FIRE PENSION BOARD

MINUTES

October 20, 2011

8:40 a.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

Phil Milner, Chairman
Bruno Falkenstein, Member
Michael Terry, Member
Keith Beattie, Member

NOT PRESENT:

Michael Handoga, Secretary

ALSO PRESENT:

Pamala Prell, Deputy City Clerk, MMC
Lee Dehner, Attorney

1. <u>**Approval of Minutes of October 3, 2011 Regular Meeting and October 3, 2011 Joint Meeting.**</u>

Member Falkenstein made a motion to approve the minutes of the October 3, 2011 Regular Meeting and the October 3, 2011 Joint Meeting, as written. The motion was seconded by Member Terry and approved by a unanimous voice vote.

Member Falkenstein voiced his concern related to the recent State unfunded mandates and proposed the Pension Boards recommend that the City Commission send a resolution to the State concerning this issue.

Member Falkenstein made a motion to request the City Commission send a resolution to Tallahassee objecting to unfunded mandates and compliance bills which cost the boards money. The motion was

seconded by Member Beattie and approved by a unanimous voice vote.

Attorney Dehner agreed to discuss the proposed resolution with the other Pension Boards.

2. **Payment of Invoices**

Chairman Milner stated that he is still trying to acquire copies of all invoices and only the Foster & Foster and Salem Trust invoices are attached to the agenda.

Member Falkenstein made a motion to approve the Foster & Foster and Salem Trust Company invoices, as submitted. The motion was seconded by Member Terry and approved by a unanimous voice vote.

3. **Reports**

Tim Nash, Bogdahn Consulting, presented the Quarterly and Fiscal Year Reports ending September 30, 2011. The total value of the plan as of September 30th was $7,925,605 representing a -8.62% rate of return for the quarter and a 1.11% rate of return for the year. Mr. Nash noted that only 17 days into the new fiscal year, the market value of the plan was $8,364,055, resulting in a gain of $438,450 or 5.53%.

Lynn Skinner, Salem Trust, advised that a mailing was sent out with an ACH form and requested that the Chairman and Secretary sign the form. Ms. Skinner advised that another mailing was sent out concerning retirees ending dates for benefits. Ms. Skinner advised that the State Contribution was received on October 14, 2011.

Patrick Donlan, Foster & Foster, reported that due to a downturn in the market, there will be an increase in the required City contribution for the next fiscal year.

Chairman Milner and Patrick Donlan discussed the current assumption rates, the accuracy of those rates and the possibility of changing them. Mr. Donlan also discussed the current unfunded liability for future retirees and the funding requirements in place to compensate for this liability.

Member Falkenstein made a motion to approve the Actuarial Report, as presented. The motion was seconded by Member Terry and approved by a unanimous voice vote.

Attorney Dehner, Christiansen and Dehner, asked Tim Nash to clarify the fees and expenses on the Bogdahn report.

Mr. Dehner reported on proposed legislation, HB 365, which allows pension funds to receive state money even if a defined contribution plan is adopted or a City goes into the Florida Retirement System. Attorney Dehner is confident that additional bills will be proposed during the session and will need to be addressed at the January Board meeting.

4. Old Business

There was none to come before the board.

5. New Business

Chairman Milner readdressed the assumption rates. The board discussed the possibility of reducing the investment return rate to 8% or 7.75% and the salary increase rate to 5% or 4.5%, depending on what the State will allow.

Member Terry made a motion, effective with the current reporting period, that the investment return assumption be reduced to 7.75% and the salary increase assumption be reduced to 4.5%. The motion was seconded by Member Falkenstein and approved by a unanimous voice vote.

Tim Nash stated that is it reasonable to expect the plan's stock to bond mix to achieve a 7.75% rate of return for this year and the next several years.

Member Beattie made a motion to reduce the assumption rate to 7.75%. The motion was seconded by Member Terry and approved by a unanimous voice vote.

Tim Nash stated that he would send a letter on the board's behalf to the Division of Retirement, the City and Patrick Donlan.

6. Board Comments

Member Falkenstein mentioned that with Thanksgiving and Christmas approaching, the Fire Department would be happy to help citizens with questions concerning fire hazards, such as deep frying turkeys and tree lights.

7. Audience Comments

There were no audience comments.

8. <u>Adjournment</u>

There being no further business to come before the board, the meeting was adjourned at 10:28 a.m.

Attest:

Rebecca C. Haynes, City Clerk

Phil Milner, Chairman

Minutes approved on: 4-19-12