

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 – OCTOBER 21, 2010

The three hundred and eighty-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 Steve Dougherty.

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

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Disability Applicant P/O Victoria Hines, P/O Donald Hines (spouse) and legal counsel Louis P. Pfeffer, Esq.; P/O Humberto Chirino and Thomas House; 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. Election of Officers.

Chairman Carl Heim nominated James Ryan. Motion by Gary Arenson, second by Vicki Minnaugh, to close nominations. The motion carried unanimously. By acclamation, James Ryan will serve as Chairman for the current fiscal year.

Vice Chairman James Ryan nominated Adam Cabeza. Motion by Gary Arenson, second by Vicki Minnaugh, to close nominations. The motion carried unanimously. By acclamation, Adam Cabeza will serve as Vice Chairman for the current fiscal year.

Secretary Carl Heim nominated Frank Musumeci. Motion by Vicki Minnaugh, second by Isadore Nachimson, to close nominations. The motion carried unanimously. By acclamation, Frank Musumeci will serve as Secretary for the current fiscal year.

The meeting was turned over to newly-elected Chairman James Ryan.

3. **Approval of Minutes for September 16, 2010.** Chairman Ryan presented minutes from the September 16, 2010 meeting for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

4. **Approval of Warrant #497.** Chairman Ryan presented Warrant #497 in the amount of \$162,692.51 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 October, 2010	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for November, 2010	\$407.72
Karen Warner – Mo. Allowance for October, 2010 (Med/Dental/Life)	\$375.00
James Fisher – Mo. Allowance for October, 2010 (Med/Dental/Life)	\$308.00
LEAF – Xerox Copier Lease for October, 2010	\$194.23
Twilight Industries, LLC – Office Maintenance for October, 2010	\$152.00
Goldstein Schechter Koch – Progress work for 9/30/2010 audit	\$1,500.00
FPL – Electric service 8/26/2010-9/27/2010	\$212.48
NCPERS – 2011 Membership Renewal	\$150.00

Joan L. Wall – Bookkeeping & Copies	5/21/2010-9/23/2010		
	56.25 hr @ \$39.40/hr	\$2,216.25	
	Copies	15.45	
		\$2,231.70	\$2,231.70
International Foundation of Employee Benefit Plans – 2011 Membership Renewal			\$835.00
Inverness Counsel, Inc. – Mgmt. Fee for Q/E 12/31/2010			\$153,076.38
		TOTAL	\$162,692.51

5. **Approval of Buy-Back Calculation(s)** – Prior to any Board action, Karen Warner reported that Commission on Ethics Form 8B (Voting Conflict for Public Officers) has been completed by F/F Frank Musumeci. As this matter before the Board directly inures to his benefit, he will abstain from discussion and voting. Form 8B will be attached and made a part of the official minutes for this meeting.

Agenda packets included a copy of the Buy-Back request from F/F Frank Musumeci. In a letter dated September 1, 2010, Actuary Larry Wilson determined the actuarial cost relative to the purchase of one (1) month of prior military service. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the buy-back calculation for Frank Musumeci as presented. The motion carried on a vote of 8 in favor, none opposed, and one abstention (Musumeci).

6. **Approval of DROP Benefit(s) – Ordinance 1669 (Fire).** Karen Warner reported that the form-of-benefit election had been received from F/F Jaime Friedman since agenda packets were mailed out, following revision by GRS as directed at the 9/16/2010 meeting [see agenda item #6]. Mr. Friedman has opted to have his DROP date modified to August 6, 2010 in order to achieve an 80% benefit under the new ordinance as discussed at the September meeting. The Board is asked to consider adding this form-of-benefit election to the agenda if meeting with their approval. Motion by Vicki Minnaugh, second by Gary Arenson, to add F/F Jaime Friedman to the agenda as requested. The motion carried unanimously. Copies of Mr. Friedman's election were distributed.

Motion by Vicki Minnaugh, second by Gary Arenson, 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
F/F Jaime Friedman	9/01/2010	8/31/2015	10-Year Certain & Life
F/F Ross Kuruc	9/01/2010	8/31/2015	Joint & 75% Contingent

7. **Approval of DROP Benefit(s) – Ordinance 1669 (Police).** 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 Bryan Davis	9/01/2010	8/31/2015	Joint & 75% Contingent
P/O Valerie Davis	9/01/2010	8/31/2015	10-Year Certain & Life
P/O Jeff Desilets	10/01/2010	9/30/2015	Normal Form
P/O Michael Johnson	9/01/2010	8/31/2015	Joint & 75% Contingent

8. **Request for DROP Account Distribution(s)** – Since agenda packets were mailed out for this meeting, an additional DROP distribution request has been received from F/F Roger Gonzalez. Karen Warner asked that the Board consider adding this request to the agenda if meeting with their approval. Copies of Mr. Gonzalez's request were distributed. Motion by Vicki Minnaugh, second by Gary Arenson, to add the distribution request from F/F Roger Gonzalez to the agenda as requested. The motion carried unanimously.

The following DROP account distribution requests were then presented for Board consideration:

- F/F Roger Gonzalez Lump Sum ***
- P/O David Parsons Lump Sum ***

*** (See Attachment A)

Actuary Larry Wilson has provided the necessary letter for each of the above requests, indicating that 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 Roger Gonzalez and David Parsons as presented. The motion carried unanimously.

UNFINISHED BUSINESS

9. **Informal Disability Hearing (Continued) – P/O Victoria Hines.** This matter was continued from the 9/16/2010 meeting. Attorney Cypen explained that the Board requested clarification from Dr. Margaret Starr and Dr. Martin Stone as it pertains to the significance of page 60 of Ms. Hines' Pre-Employment Physical results and its relationship (if any) to her current condition. Both doctors promptly provided additional input. Motion by Adam Cabeza, second by Gary Arenson, to approve the application for total, permanent and service-connected disability for P/O Victoria Hines effective 10/21/2010.

Roll call vote:

For the motion: (9)

Against the motion: (0)

Gary Arenson
Adam Cabeza
Steve Dougherty
Carl Heim
Kevin McCluskey
Vicki Minnaugh
Frank Musumeci
Isadore Nachimson
James Ryan

The motion carried unanimously.

Discussion following regarding the normal procedure for starting the payment of disability benefits. Motion by Kevin McCluskey, second by Carl Heim, to circulate an interim warrant in advance of the November 18th meeting if possible. The motion carried unanimously.

10. **Review / Approve – COLA Increases for Additional Police Officers (Effective 10/1/2010).** Karen Warner reported that the October COLA increases for P/O Bryan Davis, P/O Valerie Davis and P/O Michael Johnson had not yet been determined when presented at the September meeting. Each has since made a form-of-benefit election [see agenda item #7 above] and COLA amounts have now been calculated. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the COLA calculations for Bryan Davis, Valerie Davis and Michael Johnson as presented. The motion carried unanimously.

NEW BUSINESS

11. **Review / Approve – Financial Reports for Q/E 6/30/2010.** Motion by Gary Arenson, second by Vicki Minnaugh, to approve the Financial Reports for Q/E 6/30/2010 as presented. The motion carried unanimously.
12. **Ratify – Authorization to Update SPD.** Since Ordinance 1669 had now been approved by the City Commission, and because there are significant changes to pension benefits, Karen Warner suggested it would be appropriate to authorize GRS to update the SPD booklets. She added that verbal authorization had been given by (former) Chairman Steve Dougherty, and GRS had been advised of same. Motion by Vicki Minnaugh, second by Steve Dougherty, to ratify authorization for GRS to update the Summary Plan Description booklets. The motion carried unanimously.
13. **Online Benefit Calculator.** Actuary Larry Wilson demonstrated various features of their online benefit calculator. A number of their clients utilize the program, either on a member level or a plan administrator level, for the purpose of estimating normal retirement benefits. GRS was asked to develop an engagement letter detailing specific services and related costs. They were also asked to provide contact information for local clients who use the program.

14. Reports:

Actuary – By way of introduction, Karen Warner noted that the City's HR Director recently requested permission to contact GRS regarding an 8-year DROP study for Police. Chairman Dougherty verbally approved the request. Motion by Gary Arenson, second by Vicki Minnaugh, to ratify authorization for GRS to deal directly with the City regarding another study relative to potential 8-year DROP for Police Officers. The motion carried unanimously.

Larry Wilson reported that the study has been completed, and copies were distributed. He briefly reviewed the results and various assumptions used. There has been no response from the City.

Attorney – Attorney Cypen acknowledged that his opinion in the Chirino/Friedman matters was based on a misunderstanding of facts. Discussion followed regarding the significance of employee Pension contracts, the City's interest in looking into an 8-year DROP for Police, and the issue of providing estimated benefit calculations to members in advance of their respective retirement dates. It was suggested that Pension Office staff contact other administrators regarding any procedures in place for estimating retirement benefits, then to report back and make a recommendation at the November 18th meeting.

Chairman –

Chairman James Ryan expressed thanks to Steve Dougherty for his leadership over the past year and for a job well done.

Plan Administrator – As part of the Plan's annual procedures, each Trustee was asked to provide a specimen signature for Fiduciary Trust.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Chairman Dougherty presented Warrant #498 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Gary Arenson, to add Warrant #498 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the payment of Warrant #498 as presented in the amount of \$342,440.76. The motion carried unanimously, authorizing the payment of:

P/O David Parsons – Lump Sum DROP Withdrawal			***
P/O Andrew Mehringer – Normal Retirement Benefit commencing 11/1/2010			***
F/F Keith Costa – Refund of Contributions (Terminated 9/18/2010)			***
F/F Roger Gonzalez – Lump Sum DROP Withdrawal			***
U.S. Treasury – FIT Withholding (Parsons-Costa-Gonzalez)			***
Gabriel, Roeder, Smith & Co. – Prof. Fees for September, 2010		\$13,878.00	
Lee Munder Capital Group – Mgmt. Fees for Q/E 9/30/2010		\$36,625.41	
Buckhead Capital Management – Mgmt. Fees for Q/E 9/30/2010		\$18,489.39	
Goldstein Schechter Koch – Progress Billing for 9/30/2010 Audit		\$1,500.00	
FPPTA – 2011 Membership Renewal		\$600.00	
Steve Dougherty – Reimb. Conf. Exp (Div. of Ret.)	Per Diem (4 days)	\$240.00	
	Mileage-412 @ \$.50/mi	207.00	
	Tolls	23.80	
		\$470.80	\$470.80
Frank Musumeci – Reimb. Conf. Exp (Div. of Ret.)	Hotel	\$382.52	
	Per Diem (3 days)	180.00	
	Mileage-412 @ \$.50/mi	206.00	
	Tolls	28.00	
		\$796.52	\$796.52
SunTrust Bank (Visa – Fisher)	Postage Machine Lease	\$324.00	
	Gasoline	40.00	
	Pest Control	35.00	
	AT&T	377.10	
	AT&T / Bellsouth	399.73	
	DirecTV (2 months)	190.10	
	Monthly Storage	104.00	
		\$1,469.93	\$1,469.93


SunTrust Bank (Visa – Warner)	Xerox (mo. Maintenance + copies)	\$190.73	
	Bd Mtg / Ofc Supplies	442.05	
	ISP (2 months)	49.90	
	Med Records & Addl IME (Hines)	141.01	
	Hotel (Musumeci-Div. of Retirement)	447.00	
		\$1,270.69	\$1,270.69
Fiduciary Trust Co. – Custody Fee for Q/E 9/30/2010 (Lee Munder)			\$2,873.73
Fiduciary Trust Co. – Custody Fee for Q/E 9/30/2010 (Buckhead)			\$1,374.97
		TOTAL	\$342,440.76


Because we are beginning the Fiscal Year audit process, Karen Warner advised that payments to F/F Richard Moss (retired 6/14/2010) have not yet started at his request. Discussion followed regarding the Fund's obligation to commence benefits. He is not entitled to receive benefits if any of the required paperwork is pending. A letter confirming F/F Moss' verbal request and the Board's position will be prepared.

Jim Fisher stated an issue has come up (as the result of a retired Firefighter's inquiry) regarding disposition of the DROP account balance upon death of the DROP member. F/F Richard Crusoe passed away in October of 2009; and benefits to the co-pensioner have continued without interruption. Cypen & Cypen was asked to render an opinion, since this is the first occurrence of a DROP member's death.

Attorney Cypen feels Mr. Crusoe's DROP balance should have been disbursed to the surviving spouse. While the ordinance language is not specific on this point, it does not appear to include a provision for leaving the DROP account intact in this instance [see Ord. Section 34.52(C)(8)(d)]. His office will work on revising the administrative forms, previously approved by the Board when the DROP provisions were implemented, to clarify the proper handling of DROP account balances in the future. Disposition of the DROP account for F/F Richard Crusoe (deceased) will be scheduled as a November 18th agenda item.

15. **Input from Retirees:** None.
16. **Input from Active Members:** P/O Humberto Chirino asked the Board to approve his DROP benefit under the provisions of Ordinance 1480. The only Board taken in this regard has been to authorize the Actuary to recalculate benefits under the new ordinance. The Trustees took no action at this time. This matter will be on the November 18, 2010 agenda for further discussion and possible action.
17. **Adjournment** – Chairman Ryan announced that the next regular meeting will be held on Thursday, November 18, 2010. Beginning at 2:00 p.m., the Board will hear presentations from Dahab Associates, Atlanta Capital, Buckhead Capital and Inverness Counsel. The regular order of business will follow at approximately 4:00 p.m. There being no further business to come before the Board at this time, motion by Vicki Minnaugh, second by Isadore Nachimson, to adjourn the meeting at 5:55 pm. The motion carried unanimously.


James Ryan – Chairman


Frank Musumeci – Secretary