

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 – SEPTEMBER 18, 2008

The three hundred and fifty-seventh 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 James Ryan.

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|-----------|---------------------------|----------------------------|------------------------------|----------------------------|
| 1. | <u>Roll Call</u> – | <u>Fire Members</u> | <u>Police Members</u> | <u>City Members</u> |
| | | Steve Dougherty | John Birkenheuer | Gary Arenson |
| | | Richard Moss | Carl Heim | Vicki Minnaugh |
| | | | James Ryan | |

Due to a conflicting appointment, Isadore Nachimson requested an excused absence for this meeting. Gary Arenson moved to excuse the absence of Isadore Nachimson. Vicki Minnaugh seconded the motion. The motion carried unanimously.

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Mark Ruben and Effie Regev from State of Israel Bonds; Andrea Wolfson, Esq.; Disability Retiree P/O Anthony Arcuri; Donna Murillo (court reporter); Retired F/F David Donzella; F/F Adam Cabeza; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

- 2. Approval of Minutes for August 21, 2008.** Vice Chairman Ryan presented minutes from the meeting of August 21, 2008 for approval. Vicki Minnaugh moved to approve. Gary Arenson seconded the motion. The motion carried unanimously.
- 3. Approval of Warrant #431.** Vice Chairman Ryan presented Warrant #431 in the amount of \$40,546.49 for approval and payment. Vicki Minnaugh moved to approve payment of Warrant #431 as presented. Gary Arenson seconded the motion. The motion carried unanimously, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for September, 2008	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for October, 2008	\$407.72
Karen Warner – Mo. Allowance for September, 2008 (Med/Dental/Life)	\$375.00
LEAF – Xerox Copier Lease for September, 2008	\$194.23
Twilight Industries, LLC – Office Maintenance for September, 2008	\$152.00
State Street Global Advisors – Mgmt. Fee for Q/E 6/30/2008 (US Midcap)	\$35,011.04
NCPERS – 2009 Membership Renewal	\$150.00
Joan L. Wall – Bookkeeping Services through 9/6/2008, 23.25 hr @\$39.40/hr	\$931.50
Ultimate Security – 3 months Monitoring Service (9/21/2008 – 12/21/2008)	\$75.00

TOTAL	\$40,546.49
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- 4. Request for DROP Account Distributions – P/O Pamela Dutton and P/O William Jacob.** The following DROP account distribution requests were presented for Board consideration:

- P/O Pamela Dutton Monthly ***
- P/O William Jacob Monthly ***

*** (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 Pamela Dutton and William Jacob as presented. Steve Dougherty seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

5. **Disability Offset (Workers Compensation) – P/O Anthony Arcuri.** Mr. Arcuri's legal counsel, Andrea Wolfson, addressed the Board with her arguments (a) for why the plan's offset provision should not apply in Mr. Arcuri's case, and (b) that the Board is obligated to do what is right, fair and equitable. Ms. Wolfson indicated she would like the opportunity to again correspond with the City. She also claimed that Mr. Arcuri's \$59,000 indemnity payment represented a lifetime payment that included a 5% COLA to age 62. Ms. Wolfson indicated she has a computer program that could determine the value of Mr. Arcuri's indemnity payment at the time of settlement. Following lengthy discussion, Vicki Minnaugh moved to table this matter until Ms. Wolfson comes back with updated information – specifically, a response from the City and her calculation of the value of the indemnity payment at the time of settlement. Gary Arenson seconded the motion. The motion carried unanimously.

NEW BUSINESS

6. **Request to Address Board – State of Israel Bonds.** Representing the firm this date were Mark Ruben and Effie Regev. Mr. Ruben stated a \$662,800 bond will mature on October 1, 2008. Materials relevant to current investment offerings were distributed, and they request the Board's consideration for reinvestment. The trustees reviewed various products and rates currently available. Following discussion, Gary Arenson moved to reinvest the investment maturity proceeds into a 3-year Floating Rate LIBOR Bond, currently at 1.725%, maturing 10/1/2011. Vicki Minnaugh seconded the motion. The motion carried on a 6-1 vote (dissenting vote: Dougherty). The Pension Office will prepare and circulate an interim warrant in order to finalize this investment in a timely manner.
7. **Review / Approve – Eaton Vance Management Documents.** Agenda packets included a copy of the Eaton Vance documents, which have been reviewed and approved by Attorney Cypen. Vicki Minnaugh moved to approve executing the Eaton Vance Management documents as presented. Gary Arenson seconded the motion. The motion carried unanimously. The Pension Office will prepare and circulate an interim warrant to facilitate the transfer of funds from Buckhead Capital Management to Eaton Vance.
8. **Review / Approve – COLA for Police Officers, Effective 10/1/2008**
Add / Approve – Warrant #432

Police COLA calculations prepared by GRS were presented for approval. Vicki Minnaugh moved to approve the COLA calculations for Police Officers. Steve Dougherty seconded the motion. The motion carried unanimously.

Vicki Minnaugh moved to add Warrant #432 to the agenda for payment approval. Gary Arenson seconded the motion. The motion carried unanimously. Vicki Minnaugh moved to approve payment of Warrant #432 in the amount of \$323,618.83 as presented. Gary Arenson seconded the motion. The motion carried unanimously, authorizing the payment of:

COST-OF-LIVING INCREASE for POLICE OFFICERS

New Monthly Benefits Effective 10/1/2008:

Andrews, Glenn L.	***
Arcuri, Anthony	***
Arzillo, Gerard M.	***
Bedell Jr., John E.	***
Belusko, David A.	***
Birkenheuer, Kimberly S.	***
Buchholz, Kevin	***
Burns, Teresa A.	***

Campolo, Richard	***
Cortese, Gregory S.	***
Crawford Jr., Fred J.	***
Demma, Joseph M.	***
Dilenge, James L.	***
Drummond, Terri Rousseau	***
Dutton, Pamela J.	***
Edwards, James D.	***
Ewing, Sandra	***
Falzone Sr., Vincent J.	***
Felix, William H.	***
Fidler, Charles B.	***
Fisher, James F.	***
Fiumefreddo, Robert	***
Fontana, John V.	***
Fosman, David	***
Garris, Dale A.	***
Guerra, Alfredo J.	***
Hall Jr., Carl W.	***
Hartmann, Richard J.	***
Haywood, Leslie L.	***
Hazzard, Irene S.	***
Hitchings, Gregory	***
Hones, Kevin T.	***
Ikalina, Glenn B.	***
Irlanda, Carlos	***
Jacob, William A.	***
Jomant, Michael J.	***
Jones, Robert C.	***
Knapp, Edward B.	***
Lachmiller, William E.	***
Lewis, Mark N.	***
Lombardo, John J.	***
Lynn, Patrick	***
McLoughlin, Warren R.	***
Maynard, William W.	***
Michaud, France R.	***
Moloney, Brianna	***
Naples, Nick	***
Nasta, John P.	***
Noonan, Leonard W.	***
Novak Jr., Joseph W.	***
O'Shea, David E.	***
Palant, Keith	***
Pazienza, Angelo	***
Primeau, Gerald A.	***
Raimondi, Onofrio	***
Reilly, Mary J.	***
Riddick, Glen D.	***
Rosinsky, Lisa	***
Rosinsky, Matthew P.	***
Rosinsky, Sean B.	***
Sadagursky, Thomas	***
Salazar, Andrew	***
Schelling, Carl J.	***
Schooley, Larry E.	***
Smith, Andrew J.	***
Spaulding, Tamara L.	***
Stanton, John T.	***

Tighe, John H.	***
Varley, Gregory W.	***
Vitale, Ambrose C.	***
Walsh, Thomas V.	***
Webster, Leroy F.	***
Wilford, Muriel C.	***
Wright, Raymond R.	***
Yetto, Joseph M.	***
Zamora, Reynold	***

TOTAL		***
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*** (See Attachment A)

9. **Review / Approve – Financial Reports for Q/E 6/30/2008.** Agenda packets included quarter reports prepared by Joan Wall. Vicki Minnaugh moved to accept the financial reports as presented for the quarter ended 6/30/2008. Gary Arenson seconded the motion. The motion carried unanimously.

10. **Results of Trustee Elections (Firefighters).** Karen Warner reported that Firefighter ballots were counted on September 17th. F/F Steve Dougherty received the highest number of votes; therefore, his new term of office will be for the two-year term 10/1/2008 – 9/30/2010. The candidate who received the next highest number of votes was F/F Adam Cabeza, who will serve through September 30, 2009. F/F Cabeza was introduced to the Trustees. The Pension Office has asked that he go to the City Clerk’s office to be sworn in prior to September 30th. Copies of relevant plan information have been provided for his reading pleasure.

11. **SSgA (U.S. Active Midcap Fund).** Karen Warner explained that the Pension Office is requesting direction from the Board on the most appropriate way to handle the movement out of this investment. She explained that the Board previously approved getting out of the SSgA Midcap Fund and reinvesting in their S&P 400 Index Fund. However, from a manager standpoint, the motion was never acted on. Dahab has provided information regarding the effect on the quarterly rate of return, had the move been acted on as directed, and the information was distributed for review. Following discussion, Richard Moss moved to retain the SSgA U.S. Active Midcap Fund investment for the time being, reversing the Board’s 5/15/2008 motion. Gary Arenson seconded the motion. The motion carried unanimously. The Pension Office will take steps to insure this situation does not occur again. The SSgA Midcap investment will be addressed with Dahab at the November meeting, at which time they will be asked to disclose the effect on the fund’s fiscal year return, had the change been made as originally directed.

12. **Reports:**
 - Actuary** – Actuary Larry Wilson stated GRS is gearing up to begin the year-end valuation process. A Death Check tool is now available to GRS clients at no cost (unless GRS assistance is required). Relevant information will be forwarded.

 - IRC Sec. 415 language revisions are still pending. Mr. Wilson stated that GRS has been on hold, pending the ordinance restatement under the supervision of Asst. City Attorney Julie Klahr. Because the Board has hired Robert Friedman (Holland & Knight) to file with IRS for a Letter of Determination, Actuary Wilson was asked to provide 415 language to Mr. Friedman.

 - Attorney** – Attorney Cypen noted that the Division of Retirement’s conference has been rescheduled for the first week in December. The Rules Development workshop – relative to the oversight of local government retirement plans by the Division of Retirement – is now rescheduled for October. A link to view the hearings will be provided to Board members.

 - The September 18th newsletter addressed a new heart lung presumption case. A Florida firefighter had a pre-employment physical that indicated he suffered from hypertension. Years later he became disabled with heart disease. The judge of compensation claims determined that the presumption did not apply, because there was no evidence that the hypertension caused the heart disease. The judge of compensation claims erred in determining the presumption did not apply. The appellate court reversed the order on appeal, and remanded for further proceedings. This is an important case for Florida.

There continues to be no resolution in the matter regarding F/F Bishop, as Fred Nesbitt has been unsuccessful in finding documentation relative to Mr. Zientz's contention. Discussion continues.

Holland & Knight is progressing with the request for IRS Letter of Determination.

Vice Chairman – Vice Chairman inquired as to any update on the F/F Kenneth Fritz matter. There has been no further word from Asst. City Attorney Julie Klahr.

Plan Administrator – Agenda packets included a letter from Saxena White with regard to the First Marblehead Corporation securities litigation – Pembroke Pines Fire & Police has been appointed co-lead Plaintiff in the matter. Attorney Cypen noted that this is good news.

The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Vice Chairman Ryan presented Warrant #433 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #433 to the agenda. Gary Arenson seconded the motion. The motion carried unanimously.

Gary Arenson moved to approve payment of Warrant #433 presented in the amount of \$27,578.23. Vicki Minnaugh seconded the motion. The motion carried unanimously, authorizing payment of the following:

F/F Hal Kornprobst – Mo. Retirement Benefit Commencing 10/1/2008			***
F/F Ricardo Torres – Mo. Retirement Benefit Commencing 10/1/2008			***
P/O Pamela Dutton – Monthly DROP Withdrawal (increase from \$2,000 to \$3,000 per month) effective 10/1/2008			***
P/O William Jacob – Monthly DROP Withdrawal, effective 10/1/2008			***
Purchase Power – Postage Meter Refill, plus service charge			\$418.99
Gabriel, Roeder, Smith & Co. – Prof. Services for 8/2008			\$5,647.00
SunTrust Bank (Visa – Fisher)	Iron Mountain (Full Retrieval)	\$472.20	
	Bd Mtg / Off Supplies / Equip.	669.15	
	Gas	50.01	
	AT&T	370.75	
	Bellsouth	398.05	
	DirectTV	87.12	
	Storage Unit	83.20	
		\$2,130.48	
			\$2,130.48
SunTrust Bank (Visa – Warner)	ISP	\$24.95	
	Bd Mtg / Off Supplies / Equip.	362.52	
	Access Training Class	245.00	
	FP&L	206.02	
		\$838.49	\$838.49
Holland & Knight LLP – Progress billing for IRS Letter of Determination			\$2,150.00
*** See Attachment A		TOTAL	\$27,578.23

Upcoming Conferences include the following, and anyone interested in attending should contact the Pension Office for registration information.

- FPPTA Trustees' School (Oct. 5-8, Orlando)
- Public Safety Employees Pension & Benefits (Oct. 12-15, Palm Springs)
- Division of Retirement [rescheduled] (Dec. 1-3, Orlando)
- NAPO Pension & Benefits Seminar (Jan. 12-14, Las Vegas)
- NCPERS Legislative Conference (Feb. 1-3, Washington DC)

Karen Warner advised that the Pension Office received a public records request from Mr. Ted Dominick for Firefighter pension and DROP benefits. The relevant cost was provided to the City Clerk's office, and they were asked to communicate same to Mr. Dominick and seek authorization to proceed. He has officially withdrawn his public records request.

Audit confirmation letters have been completed and need to be forwarded to Goldstein Schechter Koch. Vicki Minnaugh moved to authorize the Vice Chairman to sign the letters and proceed with the early stages of the audit process. Gary Arenson seconded the motion, and the motion carried unanimously.

In light of current market conditions, copies of miscellaneous communications with Dahab were distributed. Consultant Greg McNeillie advises that there is some AIG exposure as of 8/31/2008 in the Inverness and Buckhead portfolios; however, the fund has no exposure to Lehman Brothers, Merrill Lynch or Washington Mutual.

13. **Input from Retirees:** F/F David Donzella asked the Board to consider modifying its policy of limiting changes in the rate-of-return election to more frequently than one time per fiscal year – he suggested a semi-annual election option. Actuary Wilson stated that such a change would be considered a “no cost item”. Attorney Cypen suggested that F/F Donzella approach the City with this request, or attempt to make such a change through collective bargaining. John Birkenheuer moved that, from an administrative standpoint, the Board expresses no opposition to a semi-annual rate-of-return election period. Carl Heim seconded the motion. The motion failed by a roll call vote of 0 – 7.

Discussion followed regarding whether it was reasonable to assess an administrative fee on all “fund’s rate of return” DROP accounts, as well as the ordinance language providing for same. This will be an agenda item for the October 16th pension meeting.

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

15. **Adjournment** – Vice Chairman Ryan announced the next regular meeting would be held on Thursday, October 16, 2008 at 4:00 pm. There being no further business before the Board, Vicki Minnaugh moved to adjourn the meeting at 6:00 pm. Gary Arenson seconded the motion. The motion carried unanimously.

James Ryan – Vice Chairman

John Birkenheuer – Secretary