

FIRE PENSION BOARD
REGULAR MEETING
MINUTES
May 13, 2010

The Fire Pension Board of Trustees held a Regular meeting on Thursday, May 13, 2010 at 4:00 pm, at the City of New Smyrna Beach Commission Chamber 210 Sams Avenue, New Smyrna Beach, Florida. Chairman, Kirk Jones, called the meeting to order at 4:00 pm.

ROLL CALL

The following members were in attendance:

Kirk Jones
James Hathaway
Tom Lee
Lynne Plaskett

In attendance were Carol Hargy, Human Resources Director, and Claudia Rogers, Recording Secretary.

APPROVAL OF MINUTES

A motion was made by Lynne Plaskett to approve the minutes of the Regular meeting held on November 12, 2009, seconded by James Hathaway. The motion passed unanimously.

PRESENTATION OF 1st QUARTER RESULTS-MORGANSTANLEY SMITHBARNEY

John Taphorn of Wells Capital Management addressed the Board with a presentation on Wells Fargo Fundamental SMID Cap Growth Equity investments. The presentation booklet is on file with the City. Michael De'Genova presented the 1st Quarter economy and stock market overview. Mr. De'Genova also presented the Board with a copy of a new Investment Policy Statement due changes related to the Florida Reinvestment Act. James Hathaway made a motion to approve the new IPS, seconded by Lynne Plaskett. The motion passed unanimously. A clean copy of the new IPS will be sent to Claudia Rogers, Recording Secretary for Chairman Kirk Jones to sign. Once the IPS is signed a copy will be sent to the Division of Retirement, Foster & Foster, Inc. Christiansen & Dehner, P.A., Graystone Consulting and a copy will be kept on file with the City. Charlie Mulfinger presented the 1st Quarter financial results. The fund value on December 31, 2009 was \$12,913,221.65, sustained a net gain of \$468,249.44 Gross of Fees and \$437,952.66 Net of Fees in the quarter. Detailed information is included in the Quarterly Performance Evaluation report document on file with the City. Mr. Mulfinger advised he thought it was a good time to move investments to a less volatile money manager. He presented the board with a document which contained statistics on

Renaissance and Neuberger Berman. A motion was made to move half of Sands investments to Neuberger Berman by James Hathaway, seconded by Tom Lee. The motion passed unanimously.

APPROVAL OF FEES

Lynne Plaskett made a motion to approve the October 31, 2009 in the amount of \$116.00 and invoice dated November 30, 2009 in the amount of \$735.95, seconded by Tom Lee. The motion passed unanimously. A motion was made by Lynne Plaskett to approve the Foster & Foster invoice in the amount of \$7,746.00, seconded by Tom Lee. The motion passed unanimously.

FOSTER & FOSTER ACTUARIAL VALUATION REPORT PRESENTATION

Mr. Doug Lozen presented the Board with the Actuarial Valuation Report document as of October 1, 2009. The detailed report document is on file with the city. Based on the advice of MorganStanley SmithBarney and Foster & Foster the total expected annual rate of investment return for the fund for, the next several years, and the long-term thereafter, shall be 8%, however, the investment professional did not feel comfortable with an 8% return for the next year net of investment related expenses. A motion was made by Tom Lee to accept the advice of MorganStanley SmithBarney and Foster & Foster declaring a rate of return of 8%, seconded by Lynne Plaskett. The motion passed unanimously. The Declaration of Returns letter will be sent to Division of Retirement, Foster & Foster, Inc. Christiansen & Dehner, P.A., Graystone Consulting and a copy will be kept on file with the City.

BOARD MEMBERS REPORT AND COMMUNICATIONS

Kirk Jones began discussion regarding the calculation process of salary data for retirement purposes. According to Mr. Lozen the cost to redo previous calculations would be very costly. Mr. Jones questioned why the cost would be so high when Foster & Foster, Inc. already has the data. Mr. Lozen replied explaining the process of the recalculation. Mr. Kevin Roberts, Fire Department employee, addressed the Board regarding his calculation. Carol Hargy, Human Resources Director also addressed the Board regarding this situation. Discussion continued and it was determined to send the retirement figures monthly from this point further. Claudia Rogers, Recording Secretary, will supply new figures to Foster & Foster, Inc. for Kevin Roberts. Claudia Rogers will check the previous data and if it appears there is an up and down in salary data, the figures will be resent and a new calculation will be done. Mr. Hathaway also felt if an individual wanted to have their calculation redone it should be double checked. Mr. Hathaway thanked Mr. Dehner and Claudia Rogers for the continuing education course recently put on by the City. Discussion began regarding the retirement process and who an employee should see if they are considering retirement or DROP. Currently, all employees are to see Claudia Rogers in the Finance Department at City Hall. Claudia will guide them through the process providing information and guidance, however, anyone who is considering retiring should seek professional financial counseling. A

motion was made by Lynne Plaskett to refund Tom Lee \$1,681.58 for his attendance at the FPPTA conference, seconded by Kirk Jones. The motion passed unanimously.

APPLICATION OF THE FIFTH BOARD MEMBER

After discussion it was determined to continue to await more applications.

CITY REPORTS AND COMMUNICATIONS

Carol Hargy is requesting from the Board permission to ask Foster & Foster, Inc. to provide a retirement seminar at the City for the Fire Pension Board members. Carol Hargy felt the seminar last year was very beneficial to the employees. No other pension programs have charged the City for the sessions, therefore, because Foster & Foster, Inc. was the only vendor to submit an invoice Mrs. Hargy asked Mr. Lozen to discuss no fee this year for the seminar. Mr. Lozen replied saying he would ask his company and let Carol Hargy know the outcome.

ATTORNEY REPORTS AND COMMUNICATIONS

Mr. Dehner discussed with the Board the Legislative update and amendments being made to pension plans. The Healthcare Enhancement for Local Public Safety retirees (HELPS) which amends the IRS code to permit tax-free distributions from governmental retirement plans for premiums for health and long-term care insurance for public safety officers is still standing in Federal Legislation. The exclusion is limited to the amount of annual premiums paid, up to \$3,000. Mr. Dehner discussed with the Board the Legislative update relating to House Bill #5 and Florida Administrative Code 60T, this Bill is still on the backburner. Also discussed was the mandatory IRS Public Plan Survey, Mr. Dehner wants the City to be on the look out for the survey as there is a 90-day time limit. Mr. Dehner has a restated final ordinance, will need to do a final review and it does include the change in terms for Board members and the new International investment changes. Mr. Dehner will send to Claudia Rogers for distribution to the members.

ADJOURNMENT

There being no further business, the meeting was adjourned at 6:30 pm.