

# BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines  
Hampton Professional Center  
1951 NW 150<sup>th</sup> Avenue – Suite #104  
Pembroke Pines, FL 33028

## REGULAR MONTHLY MEETING – JULY 16, 2015

The four hundred forty first meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:00 p.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 Frank Musumeci	Carl Heim Kevin Venema Al Xiques	Gary Arenson Jack McCluskey Vicki Minnaugh

**Others Present:** Greg McNeillie, Dahab Associates; John Rochford, Inverness Counsel; Larry Wilson, GRS Actuary for the Fund; Steve Cypen, Attorney for the Fund (Via Videoconference); James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator.

Also in attendance:

Kristoffer Ruiz, Pines Fire Dept.	Jason Miller, Pines Fire Dept.
Adam Feiner, Pines Police Dept.	Daniel Rotstein, City HR Director

2. **Approval of Minutes for June 18, 2015** – Chairman Xiques presented minutes from the June 18, 2015 meeting for approval. Motion by Jack McCluskey, second by Vicki Minnaugh, to approve the minutes. The motion carried unanimously.

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

- P/O Jaime Bomba, 10 Years Certain & Life, effective 6/1/15
- P/O Andrew Hibbert, Normal Form, effective 4/1/15

Motion by Carl Heim, second by Jack McCluskey, to approve the DROP benefits for Mr. Bomba and Mr. Hibbert. The motion carried unanimously.

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

- F/F Larry Williamson – Monthly \*\*\*
- F/F Robert Griffin – Lump Sum \*\*\*
- F/F Charles Cozzati – Lump Sum \*\*\*
- P/O Kevin McCluskey – Lump Sum \*\*\*
- P/O Michael Scopa – Monthly \*\*\*

Asst. Administrator Maldonado asked the Board to add additional DROP distributions to the agenda.

- F/F Robert Ryan – Lump Sum\*\*\*
- P/O Humberto Chirino – Lump Sum\*\*\*
- P/O James Fisher – Lump Sum\*\*\*

Motion by Gary Arenson, second by Kevin Venema, to add the DROP distributions for Mr. Ryan, Mr. Chirino, and Mr. Fisher to the agenda. The motion carried unanimously. Motion by Gary Arenson, second by Kevin Venema, to approve the amended list of DROP distributions. The motion carried unanimously. Jack McCluskey abstained from the vote due to a voting conflict.

\*\*\* 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.

5. **Approval of Vendor Warrant #639** – Chairman Xiques presented Vendor Warrant #639 for approval. Motion by Adam Cabeza, second by Kevin Venema, to approve Warrant #639 in the amount of **\$301,009.70**. The motion carried unanimously.

<b>Name (Pension Benefits, Services Rendered or Obligations)</b>	<b>Amount</b>
Cypen & Cypen – Monthly Retainer for July 2015	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – August 2015)	\$407.72
Twilight Industries, LLC – (Maintenance – July 2015)	\$152.00
SunTrust (James Fisher)	\$3,541.79
SunTrust (Rachel Maldonado)	\$2,948.14
Goldstein Schechter Koch – for 9/30/14 Audit	\$2,750.00
CRU Inv. #3371	\$39.95
CRU Inv. #3364	\$268.00
Inverness – Equity Mgmt Fees for Q/E 9/30/15	\$ 122,232.10
Inverness – Fixed Income Mgmt Fees for Q/E 9/30/15	\$66,657.37
GRS – June 2015	\$880.00
Holland & Knight, Inv. #3205423	\$275.00
City of Pembroke Pines – Local Business Tax 10/1/15 – 9/30/16	\$112.50
City Fire Annual Inspection	\$30.00
LMCG – Mid Cap Mgmt Fees for Q/E 6/30/15	\$46,980.59
LMCG – Large Cap Mgmt Fees for Q/E 6/30/15	\$39,153.76
ABS –June 2015 Lease	\$234.69
FP&L – 5/28/15 through 6/26/15	\$226.54
James Fisher – FPPTA Conference Reimbursement	\$345.15
Rachel Maldonado – FPPTA Conference Reimbursement	\$166.40
Richard Ziff – April 2015 Loans	\$525.00
Richard Ziff – May 2015 Loans	\$350.00
GRS – April 2015	\$9,483.00
<b>GRAND TOTAL</b>	<b>\$301,009.70</b>

6. **Approval of Member Warrant #640** – Chairman Xiques presented Member Warrant #640 for approval. Motion by Rob Johnson, second by Kevin Venema, to approve Warrant #640 in the amount of **\$246,750.00**. The motion carried unanimously.

<b>DROP Withdrawals:</b>	
F/F Larry Williamson – Monthly DROP Withdrawal commencing 8/1/15	***
F/F Robert Griffin – Lump Sum DROP Withdrawal less FIT	***
F/F Charles Cozzati – Lump Sum DROP Withdrawal less FIT	***
P/O Kevin McCluskey– Lump Sum DROP Withdrawal less FIT	***
P/O Michael Scopa – Lump Sum DROP Withdrawal less FIT	***
F/F Robert Ryan – Lump Sum DROP Withdrawal less FIT	***
P/O Humberto Chirino – Lump Sum DROP Withdrawal less FIT	***
P/O James Fisher – Lump Sum DROP Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Griffin, Cozzati, McCluskey, Scopa, Ryan, Chirino, Fisher)	***
<b>TOTAL</b>	<b>\$246,750.00</b>

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

Administrator Fisher asked the Board to add special warrants to the agenda for trustee-related payments and conference reimbursements. Motion by Vicki Minnaugh, second by Adam Cabeza, to add the special Warrants #641, #642, #643 and #644 to the agenda. The motion carried unanimously.



**WARRANT #641**

SunTrust Visa (A. Xiques)	\$880.94
<b>TOTAL</b>	<b>\$880.94</b>

Motion by Vicki Minnaugh, second by Frank Musumeci to approve Warrant #641. The motion carried unanimously. Chairman Xiques abstained from the vote due to a voting conflict.

**WARRANT #642**

Gary Arenson – FPPTA Conference Reimbursement	\$276.80
SunTrust Visa (G. Arenson)	\$449.50
<b>TOTAL</b>	<b>\$726.30</b>

Motion by Vicki Minnaugh, second by Frank Musumeci to approve Warrant #642. The motion carried unanimously. Trustee Arenson abstained from the vote due to a voting conflict.

**WARRANT #643**

Kevin Venema – FPPTA Conference Reimbursement	\$335.34
SunTrust Visa (K. Venema)	\$661.00
<b>TOTAL</b>	<b>\$996.34</b>

Motion by Vicki Minnaugh, second by Frank Musumeci to approve Warrant #643. The motion carried unanimously. Trustee Venema abstained from the vote due to a voting conflict.

**WARRANT #644**

Robert Johnson – FPPTA Conference Reimbursement	\$331.05
SunTrust Visa (R. Johnson)	\$661.00
<b>TOTAL</b>	<b>\$992.05</b>

Motion by Vicki Minnaugh, second by Frank Musumeci to approve Warrant #644. The motion carried unanimously. Trustee Johnson abstained from the vote due to a voting conflict.

**UNFINISHED BUSINESS**

7. **Dahab/Inverness Discussion:** The Board revisited a discussion involving Dahab's use of benchmarks for Inverness and Dahab Associates overall performance.

Greg McNeillie addressed the Board and clarified the difference between the Investment Guidelines that cover the portfolio and the manager guidelines reflected in an addendum for each individual manager. Inverness was concerned about being compared to Barclay's Aggregate when Mr. Rochford believed he should be compared to a blended 50/50 benchmark. Mr. McNeillie assured the Board and Mr. Rochford that Inverness' individual performance is compared to the blended benchmark but the composite portfolio is supposed to be compared to Barclay's Aggregate. As it were, the Plan does not currently have an additional fixed income investment manager.

The Board had discussed a concern at the previous meeting over a phrase Mr. McNeillie used in his quarterly report saying that he could "get around" the lack of City approval of an ordinance that would permit lower grade bond investments. Mr. McNeillie assured the Board that the actions he discussed were not in violation of any standing Ordinances and were practices allowed by the State. For example, the Board could invest in a fund that averaged "A" or better even if some of those funds were graded lower than an "A". Mr. McNeillie said he has not implemented that but solely highlighted as an allowable option for the Plan. Instead, Mr. McNeillie has focused on investing in real assets like agriculture and timber.

Chairman Xiques talked evaluating the Plan consultant as a way to promote transparency to members and the Plan sponsor. He received information at the FPPTA conference that are independent firms

that could evaluate a consultant's performance and that the practice shows due diligence on behalf of the Board. Mr. McNeillie, when asked, said he was not opposed at having his performance reviewed as long as the firm selected was not a competitor. Motion by Vicki Minnaugh, second by Jack McCluskey, to have the office staff contact FPPTA, NCPERS, and IFEBP and collect information on firms that can independently audit the plan's consultant. In a roll call vote, the motion carried unanimously. Ms. Minnaugh additionally asked that when the staff receive the names of the qualified firms, that the staff contact and receive general information on the process and pricing of this kind of evaluation.

## NEW BUSINESS

8. **Request from City HR Director:** Daniel Rotstein, the City's HR director, emailed the pension office requesting the use of Plan actuary Larry Wilson to assist with a study for the Police Department. The police union and the City are currently negotiating the terms of contract. Motion by Vicki Minnaugh, second by Jack McCluskey, to authorize Larry Wilson to provide the necessary study at City cost. The motion carried unanimously.
9. **Trustee Election Time Line:** A timeline was presented related to the 2015 trustee elections. The seats are occupied by incumbents Trustees Cabeza and Musumeci for the Fire Department and Trustees Heim and Xiques for the Police Department. The elected representatives will fill these four seats for two-year terms beginning 10/1/15 and ending 9/30/17. Motion by Jack McCluskey, second by Vicki Minnaugh, to approve the timeline for the 2015 trustee elections. The motion carried unanimously.
10. **Loan Interest Rates:** Agenda packets included information that the Wall Street Journal prime rate for the quarter ending 9/30/15 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 Kevin Venema, to approve a 4.25% DROP Loan interest rate for loans approved by the Board during July, August, and September of 2015. The motion carried unanimously.
11. **Office Staff Leave Accruals:** Agenda packets included a report of leave accrual and usage for Administrator Fisher and Asst. Administrator Maldonado for the contract year quarter ending 7/31/15. Motion by Gary Arenson, second by Jack McCluskey, to approve the office staff leave accruals report for the quarter ending 7/31/15. The motion carried unanimously.

## 12. **Reports:**

**Actuary** – Larry Wilson discussed the updated compliance report with the State.

**Attorney** – No report at this time.

**Chairman** – Chairman Xiques discussed the annual FPPTA conference that focused on social media tools for pension plans.

### **Plan Administrator** –

Asst. Administrator Maldonado confirmed that all of the paperwork was submitted timely to Ceres partners and the July 1<sup>st</sup> investment deadline was met.

Asst. Administrator Maldonado reported that the City clerk responded to the inquiry of the status of the Pension workshop but no concrete dates or information has been shared with the pension office.

Ms. Maldonado informed the Board that she received the amended application for Ms. Davina Gulliver in reference to her informal disability hearing. A copy of the updated application was immediately sent to Drs. Stone, Starr, and Lupu. Upon receipt of the doctor's findings, she will schedule the next hearing.

Administrator Fisher informed the Board that former police officers Britney Combs and James Ryan were rehired by the City as SROs. Trustee Heim asked Mr. Fisher how many hours these officers were working in their new position. Mr. Fisher had not received that information. The Board instructed Administrator Fisher to confirm the work schedules of the officers with the City's HR department.



Kessler Topaz sent notification to the Board regarding securities litigation against NationStar and suggested the Board take lead plaintiff status in the case. Administrator Fisher reported that the paperwork had been reviewed by Mr. Cypen and the letter was ready for the Chairman's signature as the filing as lead plaintiff was due the first week of August. Motion by Gary Arenson, second by Vicki Minnaugh, to move forward as lead plaintiff against NationStar. The motion carried unanimously.

13. **Input from Retirees:** None.

14. **Input from Active Members:** Firefighter Kristoffer Ruiz approached the Board in his capacity as an IAFF representative with a request from union president Sammy Brown. He informed the Board that the IAFF and the City were in negotiations and the union wanted permission to use Larry Wilson for a study. Motion by Vicki Minnaugh, second by Jack McCluskey, to authorize Larry Wilson to work with the IAFF at the union's cost. The Board discussed whether it was correct for the union to pay for the study. Trustees Cabeza and Heim agreed that the Board has paid for studies in the past during times of negotiation. Amended motion by Vicki Minnaugh, second by Jack McCluskey, to authorize Larry Wilson to work with IAFF at the Board's cost. The motion carried unanimously.

15. **Input from Trustees:** Trustee Musumeci asked that if the Board pursues auditing the plan's consultant than it should also consider auditing all of its professionals to include but not limited to all managers, the Custodian, the Board actuary and the Board attorney.

16. **Public Comment:** None.

17. **Adjournment** – Chairman Xiques announced that the next regular meeting would be held on **Thursday, August 20 at 1:00 PM.** There being no further business to come before the Board, motion by Vicki Minnaugh, second by Adam Cabeza, to adjourn the meeting at 4:46 p.m. The motion carried unanimously.

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Al Xiques – Chairman

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Robert Johnson – Secretary