

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 – JULY 18, 2013

The four hundred and seventeenth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:17 p.m. by Chairman Carl Heim.

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

Others Present: Alison Bieler, Attorney for the Fund; Glenn Mealer, City Employee; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator. Motion by Vicki Minnaugh, second by Gary Arenson, to excuse trustees Steve Dougherty and Kevin Venema from this meeting. The motion carried unanimously.

For the benefit of the public and because of the City Commission's decision to videotape the Board meetings, Chairman Heim read the following statement. "Any person who decides to appeal any decision of this Board with respect to any matter considered at this meeting will need to ensure that a verbatim record of the proceeding is made, which record includes testimony and evidence upon which the appeal is to be based."

The Board discussed the presence of the video camera. While the meetings are always open to the public, the Board discussed privacy concerns that a video record might create for members, their distributions and disability hearings.

- Approval of Minutes for June 20, 2013** – Chairman Heim presented minutes from the June 20, 2013 meeting for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the minutes. The motion carried unanimously.
- Approval of Warrant #573** – Chairman Heim presented Warrant #573 in the amount of \$13,950.88 for approval and payment. Motion by Vicki Minnaugh, second by Al Xiques, to approve as presented. The motion carried unanimously. Gary Arenson abstained from the vote and a memo of voting conflict will be filed.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Cypen & Cypen – Monthly Retainer for July 2013	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance –August 2013)	\$407.72
Twilight Industries, LLC – (Maintenance – July 2013)	\$152.00
FP&L - From 5/29/13 to 6/26/13 (Already Paid)	\$195.60
City of Pembroke Pines – Local Business Tax 10/1/13 – 9/30/14	\$112.50
Holland & Knight – June 2013 for IRS Compliance Work	\$475.00
Kevin Venema - FPPTA June 2013 Conference Reimbursement	\$1,814.68
Gary Arenson – FPPTA June 2013 Conference Reimbursement	\$1,545.38
GRS – June 2013 Fees	\$5,998.00
TOTAL	\$13,950.88

- Approval of DROP Benefit(s)** – The following DROP benefit was approved effective May 1, 2013.
 - P/O Alan Prescott, Normal Form

Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the DROP benefit as presented for Mr. Prescott. The motion carried unanimously.

5. **Approval of Refund(s)** – The refund of pension contributions for the member listed below was approved for immediate payout.

- P/O Nicholas Taber

Motion by Vicki Minnaugh, second by Al Xiques, to approve the refund as presented for Mr. Taber. The motion carried unanimously.

6. **Approval of DROP Loan(s)** – The following DROP Loans were presented for Board consideration:

- P/O John Hess
- P/O Richard LeBouef

Motion by Gary Arenson, second by Vicki Minnaugh, to approve the DROP Loans as presented. The motion carried unanimously.

7. **Approval of DROP Account Distribution(s)** – The following DROP Distributions were presented for Board consideration:

- P/O James Dilenge (Lump Sum) ***
- P/O Christian Hemingway (Lump Sum) ***
- P/O Louis Sorangelo (Lump Sum) ***
- P/O Glen Parker (Lump Sum) ***
- F/F Joseph Montopoli (Monthly) ***
- F/F Leslie Ortagus (Lump Sum) ***

*** (See Attachment A)

Assistant Administrator Rachel Maldonado asked the Board to disregard F/F Rodney Spreitzer's DROP request, which was on the agenda for a distribution. Mr. Spreitzer withdrew his request at this time.

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 Gary Arenson, second Vicki Minnaugh, to approve the amended list of account distributions. The motion carried unanimously.

UNFINISHED BUSINESS

8. **Update Investment Policy** – Assistant Administrator Maldonado presented the investment policy. After reviewing with the Plan's consultant and attorney, she confirmed that the only changes were updates to the staff, the trustees, and the managers listed. There were no other substantive changes to the policy at this time. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the Investment Policy update. The motion carried unanimously.

NEW BUSINESS

9. **Special Warrant #572** – The Assistant Administrator presented Special Warrant #572 in the amount of \$18,916.76. The warrant was signed earlier in the month for payment of the Fiduciary Insurance that was due no later than July 18, 2013. Motion by Vicki Minnaugh, second by Frank Musumeci, to ratify Warrant #572. The motion carried unanimously.
10. **Israel Bonds** – Agenda packets included information that one of the bonds held with the State of Israel was due to mature on August 1, 2013. The Board asked for more information on what was available. Representatives from Israel Bonds were planning to come before the Board at the August meeting. The Board asked that they please come in September instead, since a few of the trustees are scheduled to be absent from the August meeting.

11. **Trustee Election Timeline** – Asst. Administrator Maldonado presented the 2013 election timeline for two police seats and two fire seats, whose terms are ending 9/30/2013. These seats are currently held by Carl Heim, Al Xiques, Adam Cabeza, and Frank Musumeci. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the 2013 election timeline. The motion carried unanimously
12. **Review and Approve DROP Loan Interest Rate for Q/E 9/30/2013** – Agenda packets included information that the Wall Street Journal prime rate at the beginning of the current quarter remained at 3.25%. It was noted that the DROP Loan Rules provide for 1% interest to be added to the WSJ rate. Motion by Adam Cabeza, second by Vicki Minnaugh, to approve a 4.25% DROP Loan interest rate for loans approved by the Board during July, August, and September of 2013. The motion carried unanimously.
13. **Office Staff Leave Accruals** – Agenda packets included information on any leave that was taken by the office staff during the months of May, June, and July 2013. Motion by Jack McCluskey, second by Frank Musumeci, to approve the leave balances of Mr. Fisher and Ms. Maldonado. The motion carried unanimously.
14. **Reports:**

Actuary – No reports from Mr. Wilson.

Attorney – Plan Attorney Alison Bieler reported to the Board the good news that the IRS issued the determination letter the Board had been waiting for, identifying the Pembroke Pines Fire & Police Pension Fund as a qualified plan. As a result, there are changes to the Plan that must be implemented within the next 8 months. Ms. Bieler presented an ordinance to the Board with the new modifications. In the hopes of streamlining the approval process, Ms. Bieler also included the prior ordinance changes that have already been submitted to the City on that same document. Motion by Jack McCluskey, second by Vicki Minnaugh, directing Ms. Bieler to submit the Ordinance change to the City Attorney. The motion carried unanimously.

Ms. Bieler also informed the Board that she is working on a specific public comment policy for the Board to adopt and vote. She intends to have it ready for review at the August meeting; it will take effect October 1st.

Chairman – No report from the Chairman.

Plan Administrator – Administrator Fisher discussed with the Board the need to amend the DROP distribution policy. The office continues to receive numerous requests for distributions that are very close to the meeting dates. It leaves little time to process and increases the chance of error. Currently, the rules do not specify a day of the month by which all requests should be in; there is only a date in place for DROP Loans. Mr. Fisher and Ms. Maldonado will decide on a date early in the month for all DROP distributions to be received and will present to the Board for a vote in August.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Administrator Fisher formally presented Warrant #574 for addition to the agenda. Motion by Vicki Minnaugh, second by Jack McCluskey, to add Warrant #574 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Add Warrant #574 as presented in the amount of \$317,169.20. The motion carried unanimously. Mr. Cabeza abstained from the vote.

Plan Benefits	
P/O Kim Diaz - Normal Retirement Commencing 8/1/13	***
P/O James Gort - Normal Retirement Commencing 8/1/13	***
P/O Humberto Chirino - Normal Retirement Commencing 8/1/13	***
DROP Withdrawals:	
P/O James Dilenge – Lump Sum DROP Withdrawal ***	***
P/O Christian Hemingway – Lump Sum DROP Withdrawal ***	***
P/O Louis Sorangelo – Lump Sum DROP Withdrawal ***	***
P/O Glen Parker – Lump Sum DROP Withdrawal ***	***
F/F Joe Montopoli – Monthly DROP Withdrawal effective 8/1/13	***
F/F Leslie Ortagus – Lump DROP Withdrawal ***	***

P/O James Gort – Lump Sum DROP Withdrawal ***	***
P/O James Fisher – Lump Sum DROP Withdrawal ***	***
U.S.Treasury- FIT- W/H (Dilenge, Hemingway, Sorangelo, Parker, Ortagus, Gort, Fisher)	***
DROP Loans:	
P/O John Hess - DROP Loan ***	***
P/O Richard LeBouef – DROP Loan ***	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Hess)	***
Florida Department of Revenue – Documentary Stamp (LeBouef)	***
Refunds (Terminations)	
P/O Nicholas Taber, Termination 6/20/13	***
U.S Treasury – FIT W/H (Taber)	***
Various:	
Adam Cabeza – FPPTA June 2013 Conference Reimbursement	\$499.90
City Fire Annual Service	\$30.00
Richard Ziff – July 2013	\$350.00
SunTrust (J. Fisher)	\$2,467.42
SunTrust (R. Maldonado)	\$3,270.67
SunTrust (A. Cabeza)	\$588.00
Accelerated Business Solutions 7/1/13 – 7/31/13	\$19.69
Fiduciary – Quarterly Custody Fees for Wells Cap 6/30/13	\$1,990.33
Fiduciary – Quarterly Custody Fees for Inverness 6/30/13	\$7,945.62
Fiduciary – Quarterly Custody Fees for Lee Munder 6/30/13	\$2,075.82
Fiduciary – Quarterly Custody Fees for R&D Account 6/30/13	\$1,250.00
Fiduciary – Quarterly Custody Fees for Herndon 6/30/13	\$1,930.11
Fiduciary – Quarterly Custody Fees for Stewart 6/30/13	\$652.11
Fiduciary – Quarterly Custody Fees for Lee Munder M/C 6/30/13	\$2,164.50
James Fisher – FPPTA June 2013 Conference Reimbursement	\$256.75
Rachel Maldonado – FPPTA June 2013 Conference Reimbursement	\$300.00
Rachel Maldonado – Mileage Reimbursement 2/21/13 – 7/17/13	\$45.20
Computers R Us Invoice #2162 7/16/13	\$178.00
Computers R Us Invoice #2163 7/16/13	\$138.00
TOTAL	\$317,169.20

*** (See Attachment A)

15. **Input from Retirees:** None.
16. **Input from Active Members:** None.
17. **Input from Trustees:** Gary Arenson informed the Board that he would be working on improving the budget presentation when the new budget is put together next year. On another issue, Vicki Minnaugh reiterated her desire to see initial investments versus present day valuations for each manager on the quarterly investment reports.
18. **Adjournment** – Chairman Heim announced that the next regular meeting would be held on **Thursday, August 15th** at 2:00 p.m. It is a quarterly investment meeting. The expected attendees are Dahab Associates, Atlanta Capital, and Inverness. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Frank Musumeci, to adjourn the meeting at 3:01 p.m. The motion carried unanimously.


Carl Heim – Chairman


Kevin Venema – Secretary