

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

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

## REGULAR MONTHLY MEETING – DECEMBER 16, 2010

The three hundred and eighty-fourth 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 Vice Chairman Adam Cabeza.

1. Roll Call –	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Adam Cabeza	Kevin McCluskey	Gary Arenson
	Steven Dougherty		Vicki Minnaugh
	Frank Musumeci		Isadore Nachimson

James Ryan and Carl Heim are out of town, and each has requested an excused absence. Motion by Vicki Minnaugh, second by Gary Arenson, to excuse the absences of James Ryan and Carl Heim for this meeting. The motion carried unanimously.

**Others Present:** Larry Wilson from Gabriel, Roeder, Smith & Co.; Stephen H. Cypen, Esq., Attorney for the Fund; Alison Bieler, Esq. from Cypen & Cypen; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. **Approval of Minutes for November 18, 2010.** Vice Chairman Cabeza presented minutes from the November 18, 2010 meeting for approval. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve as presented. The motion carried unanimously.
3. **Ratification of Warrant #502.** Vice Chairman Cabeza presented Warrant #502 for ratification. It was noted that the required signatures were obtained on November 23, 2010 following Board action taken at the meeting of November 18, 2010 (agenda item 17) authorizing a rebalancing of portfolio assets. Motion by Vicki Minnaugh, second by Isadore Nachimson, to ratify Warrant #502 as presented. The motion carried unanimously, authorizing the payment of:

Transfer of Funds from Inverness Acct. #450086905:

To: **ATLANTA CAPITAL MANAGEMENT ACCT. #451020100**

**\$5,000,000.00**

**TOTAL**

**\$5,000,000.00**

4. **Approval of Warrant #503.** Vice Chairman Cabeza presented Warrant #503 in the amount of \$25,149.63 for approval and payment. Motion by Vicki Minnaugh, second by Steve Dougherty, to approve as presented. The motion carried unanimously, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for December, 2010	\$3,250.00
Hampton Professional Center Condo No. 2 – Mo. Maint. (Suite #104) for January, 2011	\$407.72
Karen Warner – Mo. Allowance for December, 2010 (Med/Dental/Life)	\$375.00
James Fisher – Mo. Allowance for December, 2010 (Med/Dental/Life)	\$308.00
LEAF – Xerox Copier Lease for December, 2010	\$194.23
Twilight Industries, LLC – Office Maintenance for December, 2010	\$152.00
Goldstein Schechter Koch – Progress billing for 9/30/2010 Audit	\$1,500.00
Fiduciary Trust Co. – Custody Fee for Q/E 10/31/2010 (Inverness)	\$15,485.36
Fiduciary Trust Co. – Custody Fee for Q/E 10/31/2010 (Special Assets)	\$267.65
Fiduciary Trust Co. – Custody Fee for Q/E 10/31/2010 (Atlanta)	\$2,393.39
Employers Preferred Ins. Co. – Workers Comp Renewal Premium (1/23/2011–1/23/2012)	\$615.00

FPL – Electric service 10/26/2010 – 11/24/2010	\$126.28
Ultimate Security – Security Monitoring (12/21/2010 – 3/21/2011)	\$75.00
<b>TOTAL</b>	<b>\$25,149.63</b>

5. **Approval of DROP Benefit(s) – Ordinance 1669 (Police) [new ordinance].** Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the calculation of DROP Benefit(s) as presented. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit
P/O Earl Feugill	11/01/2010	10/31/2015	Joint & 100% Contingent

6. **Request for DROP Account Distribution(s)** –The following DROP account distribution requests were presented for Board consideration:

▪ P/O Richard Barber	Monthly ***
▪ F/F Thomas Kelly	Monthly ***
▪ F/F Richard Troy Nelson	Monthly ***
▪ P/O David Parsons	Lump Sum ***

\*\*\* (See Attachment A)

Since the agenda packets were mailed out for this meeting, supporting documentation for the Kelly, Nelson and Parsons requests was received from GRS; copies were distributed for discussion. Actuary Larry Wilson 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 Richard Barber, Thomas Kelly, Richard Troy Nelson and David Parsons as presented. The motion carried unanimously.

### **UNFINISHED BUSINESS**

7. **Approval of DROP Benefit(s) – Ordinance 1480 (Police) [old ordinance].** It was reported that P/O Humberto Chirino has again requested this matter be withdrawn from the current agenda. He asks that the matter be rescheduled for the January meeting. Motion by Gary Arenson, second by Vicki Minnaugh, to defer action on this matter to the January 20<sup>th</sup> meeting. The motion carried unanimously.

### **NEW BUSINESS**

8. **DROP Administration – Investment Return.** For discussion is Actuary Larry Wilson's letter dated December 1<sup>st</sup>, in which he seeks direction from the Board with regard to crediting investment return for members as of April 30, 2010 who enter the DROP after April 30, 2010 and elect guaranteed return. While the language in Ordinance 1669 describes the *percentage* to be allocated based upon three different criteria, of particular concern is the allocation method to be used in the years in which the member enters the DROP or withdraws their full DROP account balance. Following lengthy discussion, motion by Steve Dougherty, second by Vicki Minnaugh, to adopt the following procedure as recommended by GRS:

"Use gross Fund return for the complete fiscal year to determine the rate to be credited. This ensures consistency and avoids a situation where a different rate is used for each member, depending on the date upon which they enter the DROP or withdraw their funds. In addition, this approach will allow for complete and accurate account balances for reporting to the State (Annual Report) and for the Audit as of each September 30<sup>th</sup>."

The motion carried unanimously.

## 9. Reports:

**Actuary** – Larry Wilson reported on the following work in progress:

- DROP statements for the Q/E 9/30/2010 should be completed during the week of December 20<sup>th</sup> and forwarded to the Pension Office for distribution.
- Annual Benefit Statements for active members should be completed during the week of December 20<sup>th</sup> and forwarded to the Pension Office for distribution.
- The DROP Exhibit for the 9/30/2010 Annual Report should be completed during the week of December 20<sup>th</sup>. That information will be forwarded to Joan Wall (bookkeeper) and to the Pension Office.
- As for the 10/1/2010 Actuarial Valuation, the work is progressing but currently on hold (pending receipt of preliminary draft audit figures as of 9/30/2010).
- Updated Summary Plan Description booklets (SPD) are pending review. He hopes to present for discussion at the January 20<sup>th</sup> meeting.

**Attorney** – Attorney Cypen reported GRS has provided "no cost" letters pertaining to two pending issues: (a) the State's position on not allowing Police Officers to purchase prior service as Corrections Officers, and (b) allowing a beneficiary of a DROP member – who died prior to taking any DROP distributions – the ability to defer receipt of the deceased member's DROP account. Pension Office staff will draft a letter for Counsel's review that will be transmitted to the City.

The Fund has received an Income Deduction Order for Child Support with regard to a Firefighter in pay status (recently separated from the City). Attorney Cypen's office has reviewed the order and acknowledges that the Pension Fund should honor it. The order is binding until released in writing by the Obligee (former spouse), by Court Order, or until income is no longer provided to the Obligor (retired Firefighter).

Alison Bieler recommended that the Board consider adopting a set of administrative rules and DROP procedures. She will begin drafting something for review.

**Chairman / Vice Chairman** – None.

**Plan Administrator** – The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Vice Chairman Cabeza presented Warrant #504 for addition to the agenda and approval for payment. Motion by Steve Dougherty, second by Vicki Minnaugh, to add Warrant #504 to the agenda. The motion carried unanimously. Motion by Steve Dougherty, second by Vicki Minnaugh, to approve the payment of Warrant #504 as presented in the amount of \$86,549.17. The motion carried unanimously, authorizing the payment of:

P/O Alan Marshall – Disability Retirement Benefit Effective 11/19/2010		***
P/O Richard Barber – Normal Retirement Benefit Commencing 1/1/2011		***
P/O Richard Barber – Monthly DROP Withdrawal Commencing 1/1/2011		***
F/F Thomas Kelly – Monthly DROP Withdrawal Commencing 12/1/2010		***
F/F Richard Troy Nelson – Monthly DROP Withdrawal Commencing 1/1/2011		***
P/O David Parsons – Lump Sum DROP Withdrawal		***
U.S. Treasury – FIT Withholding (Parsons)		***
Gabriel, Roeder, Smith & Co. – Prof. Fees for November, 2010		\$11,561.00
Goldstein Schechter Koch – Progress Billing for 9/30/2010 Audit		\$2,000.00
Cypen & Cypen – Prof. Fees for services rendered 7/5/2010-8/3/2010 (Ord. 1669)		\$7,400.00
SunTrust Bank (Visa – Fisher)	Bd Mtg / Ofc Supplies	\$159.77
	Gasoline	40.00
	AT&T	1,156.79
	Monthly Storage	104.00
		\$1,460.56
		\$1,460.56
SunTrust Bank (Visa – Warner)	Xerox (mo. Maintenance)	\$21.60
	Bd Mtg / Ofc Supplies	147.35
		\$168.95
		\$168.95

\*\*\* (See Attachment A)

**TOTAL**

**\$86,549.17**

Conference information has been received for NCPERS Legislative Conference, FPPTA and NAPO Pension & Benefits Seminar. Anyone interested in attending or obtaining more details is encouraged to contact the Pension Office.

10. **Input from Retirees:** None.
11. **Input from Active Members:** None.
12. **Adjournment** – Vice Chairman Cabeza announced that the next regular meeting would be held on Thursday, January 20, 2011 at 4:00 pm. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Steve Dougherty, to adjourn the meeting at 4:55 pm. The motion carried unanimously.

  
Adam Cabeza – Vice Chairman  
Frank Musumeci – Secretary