

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 – DECEMBER 18, 2014

The four hundred thirty-fourth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 11:30 a.m. by Chairman Al Xiques.

1. <u>Roll Call</u> –	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Adam Cabeza Robert Johnson	Carl Heim Kevin Venema Al Xiques	Gary Arenson Jack McCluskey Vicki Minnaugh

Motion by Vicki Minnaugh, second by Gary Arenson to excuse Frank Musumeci's absence. The motion carried unanimously.

Others Present: Steve Cypen, Attorney for the Fund (via teleconference) Robert Friedman, Special Tax Counsel for the Fund (via teleconference); Kelly Adams, Actuary for the Fund; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator.

- Approval of Minutes for November 20, 2014** – Chairman Xiques presented minutes from the November 20, 2014 meeting for approval. Motion by Vicki Minnaugh, second by Kevin Venema, to approve the minutes as presented. The motion carried unanimously.
- Approval of DROP Distributions** – The following DROP benefits were presented for approval.
 - F/F Ben. Sheila Marie Alvira (Lump Sum) ***
 - F/F Thomas Kelly (Lump Sum) ***
 - P/O John Hess (Lump Sum) ***
 - P/O Christian Hemingway (Lump Sum) ***

The Administrator asked the Board to add F/F Richard DeTata and P/O Angelo Pazienza to the agenda for DROP distributions. Motion by Gary Arenson, second by Vicki Minnaugh, to add Mr. DeTata and Mr. Pazienza to the agenda for DROP Distributions. The motion carried unanimously.

- F/F Richard DeTata (Lump Sum) ***
- P/O Angelo Pazienza (Monthly) ***

**** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.*

The IRC 415 screening tool results were provided to Actuary Larry Wilson. When appropriate, his office will provide the necessary letters to members indicating distributions will not pose a problem with the IRC 415 limitation at the present time. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the amended list of distributions. The motion carried unanimously.

- Approval of Refund** – The refund of pension contributions for the member listed below was approved for immediate distribution.
 - F/F Jimmy Sanchez, Jr. ***

**** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.*

Motion by Adam Cabeza, second by Kevin Venema, to approve the refund as presented for Mr. Sanchez. The motion carried unanimously.

5. **Approval of Vendor Warrant #615** – Chairman Xiques presented Warrant #615 in the amount of \$28,276.19 for approval and payment. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #615 as presented. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Cypen & Cypen – Monthly Retainer for December 2014	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Jan 2014)	\$407.72
Twilight Industries, LLC – (Maintenance – December 2014)	\$152.00
Employers – Business Renewal Deposit	\$786.00
Accelerated Business Solutions – December Copier Lease	\$234.69
SunTrust (James Fisher)	\$848.78
SunTrust (Rachel Maldonado)	\$830.35
GSK – Invoice #20408049 (12/3/14)	\$3,900.00
Holland & Knight Inv. #3121005	\$1,025.00
Joan Wall – Bookkeeping Fees 2/11/14 – 12/8/14	\$3,009.80
Ultimate Security – 3 mos. From 12/21/14	\$75.00
Computers R Us – Inv. #2974	\$138.00
ProShred Security	\$55.00
GRS – October 2014	\$12,842.00
R & R Catering	\$600.00
FP & L	\$121.85
TOTAL	\$28,276.19

*** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.

6. **Approval of Member Warrant #616** – Chairman Xiques presented Warrant #616 in the amount of \$11,248.12 for approval and payment. Motion by Jack McCluskey, second by Carl Heim, to approve Warrant #616 as presented. The motion carried unanimously.

Plan Benefits	
F/F Richard DeTata – Normal Retirement Benefit Commencing 1/1/15	***
DROP Withdrawals:	
F/F Ben. Sheila Marie Alvira – Lump Sum DROP Withdrawal Less FIT	***
F/F Thomas Kelly – Lump Sum DROP Withdrawal Less FIT	***
P/O John Hess – Lump Sum DROP Withdrawal Less FIT	***
P/O Christian Hemingway – Lump Sum DROP Withdrawal Less FIT	***
P/O Angelo Pazienza – Monthly DROP Withdrawal commencing 1/1/15	***
F/F Richard DeTata – Lump Sum DROP Withdrawal Less FIT	***
U.S. Treasury – FIT – W/H (Alvira, Kelly, Hess, Hemingway)	***
Refunds of Contributions (Termination):	
F/F Jimmy Sanchez, Jr. – Refund less FIT	***
U.S. Treasury – FIT – W/H Sanchez	***
TOTAL	\$110,248.12

*** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.

NEW BUSINESS

7. **2015 Investment Presentation Calendar** – The Board discussed the new format of the Investment Presentation Calendar. The Board approved the format which overall pairs like managers/products for the same meeting. Since Inverness is responsible for such a large portion of the portfolio, the Board is requiring them to attend two meetings a year. Motion by Jack McCluskey, second by Gary Arenson, to approve the 2015 Investment Presentation Calendar. The motion carried unanimously.

8. **General Ledger for Q/E 12/31/13 and 3/31/14** – The Board reviewed general ledgers for the quarters ending 12/31/13 and 3/31/14. Some of the trustees expressed difficulty identifying and comparing the figures on the ledgers. Trustee Arenson volunteered to contact the Plan's bookkeeper, Ms. Joan Wall, to assist with formatting. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the general ledgers for the quarters ending 12/31/13 and 3/31/14. The motion carried unanimously.

UNFINISHED BUSINESS

None.

9. **Reports:**

Actuary – Kelly Adams represented GRS and discussed the status of the October 1, 2014 valuation. There are no concerns at this time. She discussed the need for the auditor and actuary to work together to provide the information for the Government Accounting Standards Board Statement No. 67 (GASB 67) "true up". The best practice is for the auditor to provide at least a draft of the balance sheet and income statement to the actuary for the development of the "trued-up" GASB Statement 67 information. The actuary will then provide the GASB 67 information to the auditor. Ms. Adams then spoke about the Senate Bill 534 information required to be provided to the state. There was discussion over providing the 2% increase in discount rate along with the required 2% decrease in discount rate and brief mention was made that GRS provided comments to DMS regarding implementation of the law and requested a footnote be added whenever the "run-out" calculation is performed.

Plan Administrator – Assistant Administrator Maldonado reported on the status of the Form 1099-Rs reprints. Fiduciary Trust confirmed that they were finalizing the amendments and the Pension office would have them in hand by the early part of the week of December 21st. After the office staff reviews the corrections, they will be sent out to the members.

The Assistant Administrator also informed the Board that Marco Consulting was scheduled to present to the Board at the January 2015 meeting to discuss their proxy voting services. The Board asked that an additional firm be brought in to present for comparative purposes. The Board asked if the additional firm could be scheduled on the same meeting with Marco Consulting or as soon as possible. Attorney Steve Cypen joined the meeting via teleconference. Mr. Cypen suggested the Board also try ISS for additional information on proxy voting.

Administrator Fisher discussed retiree David Donzella with the Board. Mr. Fisher reported that there was additional information supplied to special tax counsel Robert Friedman concerning Mr. Donzella's reemployment. Mr. Friedman was conferenced in to the meeting via telephone. He confirmed that Mr. Donzella was an independent contractor during his time of reemployment. As a result, Mr. Donzella's pension should be exempt from a 72(t) tax penalty. The Board asked Mr. Friedman what information was given to prove that Mr. Donzella was paid by a third party and not by the City as previously believed. Mr. Donzella was no longer in possession of paystubs but certified through his tax return that payment came from a third party. Motion by Vicki Minnaugh, second by Gary Arenson, to accept the information that would exempt Mr. Donzella from a 72(t) tax penalty on his pension payments. The motion carried with Ms. Minnaugh, Mr. Arenson, Mr. Venema, Mr. Johnson, Mr. McCluskey, and Mr. Xiques in favor. Mr. Heim and Mr. Cabeza dissented.

Administrator Fisher reported his attendance at a Pension Board workshop hosted by the City. Trustee McCluskey also attended. There was discussion at that workshop about Ordinance changes the Board requested in 2013 that would allow modification of investment guidelines and trustee terms. The Commission stated that they were not aware of any of these requests. As a result of many of their questions, Trustee Arenson suggested that the Pension Board host its own seminar to help educate the Commission and other City management. Mr. Cypen encouraged the Board to coordinate with the Florida Public Pension Trustees Association (FPPTA). FPPTA will set up a town hall style meeting with pension professionals to address any questions the Commission may have. Mr. Cypen also suggested that the Board purchase and disseminate copies of "Public Official's Guide to Municipal Pensions" prior to the date of the scheduled town hall discussion. Motion by Jack McCluskey, second by Vicki Minnaugh, to schedule a town hall between the FPPTA and the City Commission. The motion carried unanimously.

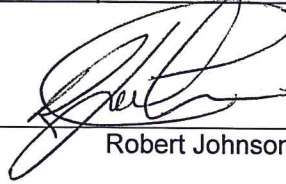
Attorney – No additional report given.

Chairman – No report given.

10. Input from Retirees: None.
11. Input from Active Members: None.
12. Input from Trustees: None.
13. Public Comment: None.
14. Adjournment – Chairman Xiques announced that the next regular meeting would be held on **Thursday, January 15, 2015 at 2:00 p.m.** There being no further business to come before the Board, motion by Carl Heim, second by Vicki Minnaugh, to adjourn the meeting at 12:35 p.m. The motion carried unanimously.



Al Xiques – Chairman



Robert Johnson – Secretary