

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 – JUNE 18, 2009

The three hundred and sixty-sixth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:00 p.m. by Chairman James Ryan.

1. Roll Call –	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Adam Cabeza	Carl Heim	Gary Arenson
	Richard Moss	James Ryan	Vicki Minnaugh

Steve Dougherty and Kevin McCluskey have requested excused absences due to scheduling conflicts. Motion by Vicki Minnaugh, second by Carl Heim, to excuse the absences of Steve Dougherty and Kevin McCluskey for this meeting. The motion carried unanimously.

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

2. **Approval of Minutes for May 21, 2009.** Chairman Ryan presented minutes from the May 21, 2009 meeting for approval. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve as presented. The motion carried unanimously.
3. **Approval of Warrant #455.** Chairman Ryan presented Warrant #455 in the amount of \$6,570.03 for approval and payment. Motion by Vicki Minnaugh, second by Carl Heim, to approve as presented. The motion carried unanimously, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for June, 2009		\$3,250.00	
Hampton Professional Center Condo No. 2 –			
Monthly Maintenance (Suite #104) for July, 2009		\$407.72	
Karen Warner – Mo. Allowance for June, 2009 (Med/Dental/Life)		\$375.00	
LEAF – Xerox Copier Lease for June, 2009; 2008 Property Tax		\$349.14	
Twilight Industries, LLC – Office Maintenance for June, 2009		\$152.00	
Richard Moss – Reimb. Conference Expense (Div. of Retirement)			
Hotel	\$334.14		
Per Diem (4 days)	240.00		
Airfare	<u>589.20</u>		
	\$1,163.34	\$1,163.34	
Steve Dougherty – Reimb. Conference Expense (Div. of Retirement)			
Taxi	\$25.00		
Airport Parking	30.00		
Per Diem (2 days)	120.00		
Airfare	<u>460.20</u>		
	\$635.20	\$635.20	
FPL – Electric Service 4/27/2009 - 5/27/2009		\$162.63	
Ultimate Security – 3 mo. Monitoring (6/21/2009 – 9/21/2009)		\$75.00	
TOTAL			\$6,570.03

4. **Approval of DROP Benefit(s) – Ordinance 1480 (Police).** Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the calculation of DROP Benefits as presented. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit
P/O Ruben Alvarez	5/01/2009	4/30/2014	Normal Form
P/O Paul Andres	5/01/2009	4/30/2014	Life Annuity
P/O James Gort	5/01/2009	4/30/2014	Joint & 75% Contingent

5. **Request for DROP Account Distribution(s)** – The following DROP account distribution requests were presented for Board consideration:

- F/F Anthony Curtis Lump Sum ***
- F/F Stephen Sumbly Lump Sum ***
- P/O Robert Jones Rollover ***

*** (See Attachment A)

Actuary Larry Wilson has provided the necessary letters indicating these distributions would not pose a problem with the 415 limitation at the present time. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the distribution requests for Anthony Curtis, Stephen Sumbly and Robert Jones as presented. The motion carried unanimously.

UNFINISHED BUSINESS

6. **Status Update: Disability Offset (Workers Compensation) – F/F John White.** Karen Warner briefly summarized this matter up to the point where F/F White appeared before the Board with Jerome Hurtak, Esq. and Joseph Frechette, Esq. exactly one year ago. A total of \$45,500 has been calculated as the recoverable sum. The last Board action taken was to table the matter of offset, pending the receipt of evidence that the City agrees with claims presented by F/F White's attorneys.

Since the June 2008 meeting, the attorneys have contacted the Pension Office every month or so to advise as to the unresolved status. The Board is asked to consider whether any action is warranted at this time.

Jerome Hurtak, Esq. was telephone conferenced into the Board meeting. Mr. Hurtak updated their efforts to resolve the matter, admitting they have been unable to make contact with the workers comp attorney, Greg Coican, over the past year. He stressed he would still like the opportunity to have Mr. Coican indicate to the Board that the figures in F/F White's settlement agreement were arbitrary and not based upon any factual findings. Mr. Hurtak added that the agreement was drawn up by Mr. Coican and was reviewed by Mr. Frechette, who represented F/F White at the time of settlement. He further claimed that F/F White and his legal counsel were not aware of the potential for offset, and never thought through the settlement issue in this light. Mr. Hurtak stated it would be a tragedy to penalize F/F White for this oversight. Lastly, Mr. Hurtak pointed out that if the City knew the consequences of an arbitrary allocation of comp vs. medical benefits in the settlement agreement, and if F/F White and his legal counsel were not made aware of the consequences, then using the settlement agreement against F/F White would be the same as a fraud.

Discussion followed regarding any warranted Board action at this time and if reasonable to allow additional time for a resolution. Motion by Gary Arenson, second by Vicki Minnaugh, to enforce the offset of F/F White's disability pension by the amount of \$1,296.99 per month commencing with the October 1, 2009 benefit payment, until a total of \$45,500 has been recovered. The motion carried unanimously. F/F White's attorneys will have the next few months to finalize the issue.

NEW BUSINESS

7. **Review / Approve – Capital Call (TA Associates Realty)**
Approval of Warrant #456

Agenda packets included a copy of the capital call letter from TA Associates Realty, requesting \$125,000 by June 24, 2009. With this transaction, the entire \$20 million earmarked for real estate investments will have been funded. Agenda packets also included a copy of Warrant #456 for review. Motion by Vicki Minnaugh, second by Gary Arenson, to approve payment of Warrant #456 in the amount of \$125,000.00. The motion carried unanimously.

8. **Letter Received from Robert Friedman, Esq. (Holland & Knight) – Plan Amendments.** Attorney Cypen briefly touched on highlights from Mr. Friedman's letter as a result of additional IRS requirements. Two significant issues raised were *in-service distributions after age 62* and *hardship withdrawals*, plus other items that are not so controversial. A more in-depth discussion will be scheduled for the July meeting.

9. **Memorandum from Attorney Cypen – Policy for Disclosure of Placement Agent Fees.** Attorney Cypen's office has drafted a generic policy for discussion purposes, adding that it can be modified as the Board sees fit. Adoption of such a policy would require the disclosure of what amounts to a "finder's fee" if someone receives a share of fees paid to money managers. The item will be scheduled for further discussion at the July meeting.

10. **Reports:**

Actuary – Larry Wilson reported that GRS is very much up to date on actuarial work for the Plan. In the near future they will be finalizing DROP statements for Q/E 6/30/2009 and Police cost-of-living increases that will go into effect October 1, 2009. He continues work on the special contractual work for the Division of Retirement, noting that the project is to be completed by the end of June.

Attorney – None.

Chairman – Chairman Ryan stated he received a letter from Independence Investments regarding a merger (copies were distributed to all Trustees prior to the meeting). He spoke to Greg McNeillie about the matter; and since he is in town this week Greg is present to address the matter.

Mr. McNeillie explained that this merger with Lee Munder Capital results from the recent retirement of Independence Investment's CEO. There will be no loss of personnel in this process – it is simply two strong firms merging into one joint operation. They will operate as Lee Munder Capital Management, as that corporate name is more recognizable. Attorney Cypen added that the Plan should see no change at an operational level. A "Consent to Assignment" form has been forwarded for signature.

Vicki Minnaugh moved that the Chairman be authorized to execute the required Consent to Assignment. Gary Arenson seconded the motion. The motion carried unanimously.

Plan Administrator – Karen Warner – Plastridge Insurance Agency has provided a renewal quote for the Fiduciary insurance policy that will expire on July 18th, and copies were distributed to all Trustees prior to the meeting. The renewal premium is \$15,500 and represents an approximate 4% increase over last year's premium. Because the Plan's funding ratio has decreased below the 60% level based upon the 10/1/2008 Actuarial Valuation, Travelers is requiring a *Failure to Fund Exclusion Endorsement*. Essentially, if a claim is filed against the Plan due to insufficient funds, there would be no coverage for the claim. The agent advises Travelers will not even consider new business for similar coverage with a funding ratio below 80%.

The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Ryan presented Warrant #457 for addition to the agenda and approval for payment. Motion by Gary Arenson, second by Vicki Minnaugh, to add Warrant #457 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the payment of Warrant #457 as presented in the amount of \$88,669.26. The motion carried unanimously, authorizing the payment of:

F/F Anthony Curtis – Lump Sum DROP Withdrawal			***
F/F Stephen Sumbly – Lump Sum DROP Withdrawal			***
U.S. Treasury – FIT Withholding (DROP Withdrawals)			***
Vantagepoint Transfer Agents/457 f.b.o.			
P/O Robert Jones – Lump Sum DROP Withdrawal (Rollover)			***
Gabriel, Roeder, Smith & Co. – Prof. Services for May, 2009		\$14,476.00	
Holland & Knight LLP – Special Legal Fees for December, 2008		\$800.00	
Holland & Knight LLP – Special Legal Fees for January, 2009		\$1,482.25	
Holland & Knight LLP – Special Legal Fees for April/May, 2009		\$1,050.00	
Computers R Us – Annual Renewal of Business Support Plan (6/22/09-6/22/10)		\$399.00	
The Plastridge Agency, Inc. – Renewal of Fiduciary Liability Policy (7/18/09-7/18/10)		\$15,500.48	
SunTrust Bank (Visa – Fisher)	Bd Mtg / Ofc Supplies	\$20.90	
	Gasoline	36.00	
	AT&T	370.75	
	Bellsouth	399.78	
	Conf. Reg. (Div of Retirement)	255.00	
	Pest Control	35.00	
	Monthly Storage	104.00	
	DirecTV	90.53	
		\$1,311.96	\$1,311.96
SunTrust Bank (Visa – Warner)	Xerox (copier maintenance)	\$20.00	
	Bd Mtg / Ofc Supplies	208.87	
	Hotel (Div of Retirement)	445.52	
	Hotel (FPPTA)	224.00	
	ISP	24.95	
	Conf. Registration (Cabeza)	590.00	
		\$1,513.34	\$1,513.34

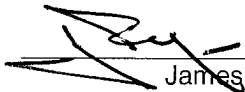
*** (See Attachment A)

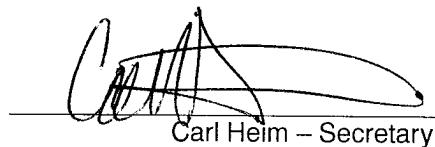
TOTAL

\$88,669.26

Jim Fisher – None.

11. **Input from Retirees:** None.
12. **Input from Active Members:** None.
13. **Adjournment** – Chairman Ryan announced that the next regular meeting would be held on Thursday, July 16, 2009 at 4:00 pm. There being no further business before the Board, motion by Gary Arenson, second by Vicki Minnaugh, to adjourn the meeting at 5:05 pm. The motion carried unanimously.

 James Ryan – Chairman

 Carl Heim – Secretary