

BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines
Hampton Professional Center
1951 NW 150th Avenue – Suite #104
Pembroke Pines, FL 33028

REGULAR MONTHLY MEETING – JULY 19, 2012

The four hundred and fifth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:12 p.m. by Chairman Adam Cabeza.

1. <u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Adam Cabeza	Al Xiques (<i>arrived 4:26</i>)	Gary Arenson
	Frank Musumeci	Carl Heim	Vicki Minnaugh

Trustees James Ryan and Steve Dougherty were both on scheduled vacations. Motion by Gary Arenson, second by Vicki Minnaugh, to excuse the absences for Mr. Ryan and Mr. Dougherty. The motion carried unanimously. **Others Present:** Alison Bieler, Attorney for the Fund; James Fisher, Plan Administrator; Rachel Maldonado, Assistant Plan Administrator; Larry Wilson, Actuary for the Fund; and Kelly Adams, also from Gabriel Roder Smith.

- 2. Approval of Minutes for June 21, 2012:** Chairman Cabeza presented the minutes from the June 21, 2012 meeting for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.
- 3. Approval of Warrant #548:** Chairman Cabeza presented Warrant #548 in the amount of **\$14,021.86** for approval and payment. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

Cypen & Cypen – Monthly Retainer for July 2012	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – August 2012)	407.72
Twilight Industries, LLC – (Maintenance – July 2012)	152.00
City of Pembroke Pines (Local Business Tax)	112.50
FP&L - 5/29/2012 – 6/27/2012 (Already Paid)	188.32
Joan Wall – Bookkeeping Fees from 11/30/2011 – 6/22/2012	2,760.18
GRS – Professional Svces rendered June 2012	5,340.00
Sun Trust Bank (VISA – Maldonado)	202.44
Sun Trust Bank (VISA – Warner)	2.22
Sun Trust Bank (VISA – Fisher)	1,581.07

- 4. Request for DROP Account Distributions:** The following DROP distributions were presented for Board consideration:

F/F Edwin Link	***
F/F Stu Pester	***
P/O Glen Parker	***
P/O George Soubasis	***

Motion by Gary Arenson, second by Vicki Minnaugh, to approve the account distributions as presented. The motion carried unanimously. Please refer to Schedule A for more information.

5. **Request for DROP Loans:** The following DROP loans were presented for Board consideration:

P/O Humberto Chirino ***
P/O Jeff Desilets ***
P/O Christian Hemingway ***

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the loans requested as presented. The motion carried unanimously. Please refer to Schedule A for more information.

6. **New Business:**

Trustee Election Time Line – There was some discussion on extending trustee terms to the allowable four years. As Ms. Bieler pointed out, this would require a City ordinance change. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the timeline of this year's trustee elections for the term 10/1/2012 through 9/30/2014. The motion carried unanimously.

Loan Interest Rate – With the Wall Street Journal's prime rate remaining at 3.25%, the proposal was made to approved the plan's interest rate of prime + 1 at 4.25%. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the loan interest rate of 4.25%. The motion carried unanimously.

Office Staff Leave Accruals – The leave record for the Administrator and Assistant Administrator, quarter ending 6/30/2012, was presented to the Board for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the record of leave usage for quarter ending 6/30/2012. Administrator Fisher noted to the Board his scheduled vacation during the week of the August Board meeting. Please refer to Schedule B for more information.

7. **Reports:**

Actuary – Larry Wilson reported on a general discussion he had with Trish Shoemaker from the Florida Division of Retirement. He also introduced Kelly Adams to the Board. She is joining the team that covers the Pembroke Pines Fire & Police Pension Plan.

Attorney – Alison Bieler clarified HB 401 and the next steps. Until a new designation of beneficiary form is created, any current members who desire to leave their benefit to an ex-spouse can come in to initial and date their current form.

Administrator – Administrator Jim Fisher reported to the Board the status of the fiduciary insurance. Traveler's issued the approval of the policy in time for the 7/18/12 renewal date. The coverage runs out July of 2013.

The R&D account has been set up to receive payroll contributions and state monies. Bookkeeper Joan Wall will capture the activity of the account in her quarterly summaries. Also, Inverness sent their annual compliance letter regarding State chapters 175 and 185.

The Administrator also asked that Warrant #549 in the amount of **\$617,864.40** be added to the agenda and approved. Mr. Fisher also asked that the Board agree to add P/O John Sammarco and P/O George Soubasis to the warrant. Motion by Vicki Minnaugh, second by Gary Arenson to add the amended warrant to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson to approve the warrant. The motion carried unanimously. Please refer to attached Schedule A for more information.

DROP Withdrawals:

F/F Edwin Link – Lump Sum DROP Withdrawal

P/O George Soubasis – Monthly DROP Withdrawal

P/O John Sammarco – Lump Sum DROP Withdrawal	***
P/O Glen Parker - Lump Sum DROP Withdrawal	***
P/O Stu Pester – Monthly DROP Withdrawal	***
U.S.Treasury- FIT- W/H (Link, Sammarco, Parker)	***
DROP Loans:	
P/O Humberto Chirino - DROP Loan	***
P/O Jeff Desiletes – DROP Loan	***
P/O Christian Hemingway – DROP Loan	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Chirino, Desiletes, Hemingway))	***
Various:	
City Fire Inc (July Inspection)	
Computers R Us – On Site Labor May 2012	\$30.00
Inverness Counsel (7/1/12 – 9/30/12)	\$69.00
Stewart Capital Advisors (Fees for quarter ending 6/30/12)	\$178,739.61
Lee Munder (Large Cap – Q/E 6/30/12)	\$9,526.93
Lee Munder (Mid Cap – Q/E 6/30/12)	\$24,881.61
	\$27,208.59

Mr. Fisher asked the Board to add to the agenda and approve the benefit selection for F/F Richard Moravec. Motion by Vicki Minnaugh, second by Gary Arenson, to add the benefit selection for Richard Moravec to the agenda and to approve it. The motion carried unanimously. Mr. Moravec did not need to be added to the warrant since he is now entering the DROP.

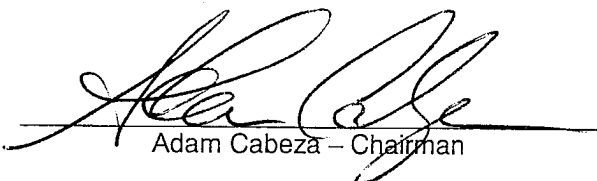
The Administrator made mention of a special warrant #547 in the amount of \$16,540.49 that was issued after the June meeting. It was issued in order to pay the fee for the fiduciary insurance policy with Traveler's insurance. The trustees signed it in order to issue the timely check before the policy lapsed. Motion by Vicki Minnaugh, second by Al Xiques, to formally approve warrant #547. The motion carried unanimously.

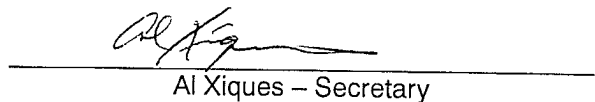
The Board discussed the recent death of a member whose DROP benefit was left to a non-spousal beneficiary. Ms. Bieler and Mr. Wilson had been researching the requirements of such a distribution. They reported to the Board that the benefit can be distributed numerous ways, such as the recipient would elect. However, a non-spousal beneficiary is required under internal revenue code to take a minimum annual distribution of DROP monies, to be calculated anew each year. Ms. Bieler asked the Board to allow her to collaborate with tax attorney Bob Friedman to further explore the rules regarding these kinds of situations. Motion by Carl Heim, second by Frank Musumeci, to allow Cypen & Cypen to work with Mr. Friedman on the rules regarding DROP distributions to beneficiaries. The motion carried unanimously. Ms. Bieler and actuary Mr. Wilson will work together to write a one-page handout for members going forward that will explain the tax implications of a minimum annual distribution.

8. **Input from Retirees:** None.

9. **Input from Active Members:** None.

10. **Adjournment:** The next meeting date is August 16th and will begin at 2:00 pm for the quarterly investment meeting. Motion by Vicki Minnaugh, second by Carl Heim to adjourn the meeting at 5:08 pm. The motion carried unanimously.


Adam Cabeza – Chairman


Al Xiques – Secretary