

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

SPECIAL MEETING – JANUARY 9, 2014

A special meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 9:38 a.m. by Chairman Steve Dougherty.

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|-----------------------|----------------------------|------------------------------|----------------------------|
| 1. Roll Call – | <u>Fire Members</u> | <u>Police Members</u> | <u>City Members</u> |
| | Adam Cabeza | Carl Heim | Gary Arenson |
| | Steve Dougherty | Kevin Venema | Jack McCluskey |
| | Frank Musumeci | Al Xiques | |

Others Present: Steve Cypen, Attorney for the Fund; Alison Bieler, Attorney for the Fund; Robert Friedman, Tax Counsel for the Fund; Jim Cherof, City Attorney; Jim Linn, Special Counsel for the City; Bob Klausner, Special Counsel for the City; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator.

The following people also attended the meeting as part of the audience.

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| Paul Smith, Pines Fire Department (Union Rep) | Matthew Nickison, Pines Fire Dept (Retired) |
| Al Diliello, Pines Fire Department | Richard Lewis, Pines Fire Department |
| John Picarello, Pines Fire Department | Scott Whitworth, Pines Fire Department |
| Daniel Rotstein, City HR Director | Walter Yester, Pines Police Department |
| Charlie Dodge, City Manager | John Sammarco, Pines Police Department |
| Louis Sorangelo, Pines Police Department | Jacqueline Sanchez, Fort Lauderdale Police Dept. |
| Bob Laichak, Pines Police Department | Robert Scopa, Pines Police Department |
| David Donzella, Pines Fire Dept. (Retired) | Peter Desmond, Police Department |
| John Jungle, Pompano Beach Fire Department | Rick Lebel, Pines Police Department |
| Larry Williamson, Pines Fire Department (Retired) | Chad Cunningham, Pines Police Department |
| Adam Feiner, PBA Representative | Sammy Brown, Local 2292, IAFF President |
| Bob Welter, Pines Fire Department (Retired) | Drew Brooks, PBA Executive Board |
| Kenneth Hall, Pines Police Department | Ron Cohen, Esq. |
| James DeSilva, Pines Police Department | Jeff Marano, Broward County PBA President |
| James Ryan, Pines Police Department | Julio Gonzalez, BC PBA General Counsel |
| Nelson Martinez, Pines Police Department | Joseph Ultimo, Pines Fire Dept (Retired) |
| Chris Grant, PBA Representative | |

2. **Discussion on In-Service Distributions** – Board Attorney Steve Cypen introduced attorneys Alison Bieler, Jim Cherof, Jim Linn, Robert Klausner, and Robert Friedman as the panel of experts currently working on the issue of in-service distributions. Mr. Cypen referred to a directive approved by the Board on December 19, 2013 to notify the four firefighters of action that would be taken regarding their pension and DROP benefits at the January 16, 2014 meeting. Mr. Cypen asked the Board to consider postponing the official notification as the attorneys are waiting to receive additional information before they can recommend an appropriate course of action to the Board. Motion by Carl Heim, second by Al Xiques, to delay official notification until such time as advised by the Board attorney. The motion carried unanimously.

Mr. Cypen assured the Board that the goal of the attorneys involved, including the City's legal team, is to fix the issue at hand without IRS involvement. In the meantime, the status quo will be maintained. Trustee Arenson asked for a timeframe but could not be given a specific timeframe. Mr. Cypen told the Board it was his belief that as long as they were actively working to resolve this issue, the Plan would likely incur no penalties from the IRS. Mr. Friedman agreed that the discussions thus far would constitute an element of good faith.

Trustee McCluskey also asked how long did the attorneys expect it would take to bring resolution. Mr. Friedman said if the Plan was able to internally resolve the matter at hand, it could take a few months. If the Board decides to ask the IRS to intervene, it would take a considerably longer time to resolve. Mr. Klausner offered any Ordinance changes would take up to two months to be approved. Finally, Mr. Cypen said that he hoped to advise the Board of available options within a month or so. Mr. Friedman once again assured the Board that whatever possible resolutions may be offered would keep the plan from being in violation of Internal Revenue Code

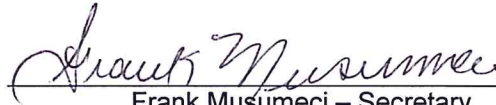
Chairman Dougherty asked whether the solutions will address past instances of violations. Mr. Cypen said all corrective actions will be designed to resolve prior issues as well. Trustee Cabeza asked whether delaying a decision would increase the liabilities of those involved. Mr. Cypen said that could not be determined until the resolution was in place. Mr. Klausner relayed his thought that all of the attorneys involved are "solution-oriented in a manner that least interferes with the members."

3. **Public Comment** – None

4. **Adjournment** – There being no further business to come before the Board, motion by Jack McCluskey, second by Gary Arenson, to adjourn the meeting at 9:55 a.m. The motion carried unanimously.



Steve Dougherty – Chairman



Frank Musumeci – Secretary