



City of Temple Terrace Fire Department Pension Board

Roger Chewning, Chairman; Gerald Terenzi, Vice-Chairman; Ian Kemp,
Secretary; Joe Affronti, City Mayor; Kim Leinbach, City Manager

MINUTES OF THE MEETING HELD August 15, 2011

1. CALL TO ORDER

The regular meeting of the Board of Trustees of the City of Temple Terrace Fire Department was called to order at 9:10 AM at the City Manager's Conference Room located at 11250 N. 56th Street, Temple Terrace, FL 33617.

Mr. Baur took a roll call of the Trustees present. The Board had a quorum for the quarterly meeting. Those persons present included:

TRUSTEES

Roger Chewning, Chair
Ian Kemp, Secretary
Joe Affronti, City Mayor

TRUSTEES ABSENT

Gerald Terenzi
Kim Leinbach

OTHERS

Scott Baur, Pension Resource Center
JC Louissaint, Pension Resource Center
James Loper, Law Office of James B. Loper
Joe Bogdahn, Bogdahn Group
John Brett, Bogdahn Group
Patrick Donlan, Foster & Foster
Diane Reichard, Finance Director

2. INVESTMENT REPORTS: Joe Bogdahn, Bogdahn Group

Mr. Joe Bogdahn appeared before the Board and introduced one of his associates, John Brett. Mr. Bogdahn presented the Investment Report for the quarter ending June 30, 2011. Mr. Bogdahn gave an overview of the market performance and reported that the International market and the S&P 500 were flat at 0.1% for the quarter. He commented on the downgrade of the Treasury by S&P, which was actually expected by the market despite the recent turmoil. Mr. Bogdahn then reviewed the asset allocation and noted that the new position with Intercontinental produced some cash distributions. He reported that the plan earned 0.74% net and 0.85% gross for the quarter ending June 30, 2011 compared to 1.12% return for the plan policy benchmark, ranking in the 70th percentile of the public pension client comparison. Sawgrass Growth Equity, which had been trailing on performance, had a strong quarter with a return of 4.72%.

The Board thanked Mr. Joe Bogdahn for the June 30, 2011 Investment Report.

3. APPROVAL MINUTES

The Trustees deferred the May 12, 2011 minutes for the next meeting, which will be held on November 10, 2011.

4. ATTORNEY REPORT: James Loper

Mr. James Loper provided a brief update on the Senate Bill 1128 which was signed into law on June 23, 2011 and took effect on July 1, 2011. The provisions of SB1128 will take effect for this plan at the beginning of the next collective bargaining contract. He also reported that the pending ordinance passed the first reading by the City Council on August 2, 2011 and the Ordinance is scheduled to pass the second reading tomorrow, August 16, 2011. Mr. Loper will need a certified copy of the final ordinance.

5. ADMINISTRATOR REPORT: Scott Baur

Mr. Scott Baur introduced JC Louissaint as an additional contact in his office and who will be assisting him with the administration of the Temple Terrace Firefighters plan. JC was with the firm previously on the recordkeeping side for a period of time, then left and came back.

Mr. Baur stated that he received most of the information that he needed in the transition, and the City was very helpful in providing the reports that he requested to wrap up the conversion of the plan. Scott Baur gave an overview of how the benefit calculations work and said that Resource Center will take over the benefit calculation and reporting process for the plan as the plan administrator. There has been discussion about the Optional Forms of Benefit Payment and also the factors to use for benefit calculations to generate estimates for members. The Board agreed that Resource Center will be doing the calculations for the members. Scott Baur told the Board that there is useful information on Resource Center's website. He explained that members can prepare benefit estimate calculations online. The website includes numerous documents as well, such as the Summary Plan Description, Ordinance, Board meeting minutes and other resources. Mr Baur invited the Board to review the website and to offer suggestions on the type of information they would like to see on the website on behalf of the members.

The Board also discussed the Salem Trust Signature Authorization form, which needs to be updated to include the 5 Trustees, Diane Reichard and Scott Baur's office. The authorization will allow the administrator to communicate the direction provided by the Board to the Custodian.

Ian Kemp made a motion to update the Salem Trust Authorization Form. Joe Affronti seconded the motion, passed by the Trustees 3-0.

The Board also discussed the DROP statements. Foster & Foster charges \$60.00 per account per quarter to generate the DROP Statements, but Resource Center would provide the statements as part of the retainer fee. After some discussion, the Board determined that the administrator should provide quarterly statements to the members beginning with the quarter October 1, 2011 to December 31, 2011.

Ian Kemp made a motion to let Foster & Foster to provide quarterly statements for the people choosing the plan rate of return. Joe Affronti seconded the motion, passed by the Trustees 3-0.

Scott Baur will update the Summary of Plan Description and forward to the Board and Attorney for review before the next meeting in November, 2011.

6. PLAN FINANCIALS

The Trustees reviewed the warrants contained in the packet to the Board.

Joe Affronti made a motion to approve the Warrants dated August 15, 2011 for payment of invoices. Ian Kemp seconded the motion, passed by the Trustees 3-0.

7. NEW BUSINESS

Mr. Patrick Donlan of Foster & Foster discussed the fee increase letter. He explained that the new Legislation which was signed into law recently requires additional actuarial and administrative work, the administration surrounding the calculations of retirement benefits and prior service purchases have also become more complex. So in order to accommodate the extra work necessary to comply and administer the new statutory requirements, the actuary have hired three additional staff members; therefore he asked for the Board to approve the proposed fee increases stated on the letter dated July 18, 2011. The proposed fees are: \$200 for Retirement benefit Calculation; \$200 for Buy Back Calculation; \$2,500 for the Annual Report and a 10% increase for the actuarial valuation report. The Annual Report is not an issue, as administrator will provide the report as part of their agreement with the plan.

Mr. James Loper reviewed the provisions of the current agreement and stated that this agreement does not acknowledge any prior fee changes. He would prefer a 5% instead of a 10% annual increase on the actuarial valuations.

Joe Affronti made a motion to retroactively approve a 5% increase amounted to \$5,791 for the actuarial valuation as of October 1, 2010. Ian Kemp seconded the motion, passed by the Trustees 3-0.

Mr. Loper recommended that a new contract be written to include a 5% fee increase.

Ian Kemp made a motion to approve fee increases for these two subsequent years; \$6,080 as of October 2012 and \$6,384 as of October 1, 2013. Joe Affronti seconded the motion, passed by the Trustees 3-0.

8. OLD BUSINESS

The Board had no old business for consideration.

9. NEXT MEETING DATE

The Trustees previously scheduled their next quarterly meeting for November 10, 2011 at 9:00 AM for Joint Investment Reports and 9:30 AM for the Regular Meeting.

10. ADJOURNMENT

There being no further business, a motion was made to adjourn the meeting at 10:30 AM.

Respectfully submitted,



Ian Kemp, Secretary