

**TOWN OF LONGBOAT KEY CONSOLIDATED RETIREMENT SYSTEM  
BOARD OF TRUSTEES QUARTERLY MEETING**

**MINUTES: August 11, 2016**

**1. CALL TO ORDER**

Chairman Steve Branham called a meeting of the Board of Trustees for the Town of Longboat Key Consolidated Retirement System to order at 9:00 AM in the Town Commission Chamber located at 501 Bay Isles Road, Longboat Key, Florida.

Those persons present included:

TRUSTEES

Steve Branham, Chair  
Lou Levy  
Sandi Henley  
Chief Peter Cumming  
Joe Fabrizio  
Frank Cona  
Randy Thompson  
Thomas Batchelor

OTHERS

Ron Cohen, Rice ,Pugatch, Robinson , Storfer and Cohn  
Scott Baur , Resource Centers  
Sue Smith, Finance Director  
David Wheeler, Graystone Consulting  
Lisa Silvertooth Human Resource Director

TRUSTEES ABSENT AND EXCUSED:

All present recited the Pledge of Allegiance.

**2. PUBLIC COMMENTS**

No members of the public were present to comment.

**3. APPROVAL OF THE MINUTES**

The Board reviewed the Minutes from the May 23, 2016 meeting. The Trustees addressed a few errors found in the minutes.

**Joe Fabrizio made a motion to approve Minutes for the Quarterly meeting of May 23<sup>rd</sup> 2016 as presented.**

**The motion was seconded by Sandi Henley and approved by the Trustees 8-0.**

**4. REPORTS**

**Graystone (Charles Mulfinger & David Wheeler)**

Mr. Wheeler addressed the market environment for the quarter ending June 30, 2016. The inflation is below 2% and value did better than growth in all areas. They have continued to be in a slow growth economy for the last seven years. Mr. Wheeler stated that the market had a small gain for the quarter, value outperformed growth. He reviewed the plan's total asset which was \$33,061,226 for the quarter ending June 30, 2016. The Retirement System gained 0.26% net of fees for the quarter ending June 30, 2016. The former Police Officer Plan gained 2.42% for the quarter net of fees. The Police Officer Plan's fiscal year to date number is 5.18% as of June 30, 2016. The former Fire Plan gained 1.50% compared to the policy of 1.92%. Mr. Wheeler reviewed the transition with trustees and informed them of the new accounts. The Board requested Mr. Wheeler to do a fee comparison before the consolidation and after. The Board inquired about negative interest rates; Mr. Wheeler stated he sees no major concerns as of now.

**Administrator Report (Scott Baur, Resource Centers)**

**Update on Dennis Silverio disability application:**

Mr. Baur stated to the Trustees that Mr. Silverio's informal disability hearing is more than likely to occur before the next quarterly meeting. He informed the Board that at the next quarterly meeting he will be presenting meeting dates for the informal disability hearing.

**112.664 Compliance Report:**

Mr. Baur briefly reviewed the compliance letter that was sent from the Actuary for Police, Fire and General Plans. He stated that Foster & Foster submitted the information electronically to Department of Management Services. He informed the Board that the letter must be made available to the plan sponsor. The 112 Compliance is posted on Pension Resource Center's website to ensure that the plan is in compliance with the requirements.

**Attorney Report (Ron Cohen):**

Ron Cohen addressed the Connor Cover Call and real estate strategy agreements. Mr. Cohen informed the Board that he has everything he needs, but the agreement issues are related to insurance. He has consulted with the town's insurance advisor on all contracts. The Connors Cover Call has limits on insurance up to \$1 Million for professional liability and \$250,000 for Fiduciary Liability coverage. Connor's agreed to increase \$1 Million to \$1.5 Million for professional coverage and \$250,000 to \$500,000 for Fiduciary Liability Coverage. Mr. Cohen stated that he would prefer the Professional Policy to be \$3 Million. The Connors has about 700 Million in assets under management. Mr. Wheeler addressed the returns for the Board as well as the strategy. The Board questioned if there were any other alternatives as well as limits for other managers. The Board was informed that the alternatives have a higher cost. He informed the Board that Graystone uses Connors in about 20 other public plans. The Trustees discussed the option of reducing the allocation. The Board was informed that Morgan Stanley does not see a substantial risk.

Lou Levy made a motion to approve the pending compliance of 1.5 Million or exceed SEC requirement. The motion was seconded by Frank Cona and approved by the Trustees 8-0.

**Reminder on Form 1:**

Mr. Cohen reminded the Board that any member who becomes a trustee must fill out a Form 1. A Trustee who leaves the Board must fill out a Form 1 F. The form must be filled and sent to the supervisor of elections in the city you reside in.

**5. PLAN FINANCIALS**

**Interim Financial Statement**

Mr. Baur reviewed the interim financial statements as of June 30, 2016. He briefly reviewed the reporting requirements in addition to the ordinance. The Board requested a copy of the ordinance to review.

**Ratification of Warrants.**

The Board reviewed the Warrants for payment of invoices dated July, 26 of 2016, for the former General Employees, Police Officers, and Firefighters Retirement Systems.

Joe Fabrizio made a motion to ratify warrants for quarterly meeting July 26, 2016. The motion received a second by Lou Levy and was approved by the Trustees 8-0.

**Benefit Approvals**

The Board briefly reviewed the applications to exit the DROP as well as the applications for DROP distribution. The Board noted that two trustees will have to abstain from voting.

**6. OLD BUSINESS**

**Cash Payout: Vested and Vested Deferred Members:**

The Board questioned the cash payouts and how many members have elected the benefit. Mr. Baur informed them most of the members who elected the benefit were fire members and the total amount for the cash payouts was \$600,000.

**7. NEW BUSINESS**

Mr. Levy requested the meeting materials to be sent out a week in advance.

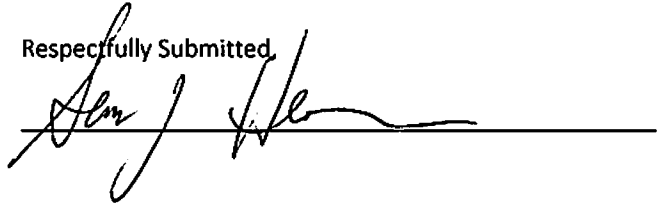
Quarterly Meeting Date:

The board discussed the November quarterly meeting date. The meeting will take place on November 17, 2016 at 9:00 AM

8. ADJOURNMENT

There being no further business, Chairman Branham adjourned the meeting at 11:42 a.m.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Alan J. Branham", is written over a solid horizontal line. The signature is positioned to the right of the "Respectfully Submitted," text.