

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 20, 2017

The four hundred sixty-sixth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:09 PM by Chairman Timothy Anderson.

1.	<u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Adam Cabeza Robert Johnson John Kearney	Timothy Anderson Adam Feiner Sean Wollard	Gary Arenson Jack McCluskey Vicki Minnaugh

Trustee Cabeza joined the meeting via teleconference.

Others Present: Robert Klausner & Paul Daragjati, Board Attorneys; James Fisher, Plan Administrator; and Rachel Maldonado, Assistant Plan Administrator.

2. **Approval of Minutes for June 29, 2017** – Chairman Anderson presented the minutes from the previous meeting held on June 29, 2017. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the minutes as presented. The motion carried unanimously.

3. **Approval of DROP/Retirement Benefits** – The following benefits were presented for approval.

- F/F Eric Sanabria, Ten Years Certain & Life, commencing 4/1/17

Administrator Fisher notified the Board that there was an additional benefit to approve.

- F/F Michael Testagrossa, Ten Years Certain & Life, commencing 4/1/17

Motion by Robert Johnson, second by Gary Arenson to add the additional benefit for Mr. Testagrossa. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the amended list of DROP benefits. The motion carried unanimously.

4. **Approval of DROP Distributions** – The following DROP distributions were presented for approval.

- P/O William Bucknam – Lump Sum
- P/O Michael Scopa – Lump Sum
- P/O George Soubasis – Lump Sum
- F/F Beneficiary Sheila Alvira – Lump Sum
- F/F Hal Kornprobst – Monthly

Administrator Fisher notified the Board that there were additional distributions to approve.

- P/O Leonard Noonan – Lump Sum
- P/O Christian Hemingway – Lump Sum
- F/F Reynol Perez – Lump Sum

Motion by Vicki Minnaugh, second by Gary Arenson to add the additional DROP distributions. The motion carried unanimously. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve the list of DROP distributions. The motion carried unanimously.

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.

5. **Request for DROP Loan(s)** – Chairman Anderson presented the following DROP loans for approval.

- P/O France Michaud
- P/O Wayne Katz

Motion by Jack McCluskey, second by Robert Johnson, to approve the list of DROP loans. The motion carried unanimously.

6. **Ratify Vendor Warrant #727**– Chairman Anderson presented Vendor Warrant #727 for ratification. Motion by Vicki Minnaugh, second by Robert Johnson, to ratify Warrant #727 in the amount of \$524,270.69. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Klausner, Kaufman, Jensen & Levinson – Monthly Retainer for July 2017	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Aug 2017)	\$407.72
Twilight Industries, LLC – (Maintenance – July 2017)	\$152.00
Steven Bornstein – July 2017 Loans	\$400.00
City Fire, Inc. – Annual Inspection	\$60.00
LMCG, Large Cap Mgmt Fees for Q/E 6/30/17	\$44,411.76
LMCG, Midcap Mgmt Fees for Q/E 6/30/17	\$47,330.16
SSGA, Midcap Index Fees for Q/E 12/31/16	\$4,837.09
Atlanta Capital, Mgmt Fees for Q/E 3/31/17	\$109,666.72
Atlanta Capital, Mgmt Fees for Q/E 6/30/17	\$103,750.00
CRU, Inv. #4556	\$69.00
CRU, Inv. #4576	\$568.45
Inverness, Equity Mgmt Fees for Q/E 9/30/17	\$127,064.47
Inverness, Fixed Income Fees for Q/E 9/30/17	\$71,355.88
City of Pembroke Pines – Local Business Fee	\$112.50
Joan Wall – Bookkeeping Fees for 4/11/17 through 7/12/17	\$1,548.21
Gary Arenson – FPPTA June 2017 Conference Reimbursement	\$1,421.01
FP&L	\$152.39
ABS Copier	\$234.60
ProShred – July 2017 Service	\$56.38
Comcast	\$461.60
SunTrust Visa ending 8870	\$1,776.29
SunTrust Visa ending 8961	\$2,263.81
SunTrust Visa ending 8987	\$788.59
SunTrust Visa ending 9787	\$551.16
James Fisher – FPPTA June 2017 Conference Reimbursement	\$546.84
Rachel Maldonado – FPPTA June 2017 Conference Reimbursement	\$300.00
Adam Cabeza – FPPTA June 2017 Conference Reimbursement	\$439.73
Tim Anderson – FPPTA June 2017 Conference Reimbursement	\$294.33
TOTAL	\$524,270.69

7. **Ratify Member Warrant #728**– Chairman Anderson presented Member Warrant #728 for ratification. Motion by Vicki Minnaugh, second by Jack McCluskey, to ratify Warrant #728 in the amount of \$159,108.53. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
DROP Distributions:	
P/O William Bucknam – Lump Sum Withdrawal less FIT	***
P/O Michael Scopa – Lump Sum Withdrawal less FIT	***
P/O George Soubasis – Lump Sum Withdrawal less FIT	***
F/F Beneficiary Sheila Alvira – Lump Sum Withdrawal less FIT	***
F/F Hal Kornprobst – Monthly Withdrawal commencing 8/1/17	***
P/O Leonard Noonan – Lump Sum Withdrawal less FIT	***
P/O Christian Hemingway– Lump Sum Withdrawal less FIT	***

F/F Reynol Perez– Lump Sum Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Bucknam, Scopa, Soubasis, Alvira, Noonan, Hemingway, Perez)	***
DROP Loans:	
P/O France Michaud - DROP Loan Less Documentary Stamp	***
P/O Wayne Katz - DROP Loan Less Documentary Stamp	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Michaud)	***
Florida Department of Revenue – Documentary Stamp (Katz)	***
TOTAL	\$159,108.53

NEW BUSINESS

8. **Trustee Election Timeline** – A timeline was presented to the Board to reflect the upcoming election for the seats currently occupied by Adam Cabeza and Robert Johnson from the fire department and Tim Anderson and Adam Feiner from the Police Department. Motion by Vicki Minnaugh, second by Jack McCluskey to approve the timeline as presented. The motion carried unanimously.
9. **RFP for Auditors** - The Board reviewed a template RFP for legal services. Motion by Vicki Minnaugh, second by Adam Feiner, to approve the RFP and advertise during the week of August 1st, 2017. The motion carried unanimously. All proposals are due August 31, 2017. Trustees Arenson, Johnson, and Feiner volunteered to participate on a sub-committee in early September to review the proposals with the office staff. The Board anticipates interviewing the top three candidates and its regularly scheduled September Board meeting.
10. **DROP Loan Interest Rate for Q/E 9/30/2017:** Agenda packets included information that the Wall Street Journal prime rate increased to 4.25%. The DROP Loan Rules provide for 1% interest to be added to the WSJ rate. Motion by Rob Johnson, second by Sean Wollard, to approve a 5.25% DROP Loan interest rate for loans approved by the Board during July, August and September of 2017. The motion carried unanimously.
11. **Office Staff Leave Accruals:** Agenda packets included a report on the leave usage by the office staff for the months of May, June and July of 2017 and the corresponding time available for the remainder of the employment year. Motion by Sean Wollard, second by Jack McCluskey, to approve the leave report. The motion carried unanimously.

UNFINISHED BUSINESS

12. **DROP Loan Interest Rate for Q/E 9/30/2017:** Agenda packets included information that the Wall Street Journal prime rate increased to 4.25%. The DROP Loan Rules provide for 1% interest to be added to the WSJ rate. Motion by Rob Johnson, second by Sean Wollard, to approve a 5.25% DROP Loan interest rate for loans approved by the Board during July, August and September of 2017. The motion carried unanimously.
13. **Fritz Litigation Update** – The Board has been involved in defending itself against litigation from its retiree Kenneth Fritz for a number of years. The Board agreed that it would like to change its representation from the firm provided by its liability insurance to Klausner Kaufman Jensen & Levinson, the Board's Plan attorney. The trustees hope that KKJL's expertise in the matter will bring the matter to a close in the Board's favor. Motion by Vicki Minnaugh, second by Jack McCluskey, to appeal the decision of the circuit court under the counsel of Klausner Kaufman Jensen & Levinson and for the firm to represent the Board's interests until the close of the matter. The motion carried unanimously.

14. **Reports:**

Actuary – No report at this time.

Attorney – Attorney Daragjati discussed securities litigation. The Board is considering adding Bernstein Litowitz Berger & Grossman LLP to their list of firms that cover this area, since the Board does not incur a

cost for securities litigation firms..

Trustee Wollard asked the attorney a question regarding the movement of funds from investment grade bonds the Board voted on at the May 2017 meeting. Attorney Daragjati assured the Board that moving to a group of bonds that may contain bonds that are graded less than investment grade but whose average rating is "A" or better is safe and compliant with the Board's Pension Ordinance. The discussion will be revisited at the August meeting with Greg McNeillie present.

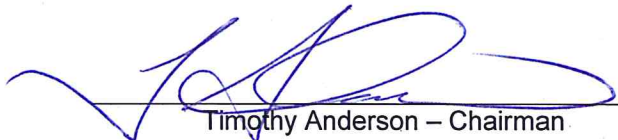
The Board attorneys notified the Board that there was a loss identified by Saxena White over stock in HD Supply. Saxena White suggested that our Plan take the position of co-lead plaintiff with Miami Beach. Motion by Vicki Minnaugh, second by Rob Johnson, to approve that KKJL act as liaison council in this case. The motion carried unanimously. The Board wants Greg McNeillie to identify the managers who held this stock at the August 2017 meeting.

A discussion was had on the Ad Valorem Tax exemption on Property Tax for disabled first responders, voted into the law during the last voting cycle. The Pension Plan, since it is not the "employer" of any disabled retirees, must defer any participants requiring official confirmation of their status to the City of Pembroke Pines. As the law states, members looking to apply for this exemption must have a service incurred disability and a disability benefit from the Social Security Administration to qualify.

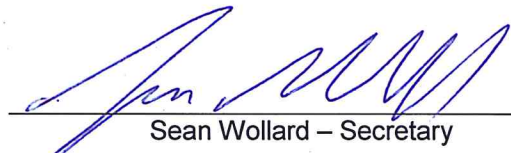
Chairman – Chairman Anderson congratulated KKJL for winning the contract with the Pension Plan as a result of the recent RFP for legal services.

Plan Administrator – No report at this time.

15. **Input from Retirees:** None.
16. **Input from Active Members:** None.
17. **Input from Trustees:** None.
18. **Public Comment:** None.
19. **Adjournment** – Chairman Anderson announced that the next regular meeting would be held on **Thursday, August 16, 2017 at 1:00 PM.** There being no further business, motion by Vicki Minnaugh, second by Gary Arenson to adjourn the meeting at 3:32 PM. The motion carried unanimously.



Timothy Anderson – Chairman



Sean Wollard – Secretary