

MINUTES

FIREFIGHTERS' PENSION TRUST FUND BOARD OF TRUSTEES

March 29, 2012

The Firefighters' Pension Trust Fund Board of Trustees held their quarterly meeting on March 29, 2012, at the Hernando County Mining Enrichment Center, 800 John Gary Grubbs Blvd., Brooksville, Florida.

PRESENT: Regina Martin, Chairman; Captains Bradley Sufficool and William Kaplan, Members; Scott Christiansen, Attorney; Jack Evatt, Bogdahn Group; John Hamlin, Dana Investments; Patrick Donlan, Foster and Foster; Lynn Skinner, Salem Trust and Susan Mae McCrary, Recording Secretary.

ABSENT: Paul Babcock, Vice Chairman was out of town.

CALL TO ORDER: Meeting called to order by Chairman Martin at 6:02 p.m.

INTRODUCTION OF NEW MEMBER

Due to firefighter elected trustee Joseph W. Keefer entering the DROP, a new election was held as a DROP participant cannot serve as a Trustee. Bradley W. Sufficool, Captain, was elected to the Board and will serve to fill the term of Joseph Keefer expiring on December 31, 2013.

SUNSHINE LAW UP DATE

Robert "Butch" Batista, City Attorney, gave a presentation and update on the Sunshine Law which covers open public meetings and conversations among Board members along with explaining the State Statute.

MINUTES OF DECEMBER 15, 2011

Motion: Motion made by Brad Sufficool to approve the Minutes as written; voted upon and carried unanimously.

FOSTER AND FOSTER-ACTUARY

Patrick Donlan addressed the Board regarding the Actuarial Valuation as of October, 2011. He stated that on March 24, 2011, the Board approved an Experience Study be done in conjunction with the Actuarial Valuation. The study reviews the current actuarial assumptions to determine any changes necessary to achieve the best estimate of anticipated experience using several factors. In order to do an analysis, Plan experience has been examined from valuations since October 1, 1991.

Patrick discussed the Actuarial Valuation applicable to the Plan Year ending September 30, 2013, stating the city contributions are 42.19% of payroll. Based on the experience study, he advised that changes to the rate of return could be made, dropping the City's required contribution rate. He explained the Funding Requirement for Assumption Changes as of October 1, 2011.

After review and deliberation, the Board chose to go with Combination #1 in the Experience Study which would drop the expected rate of return to 7.75% and double the turnover rates.

Motion: Motion made by Bill Kaplan to accept the Actuarial Valuation with the proposed changes as stipulated in the Experience Study choosing Combination #1 and adopting the 7.75% investment return which would bring the City's required contribution to 38.34%; seconded by Regina Martin, voted upon and carried unanimously.

Patrick advised that he would revise the Actuarial Valuation, resubmit it to the Board, and send to the proper parties in Tallahassee.

Patrick did not have the Annual Report with him as it is in the process of being completed and will be mailed shortly, along with an invoice for services.

INVESTMENTS

John Hamlin of Dana Investments reviewed the quarter ending December 31, 2011. He stated that the

March 29, 2012

market has done well over the last two quarters. He went over the report explaining the investments, stocks, bonds and the international market. He stated that even though the economy is weak it is growing upward.

Jack Evatt of the Bogdahn Group addressed the Board and reviewed the Performance Monitoring report for the quarter ending December 31, 2011. He advised that there has been significant improvement in the market since the last quarter.

He advocated that they take the money that Dana manages and the ADR portfolio which is dedicated at 15% of the overall Plan and put it into the Thornburg International Fund. Bill Kaplan stated there was an issue with foreign trading, and did we still want to do this. It was explained that the issue was the collection of taxes on foreign investments. Lynn Skinner advised they were working on a program to collect the taxes. It is about \$900 and after fees the total collected would be about \$553. Scott Christiansen stated that if the Board goes into mutual funds, this will not be an issue.

Motion: Motion made by Bill Kaplan to take the advice of the Investment Managers and have Dana liquidate the ADR portfolio and use that money to buy the Thornburg Mutual Fund; seconded by Brad Sufficool, voted upon and carried.

SALEM TRUST- Lynn Skinner

Ms. Skinner addressed the Board concerning a Collective Investment Trust. She explained this is a pool of several investors, managed as a single client. She had prepared a booklet explaining the plan, and how it is structured. The main difference in the CIT program is an additional layer of scrutiny, the funds are monitored independently of our current consultants. She explained the fees involved and that the Board should get with the consultants and compare the fees. She stated that the entire fund does not have to be in the CIT program, but only a portion of the fund can be in the program. Partial participation would effect the fees. She stated that they use some of the same investment managers such as Dana and Agincourt.

Bill Kaplan asked the benefit of this program other than the extra layer of scrutiny. She stated that our investment managers have just our fund to manage, but with a pool there are several different clients, a larger amount to manage, being able to do different things with a larger amount available.

Jack Evatt stated that there is an opportunity to save \$1000. He stated that they should evaluate it and make a benefit analysis before making any decisions. He added the CIT is generally good, the costs are usually lower, and there is more buying power on the bond side and added there are also some drawbacks. He advised it is worth looking at.

Scott Christiansen advised that in order to adopt this method of Collective Investment Trust, we would have to amend our pension plan document. The city would have to adopt an Ordinance that would allow this investment as the authority is not there to do this. Which could be done in conjunction with other Ordinances that have to be done. Jack Evatt advised he will do the comparisons and present it to the Board at the next meeting.

RETIREMENT APPLICATIONS

- a. Daniel Papa- Retirement
- b. Joseph W. Keefer- DROP Application

Motion: Motion made by Bill Kaplan to approve Daniel Papa's retirement and Joseph Keefer's DROP application; seconded by Brad Sufficool, voted upon and carried unanimously to approve.

SCOTT CHRISTIANSEN- Attorney

Scott advised that he had several matters to discuss. Regina asked to move the selection of the fifth member to this time at the meeting as it was later on the agenda.

FIFTH TRUSTEE MEMBER-

Wayne Sufficool had resigned as the elected fifth member and a new member must be selected by the

March 29, 2012

four members. Even though there were only three members present, Scott advised it still constituted a quorum and the three members present could select the fifth member.

Regina Martin advised that she and Paul had previously recommended Joe Pecora. He was present and advised that he was willing to serve as a trustee.

Motion: Motion made by Bill Kaplan to select Joseph Pecora as the fifth member; seconded by Brad Sufficool, voted upon and carried.

The selected member's name must be submitted to the City Clerk for ratification by City Council and a completed Financial Disclosure submitted to the Supervisor of Elections. Scott reminded the members that all Disclosure statements must be sent in July of each year.

Since Wayne Sufficool was secretary, a new secretary has to be chosen. Scott explained the duties of the secretary. Brad Sufficool advised that he would accept the position.

Motion: Motion by Bill Kaplan to elect Brad Sufficool as secretary to the Board; voted upon and carried unanimously.

Scott advised that he would be at the meeting in September 27, 2012.

Legislation was pending this year to make some changes to Chapter 175. He stated that nothing was adopted so there were no issues for the Board to meet any changed or new requirements. However, some adjustments have to be made as a result of changes adopted last year. The definition of salary must be changed, which includes up to 300 hours of overtime and that lump sum payments cannot be included in calculations for retirement. It was his understanding the union contract expires September 30, 2012. The ordinance change must be in conjunction with the union contract. He stated that nothing accrued as of the date of the ordinance can be taken away, but from that point forward you cannot be credited for additional sick or vacation. However, the State has made it clear that we can provide that when you ultimately retire, you get credit for what you had on October 1, 2012. A calculation will be made for each employee. The overtime cap is 300 hours, but the question is whether to use calendar year or fiscal year. Mr. Donlan advised that this information has been captured by Foster.

Motion: Motion made by Brad Sufficool to authorize Scott Christiansen to prepare an Ordinance to amend the definition of "salary", for the meeting in September; seconded by Bill Kaplan; voted upon and carried.

Patrick Donlan stated that in their assumption they declared that the members would get 20% of salary when retiring, but based on the information, when Scott does the Ordinance, the impact statement, will show about 6%, which will actually show a reduction in the city funding.

Scott Christiansen advised that the State created a Task Force examining disability presumptions in Chapter 175. He explained the presumption as in our current plan. He explained the Task Force make up and findings. His firm sent a result of the Task Force findings to the Board.

Scott advised that the Board must declare the rate of return since the Actuarial Valuation was presented.

Motion: Motion made by Bill Kaplan that based on the advice of investment counselors and the actuary, the expected rate of return for the fund for the next year, several years and the long term thereafter shall be 7.75%, net of investment related expenses; seconded by Regina Martin, voted upon and carried unanimously.

INVOICES

- a. Christiansen & Dehner- \$171.65, \$169.94- Legal fees
- b. Dana Investments- Fees- \$3820 9/30/11 & \$4159.46- for 12/31/11
- c. Agincourt- Fees \$1147.29- for period 9/30/11
- d. Ryan Russell- return of contributions- \$1070.42 (approved 12/15/11)
- e. Bogdahn Group \$3875- quarter ending 12/31/11

Motion: Motion made by Bill Kaplan; seconded by Brad Sufficool, voted upon and carried unanimously to approve invoices.

March 29, 2012

TRUSTEES SCHOOL -Tallahassee, Florida May 14-16-2012

Scott Christiansen reminded everyone that the must attend training at least once during their term. No one was able to attend this time. Scott Christiansen stated that his firm is putting on a mini-conference in Cocoa Beach in the next few weeks and if anyone was interested in attending to contact his office.

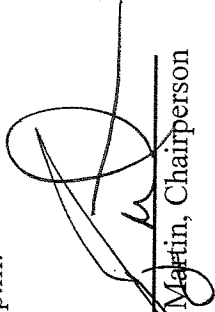
ITEMS TO BE HANDLED-BOARD MEMBERS

No one had any items to discuss at this time.

ADJOURNMENT:

There being no further business to come to the Board at this time, the meeting was adjourned.

Motion: Motion to adjourn made by Bill Kaplan; seconded by Brad Sufficol. Meeting adjourned at 8:30 p.m.



Regina Martin, Chairperson

Typed: Susan Mae McCrary