

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 – DECEMBER 18, 2008

The three hundred and sixtieth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:00 p.m. by Chairman James Ryan.

1.	Roll Call –	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Adam Cabeza	John Birkenheuer	Gary Arenson
		Steven Dougherty	Carl Heim	Vicki Minnaugh
		Richard Moss	James Ryan	Isadore Nachimson

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Rene Gonzalez, City Finance Director; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

- 2. Approval of Minutes for November 20, 2008.** Chairman Ryan presented minutes from the meeting of November 20, 2008 for approval. Vicki Minnaugh moved to approve. Gary Arenson seconded the motion. The motion carried unanimously.
- 3. Approval of Warrant #440.** Chairman Ryan presented Warrant #440 in the amount of \$5,583.70 for approval and payment. Vicki Minnaugh moved to approve payment of Warrant #440 as presented. Gary Arenson seconded the motion. The motion carried unanimously, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for December, 2008	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for January, 2009	\$407.72
Karen Warner – Mo. Allowance for December, 2008 (Med/Dental/Life)	\$375.00
LEAF – Xerox Copier Lease for November, 2008	\$194.23
Twilight Industries, LLC – Office Maintenance for December, 2008	\$152.00
FPPTA – 2009 Membership Renewal	\$600.00
Adam Cabeza – Reimb. Conference Exp. (Div. of Retirement – Orlando)	
Mileage 470 @ .585	\$274.95
Tolls	24.80
Per Diem – 3 days	180.00
	\$479.75
Ultimate Security – Monitoring Service (3 months) 12/21/08-3/21/09	\$75.00
Holland & Knight LLP – Progress billing (IRS Determination Letter)	\$50.00

TOTAL **\$5,583.70**

- 4. Approval of DROP Benefits and Back-DROP Balances – Ordinance 1443 (Fire).** Vicki Minnaugh moved to approve the calculation of DROP Benefits and Back-DROP Balances as presented. Gary Arenson seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
F/F William Baker	12/01/2008	11/30/2013	Normal Form	\$ 0.00
F/F Robert Griffin	10/01/2008	9/30/2013	Joint & 75% Contingent	\$0.00
F/F Michael Sica	10/01/2008	9/30/2013	Joint & 100% Contingent	\$0.00

5. **Request for DROP Account Distributions – F/F John Deegan, F/F Daniel Lanzi and F/F Jimmy Sanchez.** The following DROP account distribution requests were presented for Board consideration:

- F/F John Deegan Monthly ***
- F/F Daniel Lanzi Monthly ***
- F/F Jimmy Sanchez Lump Sum ***

*** (See Attachment A)

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. Vicki Minnaugh moved to approve the distribution requests for John Deegan, Daniel Lanzi and Jimmy Sanchez as presented. Gary Arenson seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

6. **Review/Approve – Updated Investment Guidelines (Management Structure).
– Manager Guidelines for Eaton Vance.**

At the November meeting, Attorney Cypen requested that these documents be provided in red-line format to simplify the review process, and he stated Dahab did comply with that request. These items have been reviewed, and he has no problem as presented. Vicki Minnaugh moved to approve the updated investment guidelines and manager guidelines to include Eaton Vance, as prepared by Dahab Associates, and authorizing the Chairman to execute same as necessary. Gary Arenson seconded the motion. The motion carried unanimously.

NEW BUSINESS

7. **Review/Approve – Request for IRS Filing Fee (Letter of Determination).** Attorney Cypen explained that a \$1,000 filing fee, payable to the US Treasury, must accompany the plan's request for Letter of Determination. As previously authorized by the Board of Trustees, the application is being finalized by Holland & Knight in order to satisfy the filing deadline of January 31, 2009. Vicki Minnaugh moved to authorize payment of the IRS filing fee in the amount of \$1,000.00. Gary Arenson seconded the motion. The motion carried unanimously.

8. **Reports:**

Actuary – As discussed at a previous meeting, Actuary Larry Wilson stated GRS has now been retained by the City to do an actuarial study pertaining to proposed changes to the DROP. GRS has requested specific information from Dahab Associates and will proceed upon receipt. Mr. Wilson stated GRS has also been asked to do an engagement letter regarding an FRS issue.

The 10/1/2008 Actuarial Valuation is progressing – employee data has been reconciled, and member Benefit Statements should be complete by the end of the month. Preliminary asset information is still needed from the auditors.

GRS is ready to move ahead with information requested by the Pension Office as it pertains to the State Annual Report, as soon as the 2008 forms are made available by the Division of Retirement.

Attorney – Attorney Cypen addressed the much-talked-about fraud scheme perpetrated by Bernard Madoff and his asset management company. Independent of each other, both Mr. Cypen and Trustee Arenson have spoken directly to Greg McNeillie about the situation and any potential impact on the investments of this fund. The Pension Office will contact Dahab Associates to request written confirmation about any potential “Madoff” investments.

Attorney Cypen also spoke regarding the practice of “securities lending”. In his recent newsletter, an article described a new analysis from a plan consulting firm that found the risk-reward tradeoff of securities lending has changed greatly during the current economic turmoil. Pension fund executives and financial executives need to consider a number of potential problem areas – including counter-party risks and collateral – that could cause funds to sustain substantial losses as a result of securities lending. This is the matter currently before the Board regarding State Street. Karen Warner added that State Street has not yet responded to Board issues in writing; but they have advised verbally that the firm is restructuring their new product to accommodate those clients not interested in securities lending.

Chairman – None.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Ryan presented Warrant #441 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #441 to the agenda. Gary Arenson seconded the motion. The motion carried unanimously. Vicki Minnaugh moved to approve payment of Warrant #441 presented in the amount of \$101,096.52. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

F/F Quincy Schider-Heisel – Refund of Contributions (terminated 7/22/2008)			***
Thrift Savings Plan f.b.o. P/O Ricardo Hernandez – Refund (Rollover) of Contributions (terminated 10/24/2008)			***
F/F John Deegan – DROP Withdrawal (monthly) commencing January 1, 2009			***
F/F Daniel Lanzi – DROP Withdrawal (monthly) commencing December 1, 2008			***
F/F Jimmy Sanchez – DROP Withdrawal (lump sum)			***
U.S. Treasury – FIT Withholding			\$6,250.00
SunTrust Bank (Visa-Fisher)	BellSouth	\$468.12	
	AT&T	370.75	
	Bd Mtg / Off Suppl	170.65	
	Gasoline	35.05	
	DirecTV	87.12	
	Storage	104.00	
	Pest Control	35.00	
		<u>\$1,270.69</u>	\$1,270.69
SunTrust Bank (Visa-Warner)	FP&L	\$137.34	
	ISP	24.95	
	Bd Mtg / Off Suppl	<u>246.45</u>	
		\$408.74	\$408.74
Goldstein Schechter Koch – Progress Billing (9/30/2008 audit)			\$10,000.00
U.S. Treasury – Filing Fee for IRS Letter of Determination			\$1,000.00
*** (See Attachment A)	TOTAL		\$101,096.52

Karen Warner distributed copies of finalized bookkeeping information received from Joan Wall. This represents the last pieces of financial data the auditors are waiting for, and it would be normal procedure for the Board to approve. Gary Arenson moved to add “Review / Approve – Financial Reports for the FYE 9/30/2008” to the agenda. Vicki Minnaugh seconded the motion. The motion carried unanimously. Gary Arenson moved to approve the financial reports for FYE 9/30/2008 as presented. Vicki Minnaugh seconded the motion. The motion carried unanimously.

Jim Fisher noted discussion at the Dec. 17th City Commission meeting regarding proposed legislation to amend Florida Statutes Chapters 175 and 185. Copies of the proposed ordinance were distributed. He explained that, at first glance, the ordinance was approved by the Commission; however, it was later reversed. The matter will be reheard at a January Commission meeting.

9. **Input from Retirees:** None.

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

11. **Adjournment** – Chairman Ryan announced the next regular meeting would be held on Thursday, January 15, 2009 at 4:00 pm. There being no further business before the Board, Isadore Nachimson moved to adjourn the meeting at 4:50 pm. Gary Arenson seconded the motion. The motion carried unanimously.

James Ryan – Chairman

John Birkenheuer – Secretary

**ATTACHMENT "A"
TO THE MINUTES OF
DECEMBER 18, 2008**

Agenda Item #	Detail	Amount
5	F/F John Deegan – DROP Withdrawal (Monthly)	\$3,260.00
5	F/F Daniel Lanzi – DROP Withdrawal (Monthly)	\$1,161.52
5	F/F Jimmy Sanchez – DROP Withdrawal (Lump Sum)	\$31,250.00
8	F/F Quincy Schider-Heisel – Refund of Contributions (terminated 7/22/2008) Contributions \$104.73 Interest \$3.14 FIT (\$0.00)	\$107.87
8	Thrift Savings Plan f.b.o. P/O Ricardo Hernandez – Refund (Rollover) of Contributions (terminated 10/24/2008) Contributions \$47,234.39 Interest \$5,403.31 FIT (\$0.00)	\$52,637.70
8	F/F John Deegan – DROP Withdrawal (Monthly) commencing January 1, 2009	\$3,260.00
8	F/F Daniel Lanzi – DROP Withdrawal (Monthly) commencing December 1, 2009	\$1,161.52
8	F/F Jimmy Sanchez – DROP Withdrawal (Lump Sum) \$31,250.00 FIT (\$6,250.00)	\$25,000.00