

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

In the City of Pembroke Pines
Fountains Executive Centre
9000 Sheridan Street - Suite #148
Pembroke Pines, FL 33024

REGULAR MONTHLY MEETING – APRIL 19, 2007

The three hundred and thirty-ninth 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 Anthony Napolitano.

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
		Anthony Napolitano	James Ryan	Isadore Nachimson

Others Present: Rene Gonzalez, City Finance Director; Andrew Drucker, Esq. and Court Reporter; P/O Sgt. Neil Vaughan; Stephen H. Cypen, Esq., Attorney for the Fund; Alison Bieler, Esq. from Cypen & Cypen; Karen H. Warner, Plan Administrator; and James F. Fisher, Asst. Plan Administrator.

2. **Approval of Minutes for March 15, 2007.** Chairman Napolitano presented minutes from the meeting of March 15, 2007 for approval. James Ryan moved to approve. Gary Arenson seconded the motion. The motion carried unanimously.

3. **Approval of Warrant #379.** Chairman Napolitano presented Warrant #379 in the amount of \$226,868.87 for approval and payment. James Ryan moved to approve payment of Warrant #379 as presented. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

Cypen & Cypen – Monthly Retainer for April, 2007	\$3,250.00
Crexent, LLC – April, 2007	
Office Rent	\$1,134.00
Telephone Equip.	110.00
Long Distance	4.26
	\$1,248.26
	\$1,248.26
Xerox Corporation – Copier Lease Payment for April, 2007	\$200.07
Karen Warner – Mo. Allowance for April, 2007 (Med/Dental/Life)	\$375.00
Sawgrass Asset Management – Mgmt. Fee for Q/E 3/31/2007	\$27,473.00
Buckhead Capital – Mgmt. Fee for Q/E 3/31/2007	\$28,579.33
Independence Investments – Mgmt. Fee for Q/E 3/31/2007	\$29,722.31
Inverness Counsel – Mgmt. Fee for Q/E 6/30/2007	\$127,177.74
Everything Imprinted – Letterhead & Business Cards	\$140.00
Nationwide Retirement Solutions fbo P/O Stephen Dalick (rollover)	
Contributions \$6,859.90 + Interest \$ 332.60	\$7,192.50
Old Dominion Insurance Co. – Additional premium due policy #BPG60568 (general liability coverage)	\$3.56
James F. Fisher – Semi Monthly payroll effective 3/26/2007 (Payable Commencing 4/15/2007) Gross \$1,400.00 Less Federal W/H \$9.00, less F.I.C.A. \$86.80, Less Medicare \$ 20.30, less Additional Federal W/H \$100.00	\$1,183.90
U.S. Treasury – f.b.o. James F. Fisher 941 Tax to be paid each period, commencing 4/15/2007	\$323.20

TOTAL **\$226,868.87**

4. **Approval of DROP Benefits and Back-DROP Balances – Ordinance 1443 (Fire).** Steve Dougherty moved to approve the calculation of DROP Benefits and Back-DROP Balances as presented. James Ryan seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
F/F Mark Hooper *	2/1/2005	1/31/2010	Joint & 100% Contingent	\$0.00
F/F George Hussar *	11/1/2006	10/31/2011	Joint & 100% Contingent	\$0.00

* Approval of DROP entry for this member was delayed pending clarification of the “Age 50 + 10 Years” language in the Ordinance.

5. **Approval of DROP Benefits and Back-DROP Balances – Ordinance 1480 (Police).** Isadore Nachimson moved to approve the calculation of DROP Benefits and Back-DROP Balances as presented. Carl Heim seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
P/O Michael Arnett **	5/1/2005	4/30/2010	10 Years Certain & Life	\$0.00
P/O Michael Hones **	10/1/2006	9/30/2011	Life Annuity	\$0.00
P/O Glen Parker **	12/1/2006	11/30/2011	10 Years Certain & Life	\$0.00
P/O George Soubasis	3/1/2007	2/28/2012	Joint & 75% Contingent	\$0.00
P/O Terry Wujcik **	10/1/2006	9/30/2011	Joint & 75% Contingent	\$0.00

** Approval of DROP entry for this Police Officer was delayed pending clarification of the “Age 50 + 10 Years” language in the Ordinance.

6. **Request for DROP Account Distributions – F/F Joseph Destefano, P/O James Fisher and P/O Warren McLoughlin.** The board has received requests for DROP account distributions from F/F Destefano (increase monthly disbursement to \$6,000), P/O Fisher (\$17,500 lump sum) and P/O McLoughlin (\$20,000 lump sum). 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. Isadore Nachimson moved to approve the distribution requests for Joseph Destefano, James Fisher and Warren McLoughlin. James Ryan seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

7. **Interrupted Plan Benefits – 2007 Affidavits.** Karen Warner reported that the annual affidavit from F/F Marvin Hart was received without the need to interrupt his benefit, as previously directed by the Board of Trustees. It was necessary, however, to interrupt payments to P/O Glen Ikalina due to his lack of response. Ikalina’s notarized affidavit has since been received. Gary Arenson moved to resume benefits to P/O Glen Ikalina effective May 1, 2007 and further authorizing Fiduciary Trust to release the April interrupted benefit immediately. Isadore Nachimson seconded the motion. The motion carried unanimously.

NEW BUSINESS

8. **Review / Approve – Net Return for Q/E 3/31/2007.** Dahab Associates advises the return for the quarter was 2.31% net of fees. Vicki Minnaugh moved to accept the net return. James Ryan seconded the motion. The motion carried unanimously. Quarterly DROP statements will be prepared based upon this action.

9. **City Requests for Actuarial Work (2).** The Pension Office has received two e-mails from Rene Gonzalez, City Finance Director, requesting actuarial work from Gabriel, Roeder, Smith & Co. as follows:
- (a) To calculate “not to exceed” amounts based upon pay information provided for three sample City employees nearing retirement. Following lengthy discussion regarding interpretation of the ordinance language as it pertains to the Police overtime cap and the 98% overall benefit limitation, it was agreed that this work was unnecessary.
 - (b) To prepare an actuarial study showing the effect of having all members hired after 10/1/2007 covered by the Florida Retirement System, and to reflect the cost of new members participating in the FRS. The study should indicate costs under the current plan until all members are cycled out, as well as the difference or savings to the City under the above scenarios. Attorney Cypen added that GRS should also consider any effect on this plan being considered a “closed plan”. Mr. Gonzalez explained that the City is interested in looking into a contingency plan, in the event future revenues are decreased. He would like Actuary Larry Wilson to advise a cost and time estimate before proceeding with the work. The City is to be billed directly for GRS services, and the Pension Office should be provided with a copy of the final study. Gary Arenson moved to have this City request forwarded to Actuary Larry Wilson. Vicki Minnaugh seconded the motion. The motion carried unanimously.
10. **Request for Actuarial Work – F/F David Donzella.** F/F Donzella has requested a number of actuarial calculations that will result in excessive fees being charged to the pension fund. His requests were presented for Board consideration, given the likelihood of similar future requests from other plan members and the precedent set in handling any future requests. Gary Arenson moved to forward F/F Donzella’s requests to Actuary Larry Wilson, for specific guidance on costs and time estimate. Extraordinary fees are to be billed directly to F/F Donzella, and the Pension Office should be provided with copies of the final work products. Vicki Minnaugh seconded the motion. The motion carried unanimously.
11. **Workers Compensation Settlement / Disability Offset – F/F Mark Parsons.** Attorney Cypen introduced Andrew Drucker, Esq., who represents Disability Retiree F/F Mark Parsons. He was accompanied by a court reporter for this meeting. Attorney Cypen stated a settlement has been reached between the City and F/F Parsons. Attorney Cypen added that he has reviewed the calculation of disability offset presented for Board consideration. Attorney Drucker contends that the plan’s social security offset should not be applied, in view of State Statute. The Trustees discussed an acceptable period of time for recovering amounts owed to the pension fund. Attorney Drucker stated he was not authorized by his client to accept any offer that may be made by the board at this meeting. Following discussion, Vicki Minnaugh moved that the total sum of \$11,140 be due and payable to the pension fund by May 17, 2007. Gary Arenson seconded the motion. The motion carried unanimously.
12. **Reports:**
- Actuary** – None. Larry Wilson was called out of town and unable to attend this meeting.
- Attorney** – None.
- Plan Administrator** – Actuary Larry Wilson has completed the 72(t) calculation for P/O Andrew Smith as authorized at the March meeting, and copies were distributed. P/O Smith has opted to receive a recurring monthly DROP withdrawal in the amount of \$2,841.31. Vicki Minnaugh moved to approve a \$2,841.31 monthly DROP withdrawal for P/O Andrew Smith as per the Actuary’s letter dated 4/17/2007. Gary Arenson seconded the motion. The motion carried unanimously.

The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Napolitano presented Warrant #380 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #380 to the agenda. Carl Heim seconded the motion. The motion carried unanimously. Vicki Minnaugh moved to approve payment of Warrant #380 in the amount of \$87,383.84. John Birkenheuer seconded the motion. The motion carried unanimously, authorizing payment of:

City County Credit Union – DROP Withdrawal (Rollover) fbo P/O Robert Fiumefreddo		\$21,397.75
F/F Joseph Destefano – Recurring monthly DROP Withdrawal		\$6,000.00
P/O Warren McLoughlin – DROP Withdrawal (Lump Sum) \$20,000 less FIT \$4,000		\$16,000.00
P/O James Fisher – DROP Withdrawal (Lump Sum) \$17,500 less FIT \$3,500		\$14,000.00
U.S. Treasury – FIT Withholding (McLoughlin, Fisher)		\$7,500.00
Iron Mountain – April, 2007		\$100.00
Gabriel, Roeder, Smith & Co. – Prof. Services (3/2007)		\$12,675.00
SunTrust Bank (Visa, Warner)	ISP	\$24.95
	Postage Machine	63.75
	Public Storage	65.00
	Postage	11.70
	Bd. Mtg. / Off. Supplies	<u>355.60</u>
		\$521.00
		\$521.00
Fiduciary Trust Company – Custody Fee Q/E 3/31/2007 (Sawgrass)		\$1,099.02
Fiduciary Trust Company – Custody Fee Q/E 3/31/2007 (Buckhead)		\$2,369.43
Fiduciary Trust Company – Custody Fee Q/E 3/31/2007 (Independence)		\$2,118.38
Florida U.C. Fund – Unemployment Insurance for Q/E 3/31/2007		\$8.40
James Fisher – Payroll for partial period 3/26/2007-3/30/2007 Gross \$700.00 less Federal W/H \$0.00, less FICA \$43.40, less Medicare \$10.15		\$646.45
U.S. Treasury – f.b.o. James Fisher (one-time payment) 941 Tax for partial period 3/26/2007-3/30/2007		\$107.10
P/O Andrew Smith – Recurring monthly DROP Withdrawal (IRC 72t) Commencing 4-2007 per Actuary's letter dated 4/17/2007		\$2,841.31
TOTAL		\$87,383.84

Draft copies of a letter and authorization form for the deduction of insurance premiums were distributed for comments. Following discussion, and based upon a recommendation from Attorney Cypen, the Trustees preferred not to make this available to members at the present time. The fund will hold off until later in the year, hoping for clarification from the IRS on the tax-free nature of such deductions.

The Pension Office has looked into costs associated with acquiring another desk, computer equipment, etc. Following discussion, Gary Arenson moved to authorize the expenditure of up to \$5,000 for furniture and equipment needs. Vicki Minnaugh seconded the motion. The motion carried unanimously.

Discussion continued regarding the lease for current office space, which will expire on October 31st. Presently available in this complex is:

- Suite #147 (440 sq. ft. – next door to the current location, reversed floor plan). The property managers are offering this additional space to us for \$1,134 plus telephone equipment, which is identical to current lease terms for Suite #148.

- Suite #130 (1200 sq. ft. – in the outdoor fountain area of this complex). Chairman Napolitano stated he had seen the space and believes it would sufficiently house the pension office for several years. The property managers have negotiated down to \$3,000 per month for two years, then increasing 5% for each of the next three years on a 5-year lease. They have also agreed to paint and make minor modifications at their expense, with carpet of our choice to be replaced at the fund's expense.

Discussion turned to the possibility of purchasing an office condo or other building. Vicki Minnaugh offered information on several properties that are currently on the market in Pembroke Pines. She will make arrangements to show these properties to staff, and discussion will continue at the May meeting.

13. **Input from Retirees:** None.

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

15. **Adjournment** – Chairman Napolitano announced the next regular meeting would be held on Thursday, May 17, 2007 at 3:00 p.m. At that time investment reports will be presented by Dahab Associates, Buckhead Capital Management, Independence Investments and Inverness Counsel.

There being no further business before the Board, Vicki Minnaugh moved to adjourn the meeting at 6:10 p.m. Richard Moss seconded the motion. The motion carried unanimously.

Anthony Napolitano – Chairman

Richard Moss – Secretary