

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

MEETING MINUTES: May 9, 2017

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
Frank Cona
Sandi Henley
Peter Cumming
Joe Fabrizio
Thomas Batchelor
Andrew Sawyer
Lou Levy

OTHERS

Ron Cohen, Rice ,Pugatch, Robinson,Storfer and Cohen
Amanda Kish, Resource Centers
David Wheeler & Charles Mulfinger, Graystone Consulting

TRUSTEES ABSENT AND EXCUSED:

Randy Thompson

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 February 17, 2017 meeting. The Trustees addressed a few errors found in the minutes.

Thomas Batchelor made a motion to approve Minutes for the special meeting of February 17, 2017 as amended. The motion was seconded by Lou Levy and approved by the Trustees 8-0.

The Board reviewed the Minutes from the March 3, 2017 special meeting.

Pete Cumming made a motion to approve Minutes for the special meeting of March 3, 2017 as presented. The motion was seconded by Frank Cona and approved by the Trustees 8-0.

4. REPORTS

Graystone (David Wheeler & Charles Mulfinger)

Mr. Wheeler gave an overview of the economic environment. He stated that this is the markets third longest economic recovery. The Federal Reserve raised interest rates and will raise rates possibly two more times. He stated that corporate earnings were positive. The unemployment rate is down and does not foresee a recession. Mr. Mulfinger reviewed the market sectors stating that growth outperformed value for the quarter ending March 31, 2017. He reviewed the developed markets equity returns for the period ending March 31, 2017. He stated that the returns in fixed income were dragging. He reviewed the fixed income returns for the quarter stating that the Board should look at

reallocating some funds to real estate. Mr. Mulfinger stated that the portfolio is overweight in equities and fixed income.

Mr. Cohen addressed the current contract with AEW Capital Management. He stated that the current side letter does not comply with Florida Public Records Law. A discussion ensued regarding the AEW side letter and Florida Public Records Law. Mr. Wheeler suggested American Core Realty Fund. American Core Realty has comparable returns. Mr. Wheeler presented the Board with a Core Private Real Estate Manager Search.

Frank Cona made a motion to engage American Core Realty Fund after the attorney reviews the contract. The motion was seconded by Joe Fabrizio and approved by the Trustees 8-0.

Mr. Mulfinger reviewed the individual managers; Mr. Mulfinger stated that APEX performance has been disappointing with a quarterly return of 0.05% versus the benchmark of 5.35%. He continued to review the quarterly report stating that it has been a nice strong quarter.

Mr. Wheeler reviewed the changes that were made to the Investment Policy Statement and Guidelines. Large Capital Value range was increase 17.50% with a target of 15.00%. Large Capital Growth Managers rang was increased to 17.50% with a range of 15%. Large Core ranges were reduced with a target of 5.00%. Mr. Wheeler continued to review the changes in the Investment Policy Statement and Guidelines.

Sandi Henley made a motion to approve the Investment Policy Statement and Guidelines along with presenting it to the Town for approval. The motion was seconded by Thomas Batchelor and approved by the Trustees 8-0.

A discussion was held regarding the Consolidated Retirement System Audited financial statements. The Auditor had difficulties reconciling the asset that were moved from Salem to First State. Mr. Wheeler stated that the assets transferred from Salem Trust were tracked and all accounted for. Mr. Wheel also stated that Mr. Robinson with First State would be meeting with Sue Smith Finance Director to discuss ways that the accounting could be to track.

Administrator Report (Amanda Kish Resource Centers)

Form1:

Mrs. Kish stated that the Annual Form 1 would need to be completed by July 1, 2017. She stated that form should be submitted to the Supervisor of Elections with the City in the County in which you reside.

Attorney Report (Ron Cohen):

Legislative Update:

Mr. Cohen updated the Board on the current Legislative session. He stated that FRS passed a bill that states when hired you have to elect a plan within specific timeframe. If the member does not elect a plan they will be placed in the default plan which is the defined contribution plan.

Disability Update

Mr. Cohen informed the Board that Mr. Silverio will be requesting an appeal. The Board has 90 days to schedule a formal hearing. He suggested that the Board hire Special Counsel for the formal hearing. The Special counsel will take the deposition from the IME doctor along with assisting in the formal hearing. Mr. Cohen stated if he were to facilitate the hearing it could be a conflict due to the fact that he is the Board's council and could be viewed as bias. Mr. Cohen recommended Weiss Serota Helfman Coleand Bierman as special council. The estimated fee for their service is \$300.00 an hour. The Board held a discussion regarding the special council

Lou Levy made a motion to hire Weiss, Serota, Helfman, Cole and Bierman as Special Counsel. The motion was seconded by Frank Cona and approved by the Trustees 8-0.

Mr. Cohen presented the Non- Final Order to the Board.

Frank Cona made a motion to approve the Non-Final Order. The motion was seconded by Thomas Batchelor and approved by the Trustees 8-0.

5. PLAN FINANCIALS

Interim Financial Statement

Ms. Kish reviewed the interim financial statements as of March 31, 2017.

Ratification of Warrants

The Board reviewed the warrant for payment of invoices dated April, 18 of 2017.

Thomas Batchelor made a motion to approve the warrants for payment of invoices dated April 18, 2017. The motion was seconded by Andrew Sawyer and approved by the Trustees 8-0.

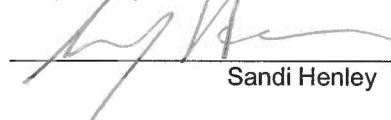
6. NEW BUSINESS

The Chairman Branham informed the Board that continuing education is a requirement for all Trustees. He stated that the Pension Plan budgets for Trustees to attend conferences. Attending an educational conference is a great way to be educated on current issues that are taking place.

6. ADJOURNMENT

There being no further business, Chairman Branham adjourned the discussion at 11:49 a.m.

Respectfully Submitted,



Sandi Henley