

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 – JUNE 17, 2010

The three hundred and seventy-eighth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:10 p.m. by Chairman Steve Dougherty.

| 1. Roll Call – | <u>Fire Members</u> | <u>Police Members</u> | <u>City Members</u> |
|----------------|---------------------------------|--|-------------------------------------|
| | Adam Cabeza Steven Dougherty | Carl Heim Kevin McCluskey James Ryan | Vicki Minnaugh Isadore Nachimson |

Gary Arenson (out of town) has requested an excused absence for this meeting. Motion by Vicki Minnaugh, second by James Ryan, to excuse the absence of Gary Arenson for this meeting. The motion carried unanimously.

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

2. **Approval of Minutes for May 20, 2010.** Chairman Dougherty presented minutes from the May 20, 2010 meeting for approval. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve as presented. The motion carried unanimously.
3. **Approval of Warrant #487.** Chairman Dougherty presented Warrant #487 in the amount of \$22,285.20 for approval and payment. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve as presented. The motion carried unanimously, authorizing the payment of:

| | |
|--|--------------------|
| Cypen & Cypen – Monthly Retainer for June, 2010 | \$3,250.00 |
| Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for July, 2010 | \$407.72 |
| Karen Warner – Mo. Allowance for June, 2010 (Med/Dental/Life) | \$375.00 |
| James Fisher – Mo. Allowance for June, 2010 (Med/Dental/Life) | \$308.00 |
| LEAF – Xerox Copier Lease for June, 2010 | \$194.23 |
| Twilight Industries, LLC – Office Maintenance for June, 2010 | \$152.00 |
| Pitney Bowes Purchase Power – Postage Meter Refill | \$400.00 |
| Fiduciary Trust Co. International – Custody Fee for Q/E 4/30/2010 (Special Assets) | \$241.07 |
| Fiduciary Trust Co. International – Custody Fee for Q/E 4/30/2010 (Atlanta) | \$2,348.92 |
| Fiduciary Trust Co. International – Custody Fee for Q/E 4/30/2010 (Inverness) | \$14,360.88 |
| FPL – Electric service 4/28/2010-5/27/2010 | \$172.38 |
| Ultimate Security – Monitoring 6/21/2010-9/21/2010 | \$75.00 |
| TOTAL | \$22,285.20 |

4. **Request for DROP Account Distribution(s)** – The following DROP account distribution request was presented for Board consideration:

- F/F Robert Weaver Monthly ***
*** (See Attachment A)

Actuary Larry Wilson has provided the necessary letter indicating this distribution would not pose a problem with the 415 limitation at the present time. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the distribution request for Robert Weaver as presented. The motion carried unanimously.

UNFINISHED BUSINESS

None.

NEW BUSINESS

5. **Review / Approve – Renewal of Fiduciary Liability Insurance.** Copies of the renewal quote from Plastridge Insurance were included in agenda packets. This policy is due to expire on July 18th. They advise the premium due for the term 7/18/2010 – 7/18/2011 is \$15,304.53. Following discussion, motion by Vicki Minnaugh, second by James Ryan, to renew the Fiduciary Liability policy as presented with a one-year premium of \$15,304.53. The motion carried unanimously.
6. **Review / Approve – Update to Investment Policy.** Karen Warner noted that only page 1 of the Investment Policy had been updated to reflect current trustees and the removal of Sawgrass Asset Management as a money manager. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the updated investment policy as presented. The motion carried unanimously. The document will be filed with the City, the Plan's Actuary, and the Division of Retirement.
7. **Review / Approve – GSK Engagement Letter (for 9/30/2010 Audit).** Karen Warner reported that the engagement letter presented for consideration is for the 9/30/2010 audit only. In the past, the auditors were willing to commit to a multi-year term. With that in mind, Ms. Warner contacted Clement Johns, CPA. Goldstein Schechter Koch has agreed to modify their letter to cover a 3-year term (audits for 9/30/2010, 2011 and 2012). A base fee of \$18,000 with an average increase of 5% per year for 2011 and 2012 has been proposed. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the engagement letter as modified by Goldstein Schechter Koch for the 9/30/2010, 9/30/2011 and 9/30/2012 audits. The motion carried.

Adam Cabeza was concerned with the concept of "average increase" as noted above. Motion by Adam Cabeza, second by Vicki Minnaugh, to reconsider the Board's previous motion in this regard. The motion carried unanimously. In addition to the proposed "average increase", Trustee Cabeza indicated he believed the Board should offer a counter proposal for a 3-year commitment at a base fee of \$18,000 with no increases. Following discussion, this motion and second was withdrawn.

Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the engagement letter – as modified by Goldstein Schechter Koch for the 9/30/2010, 9/30/2011 and 9/30/2012 audits – and as further modified by deleting the word "average" from the proposed fees on page 5. The motion carried unanimously.

8. **Interim Trustee Election – Firefighters.** Karen Warner acknowledged the retirement of Trustee Richard Moss as of June 14, 2010. The term for this vacant position will end on September 30, 2011. This year's election process would normally begin in July for the terms ending on 9/30/2010 (Steve Dougherty and James Ryan). The Pension Office seeks direction from the Board as to their preference for filling the Firefighter vacancy – whether it is acceptable to delay that process for one month to coincide with the normal election process, or whether an interim election should be started immediately. Following discussion, motion by Adam Cabeza, second by Carl Heim, to combine the election for the seats of Dougherty, Moss and Ryan as per usual procedure rather than initiating an interim Firefighter election. The motion carried unanimously.

9. Reports:

Actuary – Larry Wilson distributed copies of an Actuarial Impact Statement for discussion purposes. This was requested by the City in order to generate a mid-year analysis and redetermination of the City's required contribution for FYE 9/30/2010 (as well as an estimate for 9/30/2011) based upon recent agreements reached with Fire and Police collective bargaining units. He reviewed the various provisions and results. Mr. Wilson noted that, for members hired after April 30, 2010, interest credits to DROP accounts will be based upon the fund's gross return. Going forward, it will be necessary for Dahab to report both gross and net returns on a quarterly basis.

Mr. Wilson stressed the importance of having the relevant City ordinance passed on first and second reading no later than September 30, 2010. He added that this must happen in a timely fashion for the City to take advantage of the reduced contribution for 9/30/2010. He agreed to contact HR Director Daniel Rotstein to communicate same and to explain the consequences of not meeting that deadline.

Also distributed for discussion was Mr. Wilson's letter dated June 8th regarding Normal Retirement dates in 2010. The Pension Office seeks direction on how to process the 11 members listed; i.e., whether they should be processed at their Normal Retirement date (as per current ordinance) or as of the date on which they would achieve an 80% benefit based on the reduced multiplier (proposed based upon union negotiations). In all cases, the time difference is exactly one month.

Mr. Wilson's letter states, in part: *"Based upon our understanding of the proposed rules under which current active members would be grandfathered, benefit multipliers were capped at the level which would have been reached under the prior benefit structure, where applicable"*.

Following lengthy discussion, it was agreed that the members in question should be processed according to the current existing ordinance. Allowing the members to work an extra month could jeopardize their ability to receive the benefit enhancements provided by the current ordinance.

Attorney – None.

Chairman – Chairman Dougherty expressed his appreciation to Richard Moss for his service on the Board of Trustees and efforts on behalf of the plan membership. The Pension Office will make arrangements for a special presentation at the July 15th meeting.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Chairman Dougherty presented Warrant #488 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Isadore Nachimson, to add Warrant #488 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the payment of Warrant #488 as presented in the amount of \$83,341.10. The motion carried unanimously, authorizing the payment of:

| | | |
|---|-------------|------------|
| P/O David Mills – Refund of Contributions (Terminated 5/27/2010) | | *** |
| F/F Robert Weaver – Monthly DROP Withdrawal commencing 6/1/2010 | | *** |
| US Treasury – FIT Withholding (Mills) | | *** |
| The Plastridge Agency, Inc. – Renewal Premium (Fid. Liab. Ins.) 7/18/2010-7/18/2011 | \$15,304.53 | |
| State Street Global Advisors – Mgmt. Fee for Q/E 3/31/2010 (Midcap Index) | \$4,498.57 | |
| State Street Global Advisors – Mgmt. Fee for Q/E 3/31/2010 (International) | \$40,922.33 | |
| Martin S. Stone, M.D. – Disability IME (Victoria Hines) | \$400.00 | |
| The Press Room, Inc. – Reorder #10 Envelopes | \$310.00 | |
| Gabriel, Roeder, Smith & Co. – Prof. Fees for May, 2010 | \$6,694.00 | |
| SunTrust Bank (Visa – Fisher) | | |
| Bd Mtg / Ofc Supplies | \$163.22 | |
| DirecTV | 95.05 | |
| Gasoline | 42.06 | |
| Pest Control | 35.00 | |
| Postage (Disability Binders) | 93.28 | |
| Hotel (Div. of Retirement – Cabeza) | 297.00 | |
| Hotel (FPPTA – Fisher) | 192.50 | |
| Conference Reg. (FPPTA – Fisher) | 500.00 | |
| AT&T | 377.10 | |
| AT&T / Bellsouth | 402.80 | |
| Monthly Storage | 104.00 | |
| | \$2,302.01 | \$2,302.01 |
| SunTrust Bank (Visa – Warner) | | |
| Xerox (mo. maintenance) | \$21.60 | |
| Bd Mtg / Ofc Supplies | 287.03 | |
| Conference Reg. (FPPTA – Cabeza) | 500.00 | |
| Hotel (FPPTA – Cabeza) | 170.50 | |
| Hotel (Div. of Retirement – Ryan / Heim) | 698.58 | |
| Govt. Plans Answer Book | 307.40 | |
| ISP | 24.95 | |
| | \$2,010.06 | \$2,010.06 |

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|--|---------------------|------------|------------|
| City of Pembroke Pines – Supplement #S-25 | | | \$33.27 |
| Adam Cabeza – Reimb. Conf. Exp. (Div. Retirement) | Parking | \$32.44 | |
| | Per Diem (4) | 240.00 | |
| | Mileage 52 @ .50 | 26.00 | |
| | | \$298.44 | \$298.44 |
| James Ryan – Reimb. Conf. Exp. (Div. Retirement) | Airfare | \$451.40 | |
| | Per Diem (4) | 240.00 | |
| | Rental Car | 376.03 | |
| | | \$1,067.43 | \$1,067.43 |
| Carl Heim – Reimb. Conf. Exp. (Div. Retirement) | Airfare | \$485.90 | |
| | Per Diem (4) | 240.00 | |
| | Rental Car | 303.30 | |
| | | \$1,029.20 | \$1,029.20 |
| Gary Arenson – Reimb. Conf. Exp. (NCPERS/Munder) | Hotel | \$1,416.43 | |
| | Parking | 64.87 | |
| | Taxi | 110.00 | |
| | Per Diem (7) | 420.00 | |
| | Airfare | 480.00 | |
| | Misc (Luggage/Seat) | 35.00 | |
| | | \$2,526.35 | \$2,526.35 |
| Margaret Starr, D.O. – Disability IME (Victoria Hines) | | | \$250.00 |

*** (See Attachment A)

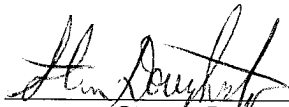
TOTAL

\$83,341.10

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

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

12. **Adjournment** – Chairman Dougherty announced that the next regular meeting would be held on Thursday, July 15, 2010 at 4:00 pm. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Carl Heim, to adjourn the meeting at 5:20 pm. The motion carried unanimously.



Steven Dougherty – Chairman



Kevin McCluskey – Secretary