

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 – JANUARY 17, 2008

The three hundred and forty-ninth 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	Vicki Minnaugh
		Richard Moss	Carl Heim	Isadore Nachimson
		Anthony Napolitano	James Ryan	

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Bernie Schinder, Clement Johns and Elisabeth Capota from Goldstein Schechter Koch CPA's; 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 December 20, 2007.** Chairman Napolitano presented minutes from the meeting of December 20, 2007 for approval. Vicki Minnaugh moved to approve. Isadore Nachimson seconded the motion. The motion carried unanimously.

3. **Approval of Warrant #410.** Chairman Napolitano presented Warrant #410 in the amount of \$29,854.18 for approval and payment. Vicki Minnaugh moved to approve payment of Warrant #410 as presented. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

Cypen & Cypen – Monthly Retainer for January, 2008	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for February, 2008	\$407.72
Karen Warner – Mo. Allowance for January, 2008 (Med/Dental/Life)	\$375.00
Premier Capital Group, Inc. Copier Lease for January	\$194.23
Gabriel, Roeder, Smith & Co. – Prof. Svcs. For Nov. & Dec. 2007	\$16,274.00
City of Pembroke Pines – Supplement #S-21	\$28.91
Broward County Revenue Collector – 2007 Property Tax	\$5,861.92
Joan L. Wall – Bookkeeping Services (Aug through Dec, 2007) 66 hours @ \$39.40/hr	\$2,600.40
Signature Title Services, Inc. – Disbursements for Interior Build-out and Title updates	\$750.00
United States Treasury – Form 940 (2007 Annual FUTA Filing)	\$112.00

TOTAL	\$29,854.18
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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. Isadore Nachimson seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
F/F Craig Plucinski	12/01/2007	11/30/2012	Joint & 75% Contingent	\$0.00
F/F Robert Welter	12/01/2007	11/30/2012	Joint & 100% Contingent	\$0.00

UNFINISHED BUSINESS

None

NEW BUSINESS

5. **Audit Report – FY 9/30/2007.** Bernie Schinder, Clement Johns and Elisabeth Capota represented the CPA firm of Goldstein Schechter Koch. Mr. Schinder reviewed the 9/30/2007 preliminary draft results in detail. The auditing firm is pleased to issue a clean and unqualified opinion for the year ended September 30, 2007. Fund assets for the year totaled \$278,465,035. Liabilities were \$37,316,496 resulting in net assets of \$241,148,539 held in trust for pension benefits. There were no material weaknesses or issues of noncompliance noted. As in the past, the report incorporates GASB requirements as to interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Mr. Schinder noted the references to target asset allocation ranges (pages 5 and 15), and recommended that a range for cash be established. Following discussion, it was suggested that the maximum cash allocation be set at **5% - 10%** (rather than 0%).

Following discussion with regard to the fund's new office location, the Trustees agreed that all references to "property and equipment (net)" be changed to **construction in progress**. Pages 6 and 13 of the report are affected by this revision.

Although the name of the firm has changed, Mr. Schinder explained that the firm's philosophy continues to be client servicing. The merger has progressed seamlessly. He added that they are happy to be involved, at no charge, in any pre-retirement or post-retirement seminars provided for the membership.

Vicki Minnaugh moved to accept the Audit for 9/30/2007, with modifications to the maximum cash target allocation range and construction in progress as discussed. Isadore Nachimson seconded the motion. The motion carried unanimously.

6. **Review / Approve – Net Return for Q/E 12/31/2007.** Karen Warner explained that Dahab has not yet provided information for the quarter. Dahab advises going forward we can reasonably expect quarter returns to be delayed approximately 30 additional days, due to the addition of real estate investments and the managers' inability to provide asset and return information as quickly as we are accustomed to. It is hoped we will have a rate for board approval at the February 21st meeting.
7. **Review / Approve – Social Security Number Collection Disclosure Statement.** Attorney Cypen explained recent legislation that mandates the board adopt a policy statement regarding the purposes for requesting social security numbers. State Statute requires written certification by January 31, 2008. It is also necessary to certify whether or not any commercial entities

have requested social security numbers from the Pension Office. Attorney Cypen suggested that "social security number" be eliminated from all forms and applications unless absolutely necessary. There will be instances (i.e., IRS Forms) where social security numbers cannot be avoided, in which case a disclosure statement must be provided. Following discussion, Vicki Minnaugh moved to approve the disclosure statement as provided and to authorize the appropriate notifications no later than January 31, 2008. Isadore Nachimson seconded the motion. The motion carried unanimously. The Pension Office will contact the City's Payroll Department for a list of all Employee numbers, for use in place of social security numbers.

8. **Consider – The Berwyn Group (Death Verification Services).** Agenda packets included information from The Berwyn Group and their services offered regarding death verifications. Rene Gonzalez identified this firm as the service used by the City's civilian plan. The Pension Office currently mails out Annual Affidavits in January of each year – and will continue to do so. Following discussion about the frequency of verifications and the need to also verify co-pensioners, Vicki Minnaugh moved to register for The Berwyn Group's Death Check Plus service at a cost not to exceed \$1,540 per year, with the frequency to be determined in order to stay within budget. Isadore Nachimson seconded the motion. The motion carried unanimously.

9. **Reports:**

Actuary – Larry Wilson reported on the need for amended ordinance language to properly reflect negotiated benefits for Firefighters hired on or after April 1, 2006 who do not meet the CAPRIO requirements. Specifically, this would apply to vested termination benefits, minimum disability benefits and minimum death benefits. He has provided Assistant City Attorney Julie Klahr with alternative ordinance language. Attorney Cypen noted that this does NOT change any language in the bargaining agreement. Vicki Minnaugh moved to approve Larry Wilson's recommendation for language change. Steve Dougherty seconded the motion. The motion carried unanimously.

Attorney – Attorney Cypen recommended that the board consider the need for a complete document update. He estimated approximately 90 days for completion in the event Cypen & Cypen would be asked to perform this task, at a rate of \$250 per hour. Following discussion, Steve Dougherty moved to authorize Cypen & Cypen to do red-line revisions for Assistant City Attorney Julie Klahr's review. Vicki Minnaugh seconded the motion. The motion carried unanimously. Chairman Napolitano will contact Julie Klahr to make sure this arrangement is acceptable.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Napolitano presented Warrant #411 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #411 to the agenda. Isadore Nachimson seconded the motion. The motion carried unanimously.

Vicki Minnaugh moved to approve payment of Warrant #411 in the amount of \$241,236.97. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

Twilight Industries LLC – Commercial office cleaning (January)	\$152.00
Inverness Counsel, Inc. – Mgmt. Fee for Q/E 3/31/2008	\$136,074.19
Koch Reiss & Co. – Progress Billing for 9/30/2007 Audit	\$2,600.00
Buckhead Capital Management – Mgmt. Fee for Q/E 12/31/2007	\$28,056.66
Sawgrass Asset Management – Mgmt. Fee for Q/E 12/31/2007	\$29,535.00
Fiduciary Trust Co. – Custody Fee (Buckhead, Q/E 12/31/2007)	\$2,285.31
Fiduciary Trust Co. – Custody Fee (Independence, Q/E 12/31/2007)	\$2,326.96
Fiduciary Trust Co. – Custody Fee (Sawgrass, Q/E 12/31/2007)	\$1,181.35

SGI Datacom – Replace DVD/CD Drive in Dell computer		\$175.00	
Independence Investments LLC – Mgmt. Fee for Q/E 12/31/2007		\$32,892.73	
Jose LaSanta – Office Improvements (Bathroom, Storage Shelves and Interior office wall)		\$675.00	
John Fisher – Storage Lighting (parts and labor)		\$346.00	
SGI Datacom – Additional work required for installation of video and data lines in floor, Satellite installation		\$2,500.00	
SunTrust Bank – Visa (Fisher)	DirecTV	\$41.85	
	Flags	380.00	
	Materials for office improvements	72.64	
	Gasoline	50.00	
	Meeting Expenses	<u>23.36</u>	
		\$567.85	\$567.85
SunTrust Bank – Visa (Warner)	Bd. Mtg. Supplies	\$283.74	
	Ofc. Supplies & Furnishings	434.07	
	FP&L	140.61	
	Movers	651.00	
	Public Storage	71.00	
	Moving Supplies	45.60	
	Conference Table Repair	55.00	
	Postage Mach. Lease (quarterly)	138.00	
	ISP (2 months)	<u>49.90</u>	
		\$1,868.92	\$1,868.92

TOTAL **\$241,236.97**

Karen Warner reported that Crexent has refunded the security deposit from the old office location, and the funds have been deposited with Fiduciary Trust.

The 9/30/2007 Annual Report is complete, pending receipt of two documents from Actuary Larry Wilson. The State’s filing deadline is March 15th.

James Fisher offered the following updates:

- An online overview of the fund’s website.
- Annual “Are You Alive” Affidavits have been mailed out to all benefit recipients. Response deadline is Monday, February 18th.
- Paperwork is in process for an exemption from future property taxes on the new office.
- Disability application in process for P/O Gerard (Jay) Arzillo.

10. **Input from Retirees:** None.

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

12. **Adjournment** – Chairman Napolitano announced the next regular meeting will be held on Thursday, **February 21, 2008** at **2:00 p.m.** Investment reports will be presented by Dahab Associates, Regions / AmSouth Timber and TA Associates Realty.

There being no further business before the Board, Vicki Minnaugh moved to adjourn the meeting at 5:55 p.m. John Birkenheuer seconded the motion. The motion carried unanimously.

Anthony Napolitano – Chairman

John Birkenheuer – Secretary