chairman, currently held by Tim Mossgrove.
Vice-Chairman, currently held by Gerald Ward
Secretary, currently held by Paul Babcock.

Motion: Motion made by Wayne Sufficool to keep the current officers; seconded by Gerald Ward; voted upon and carried, unanimously.

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Motion: Motion made by Regina Martin to approve the Minutes as written; seconded by Wayne Sufficool, voted upon and carried.

FOSTER AND FOSTER- ACTUARY

Patrick Donlan presented the Actuarial Valuation as of October 1, 2010. He advised that each year they look at the assets in the Plan and project all the future retirement benefits/ liabilities. If the assets are lower than the total liabilities, then there is a funding requirement for the next year. Costs went up since last year. The payroll decreased. The dollar amount of the required contribution went up about \$10,000. The actual return for 2010 was 9.33%. The assumption was 8%, which helps with the average, although it did not make up for the negative 12.18% in 2008. The four-year average was 1.95%, which actually created a loss in 2010. There is one more year of the negative number being used for the average, and then it should "even out". This results in one more year of increasing cost to the city.

Last year there was more employee turnover than expected. This results in a gain as their and the city's contributions are left in the fund. The employee's contributions are returned upon request. What also helped there were no salary increases, which is also a gain to the plan.

Motion: Motion by Regina Martin to accept and approve Actuarial Valuation as submitted by Foster and Foster; seconded by Wayne Sufficool; voted upon and carried.

Experience Study- Patrick explained the experience study. It is all the assumptions that are used in the valuation, such as age, salaries, COLA, and the assumption rate which are used to determine the amount of contributions the city has to make and, therefore, it should be as accurate as possible. Many factors have changed since the last study. The experience study shows history of investment returns every year, salary increases, lump sum compensations and turnover rates, etc. He stated that it is not required to do an experience study, but it would provide more accurate information if it is updated. It could be done in conjunction with next year's actuarial valuation.

Discussion: Tim felt that we should leave the assumption rate at 8%, even though there is no

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evidence that we will get 6 1/2% raises any time in the near future. Patrick advised that he looked back at the last seven years for this valuation, but he would go longer for the actual experience study.

Motion: Motion to do the experience study in conjunction with the Actuarial Valuation for next year made by Regina Martin; seconded by Wayne Sufficool; voted upon and carried.

INVESTMENTS:

Agincourt – Brad Coats

Mr. Coats addressed the Board regarding the Quarter ending December 31, 2010.

Mr. Coats discussed his organization and the report. He advised that in 2008-2009 there was an extreme investment crisis. Since that time things have become more solid. Agincourt has been with the Brooksville Firefighters Pension Fund for five years, and at the end of last year bonds have earned 7.1% compared to the index of 6.43%. Since the beginning of this year, the bond market has earned about .6%. He advised that if the environment remains the same, at this time next year the earnings will be around 4% on this portfolio.

Chairman thanked Mr. Coats and felt his company has done well for the Board.

Bogdahn Group- Jack Evatt

According to Mr. Evatt, equity markets have remained stable for quite a period of time. He went over the report page by page. The returns have decreased significantly since the 1980's, but in the decades from 1940's to the 1960's, returns were good. They try to look over the long term, rather than the short term, since plans are for the long term. He stated that the 8% assumption is a realistic expectation for a plan that has 60% of its money in the stock market.

He advised that the stock and bond markets have done well in the first few months of the year and Agincourt has done an excellent job with investments.

Scott Christiansen asked Jack Evatt to go over the "scrutened" companies. The Protecting Florida Investments Act, states that if you are a police or fire pension plan that certain companies and certain types of securities cannot be owned by the Plan. Every money manager must comply with these regulations. Evatt stated that they are in compliance.

Scott asked if the Investment Policy Statement has been distributed. Mr. Evatt stated he thought it had, but will follow up to be sure.

The Rate of Return must be declared at this time based on the recommendation of the Consultant. Mr. Evatt advised that the 8% was a realistic return for this portfolio.

Motion: Motion made by Regina Martin to declare an expected rate of investment return over the next year, several years and the long term thereafter, of 8%; seconded by Wayne Sufficool; voted upon and carried.

Follow up letter to be sent to the State, actuary and city.

Scott Christiansen

RML0- Requirement under State Law. He explained that the Board is required to designate a Records Manager and adopt a schedule for records retention. He recommended GS#1. He stated that the Board must adopt a Resolution. He advised that Susie has been doing this for many years.

Motion: Motion made by Regina Martin to appoint Susie McCrary as the Records Management Liason Officer for the Board and to adopt Resolution 2011-1 and GS#1-SL; seconded by Wayne Sufficool- voted upon and carried unanimously.

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Scott advised that based on the request of the Board he sent a document which is a compilation of all of the previous ordinances.

Scott stated that the next meeting he is scheduled to attend is September 22, 2011.

He reminded the members about the financial disclosure forms. They are due July 1, 2011. He explained the penalties that are paid by the individual, not by the Plan.

Mrs. McCrary asked Scott what to do about signing the Annual Report since Regina informed her that Paul Babcock is out of town for three weeks. The report must be signed by the Secretary and Chairman. Scott advised that they could elect an assistant secretary for the purpose of signing the Annual Report. After discussion, it was decided to appoint Jerry as assistant secretary for purpose of signing the report.

Motion: Motion by Regina Martin to appoint Jerry Ward as Assistant Secretary to the Board for the purpose of signing the Annual Report; seconded by Wayne Sufficool, voted upon and carried.

Summary Plan Description.

Changes to the Plan included changing the terms of trustees from two years to four years. On page 8 under "f", is the provision for adding the broader buyback for credited services outside the State. The employees contribution rate will remain at 3.29%, and the city's minimum contribution rate is 5%. The Summary Plan Description is to be distributed to the members. The Board of Trustees' page was updated to include Wayne Sufficool.

Motion: Motion to approve the Summary Plan Description with the changes as presented by Scott Christiansen made by Regina Martin; seconded by Wayne Sufficool; voted upon and carried to approve.

Scott discussed the pending legislation. HB 303 was withdrawn. He explained SB 1128 which was changed. The definition of salary does not include sick and vacation pay. It also defines how the state money must be used. It also provided for setting up a task force on public employee's disability presumptions. The State is to provide standardized ratings of the financial strength of all the Plans in the State.

INVOICES

- (A) Bogdahn Group \$3875 quarter ending 12/31/10
- (B) Salem Trust- \$1375 quarter ending 12/31/10
- (C) Agincourt- \$1178.76 quarter ending 12/31/10

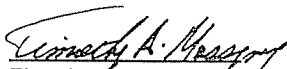
Motion: Motion by Regina Martin to approve invoices, seconded by Wayne Sufficool voted upon and carried

ITEMS TO BE HANDLED:

Ms. McCrary advised that the Pension conference is scheduled in May in Tallahassee. She asked if any members were interested in attending, to please contact her.

ADJOURNMENT:

There being no further information to come before the Board, at this time, the meeting was adjourned at 7:49 p.m.


Timothy A. Mossgrove
Chairman