

# 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 – JULY 19, 2007

The three hundred and forty-third 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.	<b><u>Roll Call</u></b> –	<b><u>Fire Members</u></b>	<b><u>Police Members</u></b>	<b><u>City Members</u></b>
		Steve Dougherty	John Birkenheuer	Gary Arenson
		Richard Moss	Carl Heim	Vicki Minnaugh
		Anthony Napolitano	James Ryan	Isadore Nachimson

**Others Present:** Larry Wilson from Gabriel, Roeder, Smith & Co.; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. **Approval of Minutes for June 21, 2007.** Chairman Napolitano presented minutes from the meeting of June 21, 2007 for approval. Vicki Minnaugh moved to approve. Gary Arenson seconded the motion. The motion carried unanimously.
  
3. **Approval of Minutes for July 3, 2007.** Chairman Napolitano presented minutes from the special meeting of July 3, 2007 for approval. Carl Heim moved to approve. Richard Moss seconded the motion. The motion carried unanimously.
  
4. **Ratification of Warrant #389.** Chairman Napolitano presented Warrant #389 in the amount of \$25,000.00 for ratification by the Board of Trustees. It was noted that this was an interim warrant previously circulated for signature. Carl Heim moved to ratify Warrant #389 as presented. Gary Arenson seconded the motion. The motion carried unanimously, authorizing payment of:

<b><u>Bank Atlantic</u></b> (per attached wiring instructions) for:	
Initial Deposit to Escrow Account – While Negotiating Offer	
<b><u>Signature Title Services, Inc. Escrow Account</u></b>	\$5,000.00
<b><u>Account No. 0059664316</u></b>	

<b><u>Bank Atlantic</u></b> (per attached wiring instructions) for:	
Initial Deposit to Escrow Account – When Offer Accepted	
<b><u>Signature Title Services, Inc. Escrow Account</u></b>	\$20,000.00
<b><u>Account No. 0059664316</u></b>	

<b>TOTAL</b>	<b>\$25,000.00</b>
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5. **Approval of Warrant #390.** Chairman Napolitano presented Warrant #390 in the amount of \$174,956.63 for approval and payment. James Ryan moved to approve payment of Warrant #390 as presented. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

Cypen & Cypen – Monthly Retainer for July, 2007			\$3,250.00
Crexent, LLC – July, 2007	Office Rent	\$1,134.00	
	Telephone Equip.	185.00	
	Long Distance	<u>2.37</u>	
		\$1,321.37	\$1,321.37
Cypen & Cypen – Professional Services through May, 2007			\$917.04
Xerox Corporation – Copier Lease (July)			\$200.07
Gabriel, Roeder, Smith & Co. – Prof. Services through 6/30/2007			\$8,699.00
Inverness Counsel, Inc. – Mgmt. Fee for Q/E 9/30/2007			\$129,696.57
Steve Dougherty – Reimb. Conference Exp. (FPPTA)	Hotel	\$560.70	
	Mileage	113.49	
	Per Diem	240.00	
	Tolls	<u>4.00</u>	
		\$918.19	\$918.19
Anthony Napolitano – Reimb. Conf. Exp. (FPPTA)	Mileage	\$194.00	
	Per Diem	300.00	
	Tolls	<u>15.00</u>	
		\$509.00	\$509.00
Fiduciary Trust Co. – Custody Fee, Q/E 6/30/2007 (Buckhead)			\$2,502.72
Fiduciary Trust Co. – Custody Fee, Q/E 6/30/2007 (Independence)			\$2,273.17
Fiduciary Trust Co. – Custody Fee, Q/E 6/30/2007 (Sawgrass)			\$1,198.21
Karen Warner – Mo. Allowance for JuLY, 2007 (Med/Dental/Life)			\$375.00
P/O Jason Ballata – (Terminated 12/22/2006)			
Refund of Contributions \$21,017.99 + Interest \$2,078.30			
Less FIT \$4,619.26			\$18,477.03
US Treasury – FIT Withholding (Ballata)			\$4,619.26
<b>TOTAL</b>			<b>\$174,956.63</b>

6. **Approval of DROP Benefits and Back-DROP Balances – Ordinance 1443 (Fire).** Vicki Minnaugh moved to approve the calculation of DROP Benefits and Back-DROP Balances as presented. Isadore Nachimson seconded the motion. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit	Back-DROP Additions
F/F Joseph Dennis	6/01/2007	5/31/2012	Joint & 100% Contingent	\$0.00
F/F Lawrence Goode	6/01/2007	5/31/2012	Joint & 50% Contingent	\$0.00
F/F Michael Vincent	6/01/2007	5/31/2012	Joint & 75% Contingent	\$0.00

7. **Approval of DROP Benefits and Back-DROP Balances – Ordinance 1480 (Police).** Vicki Minnaugh 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
P/O James DeSilva	7/01/2007	6/30/2012	Joint & 75% Contingent	\$0.00
P/O John Sammarco	7/01/2007	6/30/2012	Joint & 75% Contingent	\$0.00

8. **Request for DROP Account Distributions – F/F Gino Christi, P/O James Fisher and P/O Thomas Sadagursky.** It was reported that the board has received two additional requests (F/F William Dawson and F/F James Fuchs) since agenda packets were mailed out. The board was asked to consider including these two newest requests in current board action. Gary Arenson moved to approve the addition of DROP account distribution requests for William Dawson and James Fuchs to the agenda. Vicki Minnaugh seconded the motion. The motion carried unanimously.

DROP account distribution requests have been received from F/F Christi (\$845 monthly), F/F William Dawson (\$10,595.98 lump sum), P/O James Fisher (\$30,000 lump sum), F/F James Fuchs (additional \$1,000 per month for a total of \$3,000 monthly) and P/O Thomas Sadagursky (\$25,000 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. Vicki Minnaugh moved to approve the distribution requests for Gino Christi, William Dawson, James Fisher, James Fuchs and Thomas Sadagursky. Steve Dougherty seconded the motion. The motion carried unanimously.

### **UNFINISHED BUSINESS**

9. **Update – Office Space.** It was reported that the seller has accepted the board's offer on the office space in west Pembroke Pines, and a total of \$25,000 has been deposited into escrow (see agenda item #4). Settlement funds will be wired on July 26<sup>th</sup>, with closing scheduled for Friday, July 27<sup>th</sup>. Plastridge Insurance advises that the current carrier for renter's coverage can add an endorsement to bring the coverages up to \$1 million for liability, \$350,000 for contents and additions / improvements, with a 5% wind deductible. Annual premium is estimated to be \$2,600 – \$2,700. The current policy year expires in March of 2008 and the premium would be prorated if the Trustees choose to obtain this coverage. Following discussion regarding a higher liability limit, Gary Arenson moved to allocate a maximum of \$5,000 in annual premium for liability and contents coverage. Vicki Minnaugh seconded the motion. The motion carried unanimously. The Pension Office will contact Plastridge regarding higher coverages within the established budget.

### **NEW BUSINESS**

10. **Review / Approve – Net Return for Q/E 6/30/2007.** Dahab Associates advises the return for the quarter was 4.88% 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.
11. **Review / Approve – 2007 Election Timetable.** The terms for Trustees Richard Moss (Fire), Anthony Napolitano (Fire), John Birkenheuer (Police) and Carl Heim (Police) will expire on September 30, 2007. An election is being planned for these positions, each for a 2-year term 10/1/2007 - 9/30/2009. Agenda packets included a proposed timeline for election activities. Vicki Minnaugh moved to approve the 2007 Election Timetable as presented. Isadore Nachimson seconded the motion. The motion carried unanimously.

7/23/2007 – “Notice to File as a Candidate for Trustee” will be posted in each Department and on the plan's website. Completed notices must be received at the Board's post office box no later than August 15, 2007.

8/17/2007 – “Election Notice of Candidates” running for office will be posted in each Department and on the plan's website.

8/22/2007 – Ballot Envelopes will be mailed out. Completed ballots must be received at the Board's post office box no later than Thursday, September 20, 2007.

9/21/2007 – Ballots will be counted at the Pension Office, beginning at 10 AM.

12. **Benefit Calculation – F/F Tom Kelly.** F/F Kelly was on shift and unable to attend this meeting. He has expressed concern that the language used to describe the form of benefit chosen at the time of DROP differs from his understanding of how the benefit would work. For discussion purposes, GRS was asked to calculate a benefit based upon F/F Kelly's understanding of the option. The trustees discussed the results of the recalculation. Not wishing to make a determination in F/F Kelly's absence, the matter will be continued when he can attend.

13. **Reports:**

**Actuary** – Larry Wilson stated his office has completed a draft of the Summary Plan Description, incorporating all recent ordinance changes. The Pension Office was asked to provide a copy to each Trustee for review.

GRS will complete the DROP statements for the quarter ended 6/30/2007 based upon approval earlier in the meeting (agenda item #10). Retroactive Police COLA's for those active in the DROP will be reflected on the September 30<sup>th</sup> statements.

**Attorney** – Attorney Cypen was contacted by Saxena White (class action litigation monitor) regarding potential litigation against Alfa Corp. Efforts are underway for a transaction that would result in the privatization of the company. Saxena White believes the proposed transaction's per-share offer significantly undervalues the company and is designed to benefit the parent company, the controlling officers and directors at the expense of the public shareholders of Alfa Corp. The pension fund owns 10,600 shares of Alfa Corp. as of 7/18/2007. Saxena White recommends that the fund pursue litigation to enjoin the transaction, until the board of directors can solicit other offers that more adequately reflect the value of the company. Litigation would permit Saxena White to negotiate fairer terms since the majority shareholder controls the current board of directors, who have failed to exercise their duty in acquiring a sufficient number of offers to ensure adequate compensation for shareholders. There is no cost to proceed with the litigation, as Saxena White will bear any and all expenses incurred in the prosecution of any action.

Vicki Minnaugh moved to add the matter of potential litigation vs. Alfa Corp. to the agenda. Isadore Nachimson seconded the motion. The motion carried unanimously. Following discussion and conference call to Saxena White, Vicki Minnaugh moved to pursue litigation vs. Alfa Corp. and authorizing Chairman Napolitano to execute all required documents, upon approval by Attorney Cypen. Gary Arenson seconded the motion. The motion carried unanimously.

**Plan Administrator** – The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Napolitano presented Warrants #391, #392 and #393 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrants #391, #392 and #393 to the agenda. Richard Moss seconded the motion. The motion carried unanimously.

Gary Arenson moved to approve payment of Warrant #391 in the amount of \$154,536.70. Vicki Minnaugh seconded the motion. The motion carried unanimously, authorizing payment of:

P/O Thomas Sadagursky – DROP Withdrawal (Lump Sum)	
\$25,000 less FIT \$5,000	\$20,000.00
P/O James Fisher – – DROP Withdrawal (Lump Sum)	
\$37,500 less FIT \$7,500	\$30,000.00
F/F James Fuchs – Recurring Monthly DROP Withdrawal	
Effective 8/1/2007	\$3,000.00
F/F Gino Christi – Recurring Monthly DROP Withdrawal	
Effective 8/1/2007	\$845.00

F/F William Dawson– DROP Withdrawal (Lump Sum)			
	\$10,595.98 less FIT \$2,119.20		\$8,476.78
U.S. Treasury – FIT Withholding (Sadagursky, Fisher, Dawson)			\$14,619.20
Iron Mountain – July, 2007			\$105.14
City of Pembroke Pines – Supplement #S-20			\$29.91
Independence Investments – Mgmt. Fee for Q/E 6/30/2007			\$31,439.84
Sawgrass Asset Management – Mgmt. Fee for Q/E 6/30/2007			\$29,936.00
Gabriel, Roeder, Smith & Co. – Prof. Services for May, 2007			\$12,992.00
Richard Moss – Exp. Reimb. (FPPTA)	Hotel	\$1,161.60	
	Per Diem	300.00	
	Mileage	159.08	
	Tolls	5.00	
		<u>\$1,625.68</u>	\$1,625.68
SunTrust Bank (Visa, Napolitano)	Hotel (FPPTA)		\$801.00
SunTrust Bank (Visa, Fisher)	Office Supplies		\$128.97
SunTrust Bank (Visa, Warner)	Postage Machine	\$63.75	
	Public Storage	71.00	
	Bd. Mtg/Equip/Off. Supplies	<u>402.43</u>	
		\$537.18	\$537.18

**TOTAL** **\$154,536.70**

Gary Arenson moved to approve payment of Warrant #392 in the amount of \$500,000.00. Vicki Minnaugh seconded the motion. The motion carried unanimously, authorizing payment of:

Bank of New York (per attached wiring instructions) for:	
State of Israel bond – 2 Year Bond @ 5.15%	\$500,000.00

**TOTAL** **\$500,000.00**

Gary Arenson moved to approve payment of Warrant #393 in the amount of \$346,399.32. Vicki Minnaugh seconded the motion. The motion carried unanimously, authorizing payment of:

<b><u>Bank Atlantic</u></b> (per attached wiring instructions) for:	
Deposit to Escrow Account – Balance Due per Settlement Statement	
<b><u>Signature Title Services, Inc. Escrow Account</u></b> <b><u>Account No. 0059664316</u></b>	\$346,399.32

**TOTAL** **\$346,399.32**

James Fisher reported that work continues on the website. He asked that each trustee provide a short “bio”. Following discussion, it was preferred that there be no trustee pictures posted on the site.

14. **Input from Retirees:** None.
15. **Input from Active Members:** None.
16. **Unscheduled:** Chairman Napolitano inquired as to the status of a legal opinion regarding the Excess Benefit Plan. Attorney Cypen advises the opinion is still pending. The trustees briefly discussed the manner in which City payments from the Excess Benefit Plan should be made.

17. **Adjournment** – Chairman Napolitano announced the next regular meeting would be held on Thursday, August 16, 2007 at 2:00 p.m. There being no further business before the Board, Vicki Minnaugh moved to adjourn the meeting at 5:25 p.m. James Ryan seconded the motion. The motion carried unanimously.

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Anthony Napolitano – Chairman

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Richard Moss – Secretary