

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 – APRIL 17, 2008

The three hundred and fifty-second meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:05 p.m. by Chairman Anthony Napolitano.

1.	<u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Steve Dougherty	John Birkenheuer	Gary Arenson
		Richard Moss <i>(via phone)</i>	Carl Heim <i>(4:25 pm)</i>	Isadore Nachimson
		Anthony Napolitano	James Ryan	

Vicki Minnaugh requested an excused absence earlier in the week, due to an unexpected death in the family. Gary Arenson moved to approve, and James Ryan seconded the motion. The motion carried unanimously.

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Mark L. Zientz, Esq.; Disability Retiree F/F Darren Bishop; Joan L. Bailey *(court reporter – Bishop matter)*; Rene Gonzalez, City Finance Director; F/F Frank Musumeci; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

- 2. Approval of Minutes for March 20, 2008.** Chairman Napolitano presented minutes from the meeting of March 20, 2008 for approval. Gary Arenson moved to approve. Steve Dougherty seconded the motion. The motion carried unanimously.
- 3. Approval of Warrant #418.** Chairman Napolitano presented Warrant #418 in the amount of \$156,960.80 for approval and payment. James Ryan moved to approve payment of Warrant #418 as presented. Steve Dougherty seconded the motion. The motion carried unanimously, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for April, 2008	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for May, 2008	\$407.72
Karen Warner – Mo. Allowance for April, 2008 (Med/Dental/Life)	\$375.00
LEAF – Xerox Copier Lease for April, 2008	\$194.23
Twilight Industries, LLC – Office Maintenance for April, 2008	\$152.00
Inverness Counsel, Inc. – Mgmt. Fee for Q/E 6/30/2008	\$135,625.73
Iron Mountain – Storage Fee (April 2008)	\$105.00
MSA Group – Renewal Premium (Commercial Umbrella Pol. #BPG60568)	\$1,600.00
Ultimate Security – Monitoring Service (12/21/2007 – 6/20/2008)	\$150.00
P/O Gerard M. Arzillo – Mo. Disability Benefit commencing 3/21/2008	\$2,894.80
P/O Gregory Cortese – Mo. Retirement Benefit commencing 5/1/2008	\$5,547.85
F/F David Cuthbert – Mo. Retirement Benefit commencing 5/1/2008	\$5,712.67
Beverly DeSantis – Survivor benefit to Beneficiary of F/F Ralph DeSantis (deceased 3/23/2008) commencing 4/1/2008	\$945.80
TOTAL	\$156,960.80

- 4. Approval of DROP Benefit and Back-DROP Balance – Ordinance 1443 (Fire).** James Ryan moved to approve the calculation of DROP Benefit and Back-DROP Balance as presented. Carl Heim seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
F/F Bill C. Dearman	3/01/2008	2/28/2013	Normal Form	\$0.00

5. **Approval of DROP Benefits and Back-DROP Balances – Ordinance 1480 (Police).** Carl Heim moved to approve the calculation of DROP Benefits and Back-DROP Balances as presented. Isadore Nachimson seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
P/O Chad Cunningham	3/01/2008	2/28/2013	Normal Form	\$0.00
P/O Richard Lebel	3/01/2008	2/28/2013	Normal Form	\$0.00
P/O Kevin McCluskey	3/01/2008	2/28/2013	Joint & 75% Contingent	\$0.00
P/O Louis Sorangelo	3/01/2008	2/28/2013	Joint & 100% Contingent	\$0.00

6. **Request for DROP Account Distributions – F/F Jimmy Sanchez and P/O Joseph Yetto.** Prior to any board action, Karen Warner noted that Actuary Wilson’s letters have also been received with regard to withdrawal requests from P/O Mark Lewis and F/F Douglas Mikell. Gary Arenson moved to add the Lewis and Mikell requests to the agenda. Isadore Nachimson seconded the motion. The motion carried unanimously. The following DROP account distribution requests have been received for Board action:

- F/F Jimmy Sanchez \$31,250 lump sum
- P/O Joseph Yetto \$85,000 lump sum
- P/O Mark Lewis \$12,500 lump sum
- F/F Douglas Mikell \$16,000 lump sum

Actuary Larry Wilson has provided the necessary letters indicating that these distributions would not pose a problem with the 415 limitation at the present time. Gary Arenson moved to approve the distribution requests for Jimmy Sanchez, Joseph Yetto, Mark Lewis and Douglas Mikell. James Ryan seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

7. **Disability Offset (Social Security) – F/F Darren D. Bishop.** Mr. Bishop’s attorney, Mark Zientz, continues to assert that this matter is a Federal pre-emption issue and that the Pension Fund does not have the right to impose an offset to Mr. Bishop’s disability benefit. Lengthy discussion continued regarding whether or not the Pension Fund is obligated or entitled to enforce a benefit offset based upon the disability benefit awarded from Social Security. Attorney Cypen agreed to contact Fred Nesbitt (formerly with NCPERS) who is an expert in Social Security matters. Gary Arenson moved that the issue be tabled pending Attorney Cypen’s contact with Mr. Nesbitt. James Ryan seconded the motion. The motion carried unanimously.

NEW BUSINESS

8. **Review / Approve – Actuarial Valuation as of October 1, 2007.** Agenda packets included a final version of the GRS Valuation for the year beginning 10/1/2007. City Finance Director Rene Gonzalez objected to the report being based upon total active payroll (including active DROP members). The Trustees discussed the reasoning behind presenting the report in this fashion. Gary Arenson suggested showing the contribution results in both formats throughout – total active payroll (with and without active DROP members included). Richard Moss moved to have GRS revise the actuarial valuation to reflect both formats throughout. Gary Arenson seconded the motion. The motion carried unanimously.
9. **Hampton Office Park – Quote for Hurricane Shutters.** James Fisher stated the Pension Office was asked to present a quote for accordion shutters for the Board’s consideration. Shutters for the Pension Fund’s portion of the building were quoted at \$3,024 plus \$212 tax, for a total of \$3,236. All four businesses in this building would be required to participate, in order to move forward with this project – and the other three businesses have already committed to it. It was noted that the fund’s tax-exempt certificate should be submitted with any authorization to proceed. Following discussion, Gary Arenson moved to approve the expenditure of \$3,024 for accordion shutters (tax not included) as per the quote from Miami Home Solutions Corp. dated March 6, 2008. James Ryan seconded the motion. The motion carried unanimously.

10. **Memo from James Fisher.** Agenda packets included a memorandum requesting consideration for an increase in hourly rate. Following discussion, Gary Arenson moved to approve a \$3 per hour pay increase for James Fisher effective 4/1/2008. James Ryan seconded the motion. The motion carried unanimously. The Pension Office was asked to research "part-time employee" status as it relates to providing employee benefits.

11. **Reports:**

Attorney – Attorney Cypen reintroduced the matter of Trish Shoemaker’s letter, citing the possibility that the State could withhold Chapter funds, in light of an allegation of discrimination claimed by F/F Kenneth Fritz. Actuary Wilson presented an illustration of benefits and led a lengthy dialogue regarding married vs. unmarried plan members, the effect of marital status on the calculation of plan benefits, and whether or not this method could be viewed as discriminatory. Following discussion, Gary Arenson moved that the Board forward a copy of Trish Shoemaker’s letter to the City and to both employee unions, advising of the situation with F/F Fritz’s allegation, and appealing to those groups to address and/or resolve the matter. The Board also authorized a letter to Trish Shoemaker advising of its correspondence to the City and both employee unions, even though the Board does not believe the situation is discriminatory. Isadore Nachimson seconded the motion. The motion carried unanimously.

Chairman – Chairman Napolitano asked each Trustee to email any ordinance language revisions or concerns to Karen Warner. He has been working with Asst. City Attorney Julie Klahr on this project. They agree it may be possible to move all old (or out-dated) provisions to an appendix in the back of the revised ordinance.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Napolitano presented Warrant #419 for addition to the agenda and approval for payment. Gary Arenson moved to add Warrant #419 to the agenda. James Ryan seconded the motion. The motion carried unanimously. Gary Arenson moved to approve payment of Warrant #419 in the amount of \$240,067.33. James Ryan seconded the motion. The motion carried unanimously, authorizing payment of the following:

F/F Jimmy Sanchez – DROP Withdrawal \$31,250 Lump Sum (\$6,250) FIT		\$25,000.00
P/O Joseph Yetto – DROP Withdrawal \$85,000 Lump Sum (\$21,250) FIT		\$63,750.00
P/O Mark Lewis – DROP Withdrawal \$12,500 Lump Sum (\$2,500) FIT		\$10,000.00
F/F Douglas Mikell – DROP Withdrawal \$16,000 Lump Sum (\$3,200) FIT		\$12,800.00
US Treasury – FIT Withholding (Sanchez, Yetto, Lewis, Mikell)		\$33,200.00
Everything Imprinted – Printing Reorder		\$320.00
Sawgrass Asset Management – Mgmt. Fee for Q/E 3/31/2008		\$24,140.00
Karen Warner – Semi-Monthly Payroll effective 3/1/2008 (Payable commencing 3/15/2008)		
Gross \$3,895.83 Fed WH (591.01) FICA (241.54) Medi (56.49)		\$3,006.79
US Treasury f.b.o. Karen Warner – 941 Tax to be paid for each period, commencing 3/15/2008		\$1,187.07
Buckhead Capital Management – Mgmt. Fee for Q/E 3/31/2008		\$27,058.80
SunTrust Visa (Fisher)		
DirecTV (2 months)	\$89.36	
Conf Reg. (Stars & Stripes)	715.50	
Gas	76.01	
BellSouth	282.63	
Office Supplies	86.88	
AT&T	737.94	
	\$1,988.32	\$1,988.32
SunTrust Visa (Warner)		
BellSouth	\$282.63	
Bd Mtg / Off Supplies	563.00	
Conf Reg. (2 Stars & Stripes)	1,431.00	
FP&L (2 months)	253.53	
Postage Meter lease (qtr)	138.00	
Airfare (Div. of Retire. Conf)	223.99	
Public Storage	71.00	
	\$2,963.15	\$2,963.15

Fiduciary Trust Company – Custody Fee, Q/E 3/31/2008 (Buckhead)	\$2,125.52
Fiduciary Trust Company – Custody Fee, Q/E 3/31/2008 (Independence)	\$2,098.77
Fiduciary Trust Company – Custody Fee, Q/E 3/31/2008 (Sawgrass)	\$965.59
Independence Investments LLC – Mgmt. Fee for Q/E 3/31/2008	\$29,463.32
TOTAL	\$240,067.33

Death of Retired Firefighter – The passing of Ralph DeSantis on March 23, 2008 was announced. Mr. DeSantis served with the Fire Department for 19 years (1973 – 1992). Warrant #418 (see agenda item #3 above) includes authorization to pay a 50% survivor benefit to Beverly DeSantis (widow). She will be entitled to this benefit for the remainder of her lifetime.

SSgA Lunch & Roundtable Discussion – A reminder to all Trustees who have made plans to attend the State Street lunch and roundtable on Thursday, April 24th beginning at 11:45 a.m. Location: River House Restaurant, 301 SW 3rd Avenue, Ft. Lauderdale.

Inverness Counsel Dinner – Everyone should have received their invitation to the annual Inverness Dinner, and each is responsible for responding directly back to Inverness. This event will be held on Friday, May 16th beginning at 7:00 p.m. Location: Lauderdale Yacht Club, 1725 SE 12th Street, Ft. Lauderdale.

Property Taxes – James Fisher reported that the Pension Office has received an exemption for future property taxes.

12. **Input from Retirees:** None.
13. **Input from Active Members:** Steve Dougherty expressed members' continuing comments about the practice of publishing specific member names and dollar amounts in the Fund's official minutes. Richard Moss noted that several members have also expressed those same concerns to him. The Pension Office was asked to contact Attorney Cypen's office for a definitive written response, and discussion will continue at the May 15th meeting regarding alternatives.
14. **Adjournment** – Chairman Napolitano announced the next regular meeting would be held on Thursday, May 15, 2008 at 2:00 pm. Investment and market outlook reports will be presented by Dahab Associates, Atlanta Capital, Sawgrass Asset Management and Inverness Counsel, followed by the regular business agenda. There being no further business before the Board, Carl Heim moved to adjourn the meeting at 6:00 p.m. John Birkenheuer seconded the motion. The motion carried unanimously.

Anthony Napolitano – Chairman

John Birkenheuer – Secretary