

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 – FEBRUARY 16, 2012

The four hundredth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:05 p.m. by Chairman Adam Cabeza.

- | | | | | |
|----|--------------------|----------------------------|------------------------------|----------------------------|
| 1. | Roll Call – | <u>Fire Members</u> | <u>Police Members</u> | <u>City Members</u> |
| | | Adam Cabeza | James Ryan | Gary Arenson |
| | | Steve Dougherty (3:30 pm) | Al Xiques (3:25 pm) | Vicki Minnaugh (3:45 pm) |
| | | Frank Musumeci | | |

Carl Heim and Isadore Nachimson were unable to attend this meeting and have requested excused absences. Motion by Vicki Minnaugh, second by Gary Arenson, to excuse Carl Heim and Isadore Nachimson for this meeting. The motion carried unanimously.

Others Present: Greg McNeillie, David Lee and Jarred Kane from Dahab Associates; Chip Reed from Atlanta Capital Management; Henry Renard and Robert Maddock from Inverness Counsel; Clement Johns, CPA from Goldstein Schechter Koch; Larry Wilson from Gabriel Roeder Smith & Co.; Stephen H. Cypen, Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Assistant Plan Administrator.

2. **Dahab Associates – Performance Report for Q/E 12/31/2011.** Greg McNeillie, David Lee and Jarred Kane represented the firm this date. Mr. McNeillie reported the Fund's total gross return was 7.9% for the quarter ended 12/31/2011, with a portfolio value of \$333,047,518. The increase in assets since 9/30/2011 totaled \$26,115,793 comprised of \$1,943,017 in total net contributions and net investment return of \$24,172,780. Investment of the total portfolio was 57.2% in domestic equities, 26.6% in fixed income (including State of Israel Bonds), 6.2% in international equities, 5.1% in real estate and 4.9% in cash and equivalents. The following *gross* returns, detailed by manager, were discussed:

Quarter Ended 12/31/2011						Trailing 12 Months
Equities	Equity Bench- mark	Fixed Income	Fixed Inc. Bench- mark	Total Portfolio		
Atlanta Capital	16.8%	15.5%	---	---	16.8%	10.3%
Eaton Vance	11.2%	13.1%	---	---	11.2%	-4.0%
Inverness	14.0%	11.8%	1.0%	1.0%	5.7%	2.4%
Lee Munder	11.0%	10.6%	---	---	11.0%	0.1%
SSgA Midcap	13.0%	13.0%	---	---	13.0%	-1.7%
SSgA Int'l Equity	4.6%	3.9%	---	---	4.6%	-14.8%

Quarter Ended 12/31/2011				Trailing 12 Months
R.E.	R.E. Bench- mark	Total Portfolio		
Am. Realty Advisors	2.8%	3.0%	2.8%	15.1%
AmSouth Timber Fd.	-2.5%	0.5%	-2.5%	-1.1%
BlackRock	2.5%	3.0%	2.5%	16.4%
TA Assoc Realty	1.4%	3.0%	1.4%	4.4%

Late last year, U.S. economic indicators turned decidedly positive. There were upticks in manufacturing, employment, consumer confidence and GDP. While housing results remained negative, it is possible that housing indicators are bottoming out as well. Commodity prices were mixed as oil prices spiked and gold was down as the year came to a close.

While domestic results were favorable, the Euro zone fiscal crisis remained the “elephant in the room”. Even the best case scenarios will have a global impact if Europe slips into recession as it appears ready to. Still, EU member nations continue to look for workable solutions to address their fiscal woes. Progress was evident with the implementation of a \$640 billion ECB lending program to help European banks shore up their balance sheets.

Welcome news came from the Labor Bureau, which announced that the unemployment rate had fallen to a three-year low of 8.5% in December. In December, private payrolls climbed by 212,000, strongly offsetting 12,000 municipal layoffs. More encouraging still was the fact that employment increased within every major job category, from construction and manufacturing to service and retail.

One key economic component continued downward. The S&P/Case-Schiller Home Price Index fell another 1.1% from September to October (latest report available). Home prices were weaker in 19 of the 20 major cities tracked in the index. Optimistically, those same low prices, along with low mortgage rates and declining personal debt, could lay the groundwork for a 2012 housing market recovery.

Mr. McNeillie reviewed the quarterly written report issued to the Board. He noted that the timing to fund the Herndon portfolio was good; timber was down for the quarter; and the real estate asset class pulled returns down. Eaton Vance needs to start performing better. He also suggested that the Board should still consider increasing the amount invested to real estate, bringing it closer to the 10% target. Funds for doing so will come from the bond portfolio.

Mr. McNeillie reported that all revisions to the Wells Capital investment management agreement (IMA) have been completed, and the document is expected from Cypen & Cypen at any time. Target date for funding is March 1st.

He also addressed the Plan’s Investment Guidelines. They have been updated to include Wells Capital, Stewart Capital and Lee Munder midcap. Motion by Gary Arenson, second by James Ryan, to approve the Investment Guidelines as presented. The motion carried unanimously.

3. **Atlanta Capital Management – Investment / Market Report.** Chip Reed represented the firm this date, as Mary McTague had a scheduling conflict. Mr. Reed distributed a handout for discussion. Their separate report indicates a total portfolio market value of \$34,627,549 as of 12/31/2011. Total portfolio returns were reported to be 16.8% (for the quarter), 10.3% (one year), 20.9% (three years), 8.8% (five years) and 13.7% (inception to date).

Stocks rebounded sharply in the final months of 2011, erasing much of the severe correction in prices that occurred last summer. While economic growth in the emerging markets and Europe slowed as the year unwound, US economic growth proved surprisingly resilient. As a result, the US market outperformed most major foreign stock markets in 2011. The fourth quarter’s strength was broad-based with eight of the ten economic sectors posting double-digit gains. Top performers came from the production side of the economy with the Energy and Industrials sectors achieving the strongest gains. Health Care, Utilities and Consumer Staples were the only sectors to produce positive gains for the year, but lagged the market during the quarter ended December 31, 2011.

The top five contributors and detractors with regard to quarterly performance in this portfolio were:

<u>Contributors</u>	<u>Detractors</u>
Fair Isaac Corp.	Owens & Minor
Acuity Brands	Columbia Sportswear
Wright Express Corp.	TECHNE Corp.
Umpqua Holdings	Hittite Microwave
Carlisle Companies	HCC Insurance

Key events that occurred during for fourth quarter include:

- The US economy proved surprisingly resilient to global economic problems
- Steve Jobs (co-founder of Apple and an icon for American technological innovation) died on Oct. 5th
- The Super Committee was a super flop
- The nine-year Iraq War officially ended in December
- Commodity prices began to stabilize
- The US dollar firmed on world currency markets
- US interest rates generally held steady, despite stronger economic data, firmer commodity prices and a big stock market rally
- The European sovereign debt crisis didn't materially worsen

Mr. Reed reported that the firm saw record assets under management in 2011. Their small-cap portfolio is now closed to new investors. As for changes in management, he reported that Bill Hackney, Senior Partner (from the large-cap growth team) will be retiring soon, noting that Mr. Hackney's replacement came on board five years ago. Their outlook is for a bit of a sluggish market, with growth out-performing value and large cap out-performing small cap.

4. **Inverness Counsel – Investment / Market Report.** Henry Renard and Robert Maddock represented the firm this date. As reported separately, the total portfolio value on 12/31/2011 was \$168,568,891 with an asset allocation of 41.2% to equities, 50.3% to fixed income and 8.5% in cash and cash equivalents. Mr. Maddock stated that, after a painful year of being out of favor, the firm had a good quarter ended 12/31/2011 and it has continued into the first quarter of 2012 as Inverness seeks out long-term growth potential at a reasonable price. He also reviewed the portfolio status through the month of January 2012.

Regarding the fixed income portfolio, Mr. Renard noted they have faced a big challenge in replacing maturing issues that came due. The Fed intends to keep interest rates low. He expects that Inverness will begin to look at highly-rated mortgage paper in six to nine months. He also reiterated that Inverness has stayed true to its style of investment.

The following commentary for the quarter was also submitted:

Global equity markets rallied during the final quarter of 2011 as the U.S. averted a “double-dip” recession and European debt crisis fears subsided. Despite the global macro-economic uncertainty, U.S. economic activity continues to show signs of improvement and we think that on a longer term basis, there are attractive investment opportunities in the markets today.

Looking back, 2011 was a year of surprises. The continued decline in U.S. interest rates and strength of the U.S. dollar, the geo-political and social unrest that spread around the world and the widespread impact of the European debt crisis were notable events that had a significant impact on global markets.

Although US. Markets faced multiple headwinds in 2011, the S&P 500 was one of the top performing indices for the year and dramatically out-performed other prominent global indices. The S&P 500, including dividends, appreciated 2.11% in 2011, compared to the MSCI all world index – ex U.S. which declined 13.01%. The French CAC declined 13.45%, the German DAX declined 14.69% and the Chinese Shanghai index declined 25.76%.

Global Macro Developments Influence U.S. Markets

Market volatility remained high during the fourth quarter with global equity markets reacting to the latest news or rumor to circulate regarding macro-economic developments. We have not experienced this much day to day market volatility since the fourth quarter of 2008, when the S&P 500 declined 23% over the sixty five trading days during the quarter.

Debt crisis contagion fears spread from Greece to Spain and Italy in November. In context, Italy is the third largest bond market in the world with annual funding needs of 350 billion euros; which is equal to Greece's entire outstanding debt. Ultimately, Italian Prime Minister Silvio Berlusconi was forced to resign as he was unable to implement the necessary austerity measures that were required to bolster market confidence. Although European bond yields have eased, they remain elevated as investors question the region's ability to come to a definitive resolution. European

nations will continue to face challenging economic conditions as the region works through the sovereign debt crisis in 2012 and beyond.

Over the past decade, expansion of U.S. corporations into emerging market economies has provided significant growth drivers to revenues and earnings growth. Recently these countries have come under pressure as economic growth has begun to decelerate. Chinese growth slowed as the country battled rising inflation, India reported economic growth below 7.0% for the first time since 2009, while Brazil reported annualized growth last quarter of just 2.1%, down from 6.9% in the year ago time frame. Several countries including China and Brazil have taken initial steps to loosen both monetary and fiscal policy in an effort to accelerate economic growth. However, questions still remain, in particular with China, given that Europe accounts for over twenty percent of China's total exports. If growth in China significantly slows the global economy will be negatively impacted.

Outlook for 2012

As we enter 2012, we remain encouraged regarding the outlook for U.S. equity markets as economic data has continued to improve since the end of the summer. Consumer confidence and manufacturing activity both rebounded last quarter. The unemployment rate has started to decline and weekly jobless claims are trending at the lowest level since 2008.

Overall, the long-term backdrop for equity investments remains positive. Corporate balance sheets are the healthiest they have been in decades and profit margins continue to expand as companies streamline their organizations. At the same time, dividend yields continue to exceed bond yields and equity valuations are at near record lows.

Today, we see interest rates remaining low well into 2013, as the Federal Reserve continues to promote measures to stimulate economic growth. Although inflation expectations have dampened, we continue to be concerned about the impact from the rapid expansion of the global monetary base.

Despite gold's dramatic appreciation over the past decade, the commodity could come under near-term pressure as the investor base continues to evolve. Some investors have been utilizing gold as a hedge against central banks printing money, while other investors view gold as a safe haven during times of global uncertainty. Gold's attractiveness across the various investor types could diminish if markets begin to stabilize, eliminating the need for additional quantitative easing.

The deleveraging process will continue in 2012 as governments, companies, and consumers improve their respective balance sheets. Despite the low interest rate environment, the availability of credit remains tight as lending standards have become more restrictive. Ultimately, we think the consumer deleveraging process will take longer than expected and will weigh on economic growth.

All Eyes Turn to Washington

We could see a significant shift in the world's political leadership starting in 2012. Elections and changes are planned in China, Russia, France and the U.S. next year. These four countries account for close to 40% of global GDP. In total, twenty-four nations, including Spain, India and Mexico will hold elections in 2012, representing over 50% of the world's GDP.

As the year progresses, the U.S. presidential election will garner increasing attention from the media and global equity markets. The political stalemate in Washington will no doubt continue. On the campaign trail, we hope candidates focus on promoting programs designed to revitalize American growth and encourage global leadership, rather than rhetoric that further polarizes the country.

Historically, over the past eighty years presidential election years have delivered strong equity market returns. Stocks have averaged a 14.5% return when a Democrat incumbent president is re-elected, and 18.8% when a Republican is newly elected. However, historical trends do not always hold true as we have experienced negative equity returns in two (2000 and 2008) of the last three presidential election years.

Course of Action

We continued to put cash to work during the quarter taking advantage of the increased market volatility. In the near-term, our focus remains on identifying companies that are able to execute in this challenging business environment. As a result, we selectively added to positions with the

Energy, Industrial and Technology sectors. We believe these companies are category leaders that were unjustifiably punished during the recent market decline. We remain underweight in the Financial sector as we think the consumer deleveraging process coupled with the Federal Reserve's latest tactic "Operation Twist" will put added pressure on banks' earnings power. In addition, financial institutions will likely face pressure in 2012 as presidential candidates debate new regulations.

On a longer term basis, we seek to invest in companies that are positioned to capitalize on the development of new market opportunities, companies that can consistently monetize their competitive advantage, companies that proactively deploy capital, and companies with strong cash flow and low debt levels that can withstand periods of deleveraging. Ultimately, we strive to identify investment opportunities where we think the intrinsic value exceeds the current price.

Attorney Cypen stated that the Investment Management Agreement for Inverness Counsel has been reviewed by his office. Updates have been made that relate to the change of corporate ownership. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

The Board recessed at 3:30 p.m. and reconvened at 4:05 p.m.

5. **Approval of Minutes for January 19, 2012.** Chairman Cabeza presented minutes from the January 19, 2012 meeting for approval. Motion by Gary Arenson, second by Vicki Minnaugh, to approve as presented. The motion carried unanimously.
6. **Approval of Warrant #536.** Chairman Cabeza presented Warrant #536 in the amount of \$80,272.72 for approval and payment. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion was withdrawn.

It was noted that it was necessary for Gary Arenson to abstain from voting on this matter. Form 1 will be completed and attached to the permanent minutes of this meeting. Motion by James Ryan, second by Vicki Minnaugh, to approve as presented. On a vote of 6-0 with one abstention (Arenson), the motion carried, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for February, 2012	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for March, 2012	\$407.72
Twilight Industries LLC – Office Maintenance for February, 2012	\$152.00
Stewart Capital Advisors, LLC – Mgmt. Fee for Q/E 12/31/2011	\$12,494.86
Ultimate Security – Service Call (Alarm System)	\$55.00
Karen Warner – Reimb. Out-of-pocket Exp (Form 940 – 2011)	\$47.00
Atlanta Capital Management Co., LLC – Mgmt. Fee for Q/E 12/31/2011	\$60,598.00
MSA GROUP Acct. #CACG60568 – (Renewal Premium for General Liability Policy 3/3/2012-3/3/2013)	\$2,831.74
FP&L – Electric Service 12/28/2011-1/27/2012 (already Paid)	\$108.40
Arenson & Sandhouse, P.A. – Preparation of IRS Forms 1096/1099-Misc (2011)	\$190.00
Computers R Us – Onsite Labor (DVR Software)	\$138.00

TOTAL **\$80,272.72**

7. **Approval of DROP Loan(s)** – The following DROP Loan applications were presented for Board consideration:

- F/F John Deegan ***
- F/F Robert Newfield ***
- F/F Laurence Shahboz ***

*** (See Attachment A)

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the DROP Loans for John Deegan, Robert Newfield and Laurence Shahboz as presented. The motion carried unanimously.

8. **Request for DROP Account Distribution(s)** – Prior to any board action, it was reported that one additional request had been received from P/O John Sammarco since agenda packets were distributed. Motion by Vicki Minnaugh, second by Gary Arenson, to add the DROP Account distribution request from P/O John Sammarco to the agenda. The motion carried unanimously. The following DROP account distribution requests were then presented for Board consideration:

- | | | | |
|-----------------------|------------|-----------------------|------------|
| ▪ F/F Donald Rynning | (Monthly) | ▪ P/O Vincent Falzone | (Lump Sum) |
| ▪ F/F Joseph Troccoli | (Lump Sum) | ▪ P/O Leslie Haywood | (Lump Sum) |
| | | ▪ P/O Patrick Lynn | (Lump Sum) |
| | | ▪ P/O John Sammarco | (Lump Sum) |
| | | ▪ P/O George Soubasis | (Lump Sum) |
- *** (See Attachment A)

The 415 screening tool results were provided to Actuary Larry Wilson; and, when appropriate, his office has provided the necessary letters indicating these distributions would not pose a problem with the 415 limitation at the present time. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the distribution requests for Donald Rynning, Joseph Troccoli, Vincent Falzone, Leslie Haywood, Patrick Lynn, John Sammarco and George Soubasis as presented. The motion carried unanimously.

UNFINISHED BUSINESS

None

NEW BUSINESS

9. **9/30/2011 Pension Fund Audit Results.** Clement Johns, CPA reported on the firm's preliminary audit results for fiscal year ended September 30, 2011. A clean and unqualified opinion on the financial statements for the year has been issued, and he reviewed the results in detail. Total plan assets were \$307,847,937. Liabilities were \$72,521,600 resulting in net assets of \$235,326,337 held in trust for pension benefits. Net decrease in the value of plan assets totaled \$247,721. The plan's funded ratio was reported at 60.1% (as of the 10/1/2010 actuarial valuation date). Actual City contributions for the year totaled \$21,020,757. Employee contributions, including buy-back payments, totaled \$3,019,965. The relative return of the portfolio was 0.5% and ranked in the 70th percentile of the Public Fund Universe.

Motion by Vicki Minnaugh, second by Gary Arenson, to accept the 9/30/2011 Pension Audit as presented. The motion carried unanimously.

A Management's Representation Letter has also been provided for signature.

10. **Review / Approve – Gross and Net Rates of Return for Q/E 12/31/2011.** Correspondence from Dahab Associates indicates the following rates of return for the quarter ended December 31, 2011:

- Gross of Fees 7.90%
- Net of Fees 7.79%

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the rates of return for Q/E 12/31/2011 as presented. The motion carried unanimously.

11. **Search for Assistant Plan Administrator.** For discussion purposes, agenda packets included a recommended Plan of Action and Timeline for moving through the hiring process. It was reported that there have been three responses to the available position, all having occurred through word of mouth within a group of local plan administrators. The Trustees discussed advertising, starting salary, etc. to accommodate a final hiring decision no later than April 19th. It was proposed that the Chairman be designated to represent the Board of Trustees in the interview process. Motion by Gary Arenson, second by Steve Dougherty, that the three current applicants be interviewed. Following further discussion, the motion was amended by Gary Arenson, second by Vicki Minnaugh, that Jim Fisher, Karen Warner and Chairman Adam Cabeza interview the three current applicants and report back to the Board at the March 15, 2012 meeting with a proposed starting salary and salary range for the position. The motion carried unanimously.

12. Reports:

Actuary – Actuary Larry Wilson reviewed the results of the GRS Experience Study, which is intended to align actuarial assumptions with actual plan experience. The study covered the 5-year period 10/1/2006–9/30/2011, illustrated different scenarios and reflected various increases (decreases) in cost depending upon which assumption, or combination of assumptions, would be modified. GRS recommends that at a minimum the Rate of Salary Increase and Rate of Withdrawal assumptions be changed to reflect what the Plan has experienced. Motion by Gary Arenson, second by Vicki Minnaugh, to receive the GRS Experience Study dated February 16, 2012. The motion carried unanimously.

Motion by Steve Dougherty, second by Frank Musumeci, to approve modifying the Salary Increase and Rate of Withdrawal assumptions as presented in the Experience Study dated February 16, 2012.
Roll call vote:

	<u>For the motion</u>	<u>Against the motion</u>
Gary Arenson		X
Adam Cabeza	X	
Steve Dougherty	X	
Vicki Minnaugh		X
Frank Musumeci	X	
James Ryan		X
Al Xiques		X

The motion failed.

The Board accepted delivery of the GRS Experience Study with no further action taken.

Attorney – None.

Chairman – Chairman Cabeza directed a matter to Actuary Larry Wilson for clarification. There are a total of 19 Firefighters hired June 19, 2003 through April 30, 2010 who will reach normal / late retirement date based upon the attainment of age 50 with the completion of 10 years of service **prior to** their completion of 20 years of service. Based upon previous meetings, it was concluded that these Firefighters will forfeit enhanced benefits if they remain employed beyond their late retirement date, but in doing so makes their benefits fall below the level of new City employees. It was agreed that the Union should raise the issue of making some sort of accommodation for these members during negotiations with the City.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Chairman Cabeza presented Warrant #537 for addition to the agenda and approval for payment. Motion by Gary Arenson, second by Vicki Minnaugh, to add Warrant #537 to the agenda. The motion carried unanimously. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the payment of Warrant #537 as presented in the amount of \$368,184.29. The motion carried unanimously, authorizing the payment of:


<u>Plan Benefits:</u>		
P/O Earl Feugill – Normal Retirement Benefit Commencing 3/1/2012		***
Brianna Delphia Moloney-Wachovia BK NA Guardian M. Scheller Benefit Commencing 11/1/2011		***
P/O John Sammarco – Normal Retirement Benefit Commencing 3/1/2012		***
<u>DROP Withdrawals:</u>		
P/O Les Haywood – Lump Sum DROP Withdrawal		***
P/O Patrick Lynn – Lump Sum DROP Withdrawal		***
F/F Donald Rynning – Monthly Drop Withdrawal Commencing 3/1/2012		***
P/O John Sammarco – Lump Sum DROP Withdrawal		***
P/O George Soubasis- Lump Sum DROP Withdrawal		***
P/O Tamara Spaulding – Lump Sum DROP Withdrawal		***
F/F Rodney Spreitzer – Lump Sum DROP Withdrawal		***
F/F Joseph Troccoli – Lump Sum DROP Withdrawal		***
U.S. Treasury – FIT Withholding (Haywood, Lynn, Sammarco, Soubasis, Spaulding, Spreitzer, Troccoli)		***

DROP Loans:			
F/F John Deegan- DROP Loan			***
F/F Robert Newfield- DROP Loan			***
F/F Laurence Shaboz- DROP Loan			***
Documentary Stamp for DROP Loans:			
Florida Department of Revenue – Documentary Stamp (Deegan)			***
Florida Department of Revenue – Documentary Stamp (Newfield)			***
Florida Department of Revenue – Documentary Stamp (Shahboz)			***
Various:			
SunTrust Bank (Business Visa – Fisher)	Cbeyond (Phones/Internet)	\$435.70	
	Gasoline	45.01	
	Storage Unit	104.00	
	Bd Mtg/Ofc Supplies	151.50	
	Pest Control	35.00	
	Xerox (mo Maint)	25.41	
	Direct TV	98.45	
		\$895.07	\$895.07
SunTrust Bank (Business Visa – Warner)	Bd Mtg / Ofc Supplies	\$623.76	
		\$623.76	\$623.76
F/F Steven Gillespie – Refund of Contributions (Terminated 1/9/2006)			***
U.S. Treasury- FIT Withholding (Gillespie)			***
Florida Department of Revenue (Fed. Int. due on Unemployment Compensation Advances)			\$12.88
Richard Ziff P.A. Loans for February			\$525.00
Gabriel Roeder Smith & Company – Professional Fees (January 2012)			\$14,441.00
Fiduciary Trust Co.- Custody Fee for Q/E 12/31/2011 (Herndon)			\$295.29
Dahab Associates, Inc. Investment Consultant Fees for Q/E 12/31/2011			\$23,739.28
Fiduciary Trust Company Intl Custody Fee for Q/E 1/31/2012 (Atlanta Capital)			\$3,590.97
Fiduciary Trust Company Intl Custody Fee for Q/E 1/31/2012 (Special Assets)			\$295.00
Fiduciary Trust Company Intl Custody Fee for Q/E 1/31/2012 (Inverness)			\$17,359.06
Goldstein, Schechter Koch Progress Billing for 9/30/2011 Audit			\$7,400.00
*** (See Attachment A)		TOTAL	\$368,184.29

All "Are You Alive" affidavits for 2012 have been returned except for 8 recipients, despite phone calls to each of them. The Pension Office will send one last letter requiring receipt by the close of business on March 7, 2012; otherwise benefits will be interrupted effective April 1, 2012.

Karen Warner noted that the State Annual Report is being finalized for filing by March 15th.

13. **Input from Retirees:** None.
14. **Input from Active Members:** None.
15. **Input from Trustees:** Trustee Arenson reported on the Ad Hoc Committee (Contracts) held on February 16th. Fiduciary Trust was the first company to be reviewed. Jim Fisher and Joan Wall are both asked to provide a report to the Committee based upon their involvement with Fiduciary Trust, enabling the Committee to make an informed decision regarding whether obtaining RFP's would be appropriate.
16. **Adjournment** – Chairman Cabeza announced that the next regular meeting would be held on **Thursday, March 15, 2012** at 4 p.m. There being no further business to come before the Board, motion by Vicki Minnaugh, second by James Ryan, to adjourn the meeting at 5:35 p.m. The motion carried unanimously.


Adam Cabeza – Chairman


Al Xiques – Secretary

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME ARENSON, GARY LEE		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE PEMBROKE Pines Police & Fire Dept	
MAILING ADDRESS 2525 EMBASSY DRIVE SOUTH		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:	
CITY COOPER CITY	COUNTY BROWARD	<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY	
DATE ON WHICH VOTE OCCURRED 2-7-12		NAME OF POLITICAL SUBDIVISION:	
		MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, GARY L. ARNSON, hereby disclose that on 2-16-12, 20 12:

(a) A measure came or will come before my agency which (check one)

- ☐ inured to my special private gain or loss;
- ☐ inured to the special gain or loss of my business associate, _____;
- ☐ inured to the special gain or loss of my relative, _____;
- ☒ inured to the special gain or loss of ARNSON & SAVOHOYE, PA, by whom I am retained; or
- ☐ inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

MY FIRM WAS PAID A FEE FOR TAX FORM PREPARATION.

Date Filed

2-21-12

Signature

Gary L. Arnson

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.