

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

**MINUTES: November 17, 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 12:30 PM in the Town Commission Chamber located at 501 Bay Isles Road, Longboat Key, Florida.

Those persons present included:

TRUSTEES

Steve Branham, Chair  
Lou Levy 2:30 PM  
Sandi Henley  
Chief Peter Cumming 12:50 pm  
Joe Fabrizio  
Thomas Batchelor  
Andrew Sawyer

OTHERS

Ron Cohen, of Rice ,Pugatch, Robinson , Storfer and Cohn  
Scott Baur & Amanda Kish , Resource Centers  
Sue Smith, Finance Director  
Charles Mulfinger & Scott Owens, Graystone Consulting  
Jo- Ann Mixon, Deputy Town Clerk

TRUSTEES ABSENT AND EXCUSED: Frank Cona

All present recited the Pledge of Allegiance.

**2. OATH OF OFFICE**

Andrew Sawyer (seat 3) was sworn in for term ending 9-30-2018.

**3. PUBLIC COMMENTS**

No members of the public were present to comment.

**4. APPROVAL OF THE MINUTES**

The Board reviewed the Minutes from the August 11, 2016 meeting. The Trustees addressed a few errors found in the minutes. The Board would like them brought back to for approval.

**5. REPORTS**

**Graystone (David Wheeler)**

Mr. Wheeler gave an over review of the economic environment. He stated that the election and the uncertainty of candidate had some affect on the market as well as the Federal Reserve meeting. The market is showing some short term volatility due to these events, but this should not derail gains. Mr. Wheeler's stated that inflation remains low, but economist forecast a 1.9% increase in 2017. The total return for the plan was 2.73% slightly below the bench at 3.17%. The total portfolio was \$32,323,724.00 for the quarter. Mr. Wheeler reviewed the funds' performance stating that fixed income was above the benchmark at 0.25% and Domestic Equities was slightly below the benchmark at 3.0%. He stated that international was below the benchmark at 2.71%. Mr. Wheeler continued to review the individual managers and their performance for the quarter.

The Board requested that Mr. Wheeler review the Investment Policy. They requested a change to be made to activate managers and add additional verbiage. The Board requested that Mr. Wheeler use the passive index

approach. The trustees requested that Mr. Wheeler update the assumed rate of return. The Board requested that Mr. Wheeler bring the Investment Policy changes to be present it at the next meeting.

Mr. Wheeler presented the Board with a manager rank return worksheet. Mr. Wheeler reviewed the worksheet in detail. He stated that the worksheet represented the return rank from 1996 thru 2016. He informed the Board that on the five year period S&P outperformed 60% of active managers.

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

**Update on Dennis Silverio disability application:**

Mrs. Kish gave a brief update on the disability hearing. She informed the trustees that a Date for the informal hearing can be set for December 15, 2016.

A Trustee made the Board members and the attorney aware that the attorney for the disability claimant has represented him as well. He asked the Board attorney if that would affect his presence at the informal hearing or if he would have a conflict of interest.

Mr. Cohen addressed the Board regarding abstaining from voting. He stated that all the Board members should be present for the informal hearings and review the material that is provided before them. The vote that you make at the informal hearing should be based on what evidence is presented before you not rumors. He stated that the only time that you should abstain from voting is it affects your own personal gain. Mr. Cohen stated that if the Trustees have any further questions they may call him to discuss further.

**Fiduciary Liability Insurance:**

Ms. Kish informed the Board that the fiduciary liability policy has been renewed. The renewed policy had a slight price increase.

Mr. Cohen briefly addressed the wavier of recourse. He stated that this is a very good thing for the Trustees to have. Mr. Cohen stated that currently the waiver of recourse only covers four trustees not the whole Board. In addition, the Pension Board cannot pay for the waiver of recourse. The Board informed Mr. Cohen that the City usually pays for the wavier of recourse. The City can reimburse the pension plan for the wavier of recourse fee.

Sandi Henley made a motion to approve the October 1, 2016 Fiduciary Liability as well as amend the wavier of recourse, so that the city reimburses the pension plan. The Motion was seconded by Joe Fabrizio and approved by Trustees 6-0.

**2017 Meeting Dates:**

Mrs. Kish presented the Board with a list of quarterly meeting dates for 2017.

**Annual COLA:**

Mrs. Kish informed the Board that the Police Retirees as well as the Fire Retirees received a 3% COLA effective October 1, 2016.

Thomas Batchelor made a motion to approve the COLA's for the Police Retirees as well as the Fire retirees. The motion was seconded by Sandi Henley and approved 6-0.

**Attorney Report (Ron Cohen):**

Ron Cohen addressed the Connor Cover Calls. He stated that the Connor Cover Call is complete and will need signatures to execute the agreement. He stated that Sue Smith can be authorized individual. Mr. Cohen stated that he can use Ms. Smith's signature in addition to another authorized signor and the City Managers Signature.

Mr. Cohen updated the Board on the AEW contract. He stated that the investments are mainly corporate. He informed that Real Estate is not a liquid investment. Real estate is an alternative way of investing. He informed the Board that the town's attorney has received the contract and is reviewing the document.

Lou Levy made a motion to enter into the AEW Contract. The motion was seconded by Thomas Batchelor and approved by the Trustees 6-0.

**6. PLAN FINANCIALS**

**Interim Financial Statement**

**Ratification of Warrants.**

The Board reviewed the Warrants for payment of invoices dated August 31, 2016, October 12, 2016 and November 16, 2016 for the former General Employees, Police Officers, and Firefighters Retirement Systems.

The Board asked if the warrants can be combined due to the fact the transition is completed. Mr. Baur stated that this is something he can discuss further with Mrs. Smith, the finance director, in addition to the custodian bank.

Thomas Batchelor made a motion to ratify warrants for quarterly meeting November 17, 2016. Joe Fabrizio The motion received a second by Joe and approved by the Trustees 6-0.

**Benefit Approvals**

The Board the reviewed the benefit approvals presented before them.

Thomas Batchelor made a motion to approve the Drop distributions. The motion was second by Andrew Sawyer and approved by the Trustees 6-0.

Thomas Batchelor made a motion to approve the cash outs. The motion was seconded by Joe Fabrizio and approved by the Trustees 6-0.

**7. OLD BUSINESS**

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

Mrs. Kish informed the Board that an election will need to be held for Mr. Batchelor whose term expired on September 30, 2016. She presented the Board with a time for the election.

**8. NEW BUSINESS**

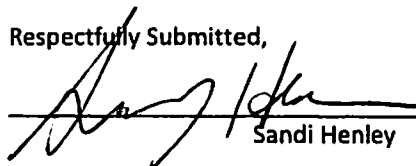
**Quarterly Meeting Date:**

Friday, February 17, 2017

**9. ADJOURNMENT**

There being no further business, Chairman Branham adjourned the meeting at 3:00 p.m.

Respectfully Submitted,

  
Sandi Henley