

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 – JUNE 21, 2007

The three hundred and forty-first 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 Anthony Napolitano.

1.	<u>Roll Call</u> –	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Steve Dougherty	John Birkenheuer	Gary Arenson
		Richard Moss	James Ryan	Vicki Minnaugh
		Anthony Napolitano		Isadore Nachimson

Carl Heim (out of town) has requested an excuse absence for this meeting. Vicki Minnaugh moved to excuse the absence of Carl Heim. Gary Arenson seconded the motion. The motion carried unanimously.

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Laura Raybin Miller and Melanie Weinstein from State of Israel Bonds; Retired F/F David Donzella; F/F Kenneth Fritz; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. Approval of Minutes for May 17, 2007. Chairman Napolitano presented minutes from the meeting of May 17, 2007 for approval. Vicki Minnaugh moved to approve. Gary Arenson seconded the motion. The motion carried unanimously.

3. Approval of Warrant #384. Chairman Napolitano presented Warrant #384 in the amount of \$107,723.38 for approval and payment. Vicki Minnaugh moved to approve payment of Warrant #384 as presented. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

Cypen & Cypen – Monthly Retainer for June, 2007	\$3,250.00
Cypen & Cypen – Prof. Svcs. for April, 2007 (Police ordinance)	\$5,300.00
Crexent, LLC – June, 2007	
Office Rent	\$1,134.00
Telephone Equip.	110.00
Long Distance	<u>1.32</u>
	\$1,245.32 \$1,245.32
Karen Warner – Mo. Allowance for June, 2007 (Med/Dental/Life)	\$375.00
Iron Mountain – June, 2007	\$100.00
State Street Global Advisors – Mgmt. Fee for Q/E 3/31/2007 (Active U.S. Midcap Fund)	\$40,772.90
State Street Global Advisors – Mgmt. Fee for Q/E 3/31/2007 (International Balanced)	\$48,437.61
Postmaster – P.O. Box renewal through 6/30/2008	\$500.00
P/O Thomas Sadagursky – Mo. Ret. Ben. Commencing 7/1/2007	\$7,742.55

TOTAL	\$107,723.38
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4. **Approval of DROP Benefits and Back-DROP Balances – Ordinance 1443 (Fire).** James Ryan 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 Matthew Nickison	4/01/2007	3/31/2012	Joint & 100% Contingent	\$0.00
F/F Robert Poirier	4/01/2007	3/31/2012	Joint & 100% Contingent	\$0.00

5. **Request for DROP Account Distributions – F/F Todd Colligan, P/O Leslie Haywood, F/F Daniel Lanzi, P/O Thomas Sadagursky and F/F Steven Weishaar.** The board has received requests for DROP account distributions from F/F Colligan (\$75,000 lump sum), P/O Haywood (\$12,000 lump sum), F/F Lanzi (\$6,250 lump sum), P/O Sadagursky (\$1,000 monthly) and F/F Weishaar (\$17,000 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 Todd Colligan, Leslie Haywood, Daniel Lanzi, Thomas Sadagursky and Steven Weishaar. Isadore Nachimson seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

6. **Disability Offset (Workers Compensation) – F/F Darren Bishop.** Attorney Cypen stated he had received correspondence from Mr. Bishop's attorney, Mark L. Zientz, Esq. Mr. Zientz asked that this matter be tabled to the July meeting, as both he and F/F Bishop were unable to attend today. Vicki Minnaugh moved to table the matter of disability offset to the July 19th meeting. Isadore Nachimson seconded the motion. The motion carried unanimously.

NEW BUSINESS

7. **Presentation – State of Israel Bonds.** Representing the firm were Laura Raybin Miller and Melanie Weinstein. Materials relevant to current investment offerings were distributed. The trustees considered various products and rates currently available, recent maturities and maturities due in the near future. Following discussion, Isadore Nachimson moved to authorize the investment of \$500,000 at a rate of not less than 5.10% when sufficient funds are available in the Inverness account. Vicki Minnaugh seconded the motion. The motion carried unanimously.
8. **Review / Approve – Actuarial Impact Statement (Fire Ordinance 2006-10).** Presented for Board approval was the GRS impact statement regarding career anniversary incentive benefits and COLA's for Firefighters. Completion of this report was deferred until irrevocable Firefighter COLA elections were received. Vicki Minnaugh moved to accept the actuarial impact statement as presented, and to file with the Division of Retirement. Gary Arenson seconded the motion. The motion carried unanimously.
9. **Review / Approve – COLA Calculations for Police.** Provided for Board approval was the GRS calculation of Police cost-of-living adjustments effective July 1, 2007 and retroactive COLA lump sums pursuant to Ordinance 2007-07. Larry Wilson confirmed that the calculations were completed based upon irrevocable Police COLA elections. Vicki Minnaugh moved to accept the COLA calculations as presented. James Ryan seconded the motion. The motion carried unanimously.

Karen Warner reported that Fiduciary Trust is aware of the need to implement COLA payments, pending approval by the Board. Retroactive payments will be completed during the first week of July. Increases in monthly benefits will be reflected in the August 1st payments (which will also include individual increases for the month of July). For members currently active in the DROP, COLA increases will be reflected on statements for the Q/E 9/30/2007.

10. **Change of Co-Pensioner for Members in Pay Status.** Retired F/F David Donzella requests Board approval to remove his current co-pensioner and replace with a non-spouse beneficiary. Asked to clarify the logic of recalculating such a benefit, Actuary Larry Wilson responded that the adjustment was prospective only, rather than recalculated back to original DROP/retirement date. Attorney Cypen noted the importance of the Board exercising its fiduciary responsibility to obtain proof of good health of the co-pensioner being removed, pursuant to FS 175.171 and 185.161. F/F Donzella asserted that such evidence was not mandatory per State Statute – and could be difficult or impossible to obtain under certain personal circumstances. Attorney Cypen stated proof of good health should be requested, including by certified mail if necessary. If the request is refused, a member would then have good legal standing to take the matter back to court.

Following lengthy discussion, Gary Arenson moved to permit F/F Donzella's request to change co-pensioner when evidence of Elizabeth Donzella's good health has been produced. James Ryan seconded the motion.

<u>Roll Call Vote:</u>	<u>For the Motion</u>	<u>Against the Motion</u>
	Gary Arenson	Steve Dougherty
	John Birkenheuer	
	Vicki Minnaugh	
	Richard Moss	
	Isadore Nachimson	
	Anthony Napolitano	
	James Ryan	

The motion carried.

F/F Donzella submitted a letter from Leslie G. Shawn, D.O. dated June 20, 2007. Attorney Cypen questioned F/F Donzella extensively regarding the manner in which the required letter was obtained.

Vicki Minnaugh moved to add F/F Donzella's request to change his co-pensioner to the agenda. James Ryan seconded the motion. The motion carried. Vicki Minnaugh moved to approve a change in F/F Donzella's co-pensioner from his former spouse to his sister. Isadore Nachimson seconded the motion. The motion carried.

Copies of a GRS benefit recalculation for F/F Donzella were distributed for discussion. The results indicate a slightly increased benefit for the months of July 2007–November 2007. Effective December 1, 2007, benefits are to be reduced due to the maximum benefit limitation of IRC Section 415. GRS advised that the Excess Benefit Plan will make up Mr. Donzella's reduced Fund benefits. GRS further warns that monthly payments will need to be reviewed for 2008 upon issuance of 2008 maximum benefit limits by the Internal Revenue Service.

The Pension Office was directed to contact the custodian regarding changes in F/F Donzella's monthly benefit entitlement. They were instructed to provide this information to the City in order to provide for a smooth transition in implementing the Excess Benefit Plan option. The Pension Office will also inquire about tax withholding from excess benefit disbursements.

11. **HELPS Retirees Act.** Attorney Cypen explained that the Act was created by Congress in 2006 to allow retired public safety officers to shield up to \$3,000 of their annual pension benefit from Federal tax, if the money is used to pay health insurance premiums. Since the City of

Pembroke Pines is self-insured, there was concern whether our members would be eligible to take advantage of this opportunity. He stated that the Department of Treasury has reversed itself, announcing that self-insurance health plans *will* be eligible to participate in the HELPS Retirees Act, and feels we can now proceed with setting this up for retired members. Only those members who went out under “normal retirement” or “disability” provisions are eligible for favorable tax treatment. James Ryan moved to approve a monthly deduction from pension benefits upon receipt of authorization from eligible retirees, and for a maximum \$3,000 annually to be reported as eligible for favorable tax treatment where applicable. Vicki Minnaugh seconded the motion. The motion carried unanimously.

12. **Office Space Update.** Karen Warner described space currently available at the present location. The layout of Suite #136 (1146 s.f.) is not practical for our needs. Suite #151 (265 s.f.) could be considered for conference use only and in addition to our current suite. The trustees discussed other properties currently or soon to be on the market. Vicki Minnaugh stated we are on a watch list for anything new that may become available.

13. **Review / Discuss – Pension Fund Website (3 Proposals).** James Fisher summarized three proposals obtained for the purpose of improving the fund’s website. Following discussion and comparisons, Vicki Minnaugh moved to accept the proposal from IntuiCode for website design (with pension calculator feature and without flash opening). A 50% deposit is authorized, with balance due upon final delivery, acceptance and after having been tested that the site is working well. Gary Arenson seconded the motion. The motion carried unanimously.

14. **Reports:**

Actuary – Larry Wilson distributed information regarding an actuarial study he completed in March. The ordinance is designed in such a way as to provide benefits for married members. As a consequence, unmarried members are expected to receive lower benefits at retirement, lower optional form benefits, and survivor benefits are reduced. The purpose of the study was to look at potential costs of treating unmarried members as if they were married. The study produced an increase in the first year annual City contribution of \$56,197 (or 0.2% of covered payroll). Chairman Napolitano stated that perhaps the unions could consider addressing this when they begin negotiations for the next contracts.

Attorney – None.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Napolitano presented Warrant #385 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #385 to the agenda. Gary Arenson seconded the motion. The motion carried unanimously. Vicki Minnaugh moved to approve payment of Warrant #385 in the amount of \$131,513.52. Gary Arenson seconded the motion. The motion carried unanimously, authorizing payment of:

P/O Leslie Haywood – DROP Withdrawal (Lump Sum) \$12,000 less FIT \$2,400	\$9,600.00
P/O Thomas Sadagursky – Recurring monthly DROP Withdrawal commencing 7/1/2007	\$1,000.00
F/F Daniel Lanzi – DROP Withdrawal (Lump Sum) \$6,250 less FIT \$1,250	\$5,000.00
F/F Steven Weishaar – DROP Withdrawal (Lump Sum) \$17,000 less FIT \$3,400	\$13,600.00
F/F Todd Colligan – DROP Withdrawal (Lump Sum) \$75,000 less FIT \$15,000	\$60,000.00
U.S. Treasury – FIT Withholding (Haywood, Lanzi, Weishaar)	\$22,050.00
Corporate Express – Office Furniture	\$2,103.50
Xerox Corporation – Copier Lease (June)	\$200.07

Computers R Us – Onsite service agreement for computers (1 year)			\$399.00
Plastridge Agency, Inc. – Renewal Premium for Fiduciary Ins. 7/19/2007 – 7/18/2008			\$14,530.87
SunTrust Bank (Visa, Fisher)	FPPTA Reg (Moss, Dougherty)	\$1,000.00	
	Gasoline allowance	35.03	
		\$1,035.03	\$1,035.03
SunTrust Bank (Visa, Warner)	ISP (2 months)	\$49.90	
	HP Computer	1,557.75	
	Public Storage	71.00	
	Bd. Mtg/Equip/Off. Supplies	316.40	
		\$1,995.05	\$1,995.05
TOTAL			\$131,513.52

The Pension Office has received two capital call letters, one each from American Realty and AmSouth. Chairman Napolitano presented #386 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #386 to the agenda. Gary Arenson seconded the motion. The motion carried unanimously. Gary Arenson moved to approve payment of Warrant #386 in the amount of \$3,025,000.00. Richard Moss seconded the motion. The motion carried unanimously, authorizing payment of:

City National Bank (per attached wiring instructions) for:			
Real Estate Investment –			
<u>American Stable Value Fund, LLC</u> <u>SVF-Account No. 1105</u>			\$2,000,000.00
AmSouth Bank (per attached wiring instructions) for:			
Real Estate Investment –			
<u>AmSouth Timber Company TE, LLC</u>			\$1,000,000.00
+ Placement Fee			25,000.00
			\$1,025,000.00
TOTAL			\$3,025,000.00

Based upon Board action (agenda item #9 above), warrants have been prepared to implement Police COLA's. Chairman Napolitano presented #387 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #387 to the agenda. Gary Arenson seconded the motion. The motion carried unanimously. Gary Arenson moved to approve payment of Warrant #387 in the amount of \$256,225.33. Vicki Minnaugh seconded the motion. The motion carried unanimously, authorizing payment of:

COST-OF-LIVING INCREASE for POLICE OFFICERS	
New Monthly Benefits Effective 7/1/2007:	
Arcuri, Anthony	\$5,084.35
Bedell Jr., John E.	4,638.33
Belusko, David A.	2,458.40
Buchholz, Kevin	3,834.20
Burns, Teresa A.	5,475.77
Campolo, Richard	3,503.82
Crawford Jr., Fred J.	3,418.29
Demma, Joseph M.	6,132.30
Dilenge, James L.	6,685.46

Drummond, Terri Rousseau	1,992.35
Dutton, Pamela J.	6,282.20
Edwards, James D.	975.77
Ewing, Sandra	2,808.83
Falzone Sr., Vincent J.	4,282.67
Felix, William H.	3,626.19
Fidler, Charles B.	1,980.33
Fiumefreddo, Robert	3,138.84
Fisher, James F.	7,651.52
Fosman, David	4,274.60
Garris, Dale A.	6,101.11
Guerra, Alfredo J.	3,398.52
Hall Jr., Carl W.	3,436.72
Hartmann, Richard J.	1,617.59
Haywood, Leslie L.	4,337.46
Hones, Kevin T.	6,320.16
Ikalina, Glenn B.	5,687.37
Irlanda, Carlos	2,268.76
Jacob, William A.	6,284.40
Jomant, Michael J.	6,582.98
Jones, Robert C.	3,139.04
Knapp, Edward B.	1,404.43
Lachmiller, William E.	1,459.69
Lombardo, John J.	4,205.35
McLoughlin, Warren R.	3,629.71
Maynard, William W.	3,877.77
Michaud, France R.	5,589.01
Moloney, Brianna	523.94
Nasta, John P.	8,394.25
Noonan, Leonard W.	6,150.50
Novak Jr., Joseph W.	2,658.69
O'Shea, David E.	1,799.81
Palant, Keith	8,635.01
Pazienza, Angelo	6,947.20
Primeau, Gerald A.	4,058.73
Reilly, Mary J.	1,008.48
Riddick, Glen D.	1,354.91
Rosinsky, Lisa	873.36
Rosinsky, Matthew P.	218.35
Rosinsky, Sean B.	218.35
Sadagursky, Thomas (new retiree eff. 7/1/2007)	7,969.18
Schooley, Larry E.	4,640.80
Schelling, Carl J.	9,464.52
Smith, Andrew J.	8,126.44
Spaulding, Tamara L.	6,332.01
Stanton, John T.	1,656.40
Tighe, John H.	2,166.01
Varley, Gregory W.	6,992.14
Vitale, Ambrose C.	3,347.53
Walsh, Thomas V.	3,985.91
Webster, Leroy F.	1,308.46
Wright, Raymond R.	4,509.11
Yetto, Joseph M.	5,300.95

TOTAL

\$256,225.33

Chairman Napolitano presented #388 for addition to the agenda and approval for payment. Vicki Minnaugh moved to add Warrant #388 to the agenda. Gary Arenson seconded the motion. The motion carried unanimously. Gary Arenson moved to approve payment of Warrant #388 in the amount of \$281,695.60. Vicki Minnaugh seconded the motion. The motion carried unanimously, authorizing payment of:

RETROACTIVE COLA PAYMENTS for POLICE OFFICERS:	
Arcuri, Anthony	\$6,111.81
Bedell Jr., John E.	6,889.38
Belusko, David A.	2,955.15
Buchholz, Kevin	5,695.05
Burns, Teresa A.	3,041.22
Campolo, Richard	4,211.85
Crawford Jr., Fred J.	4,109.04
Demma, Joseph M.	9,108.33
Dilenge, James L.	6,973.02
Drummond, Terri Rousseau	2,395.08
Dutton, Pamela J.	6,552.39
Edwards, James D.	1,173.00
Ewing, Sandra	3,376.74
Falzone Sr., Vincent J.	6,361.11
Felix, William H.	67.86
Fidler, Charles B.	2,380.50
Fiumefreddo, Robert	3,773.37
Fisher, James F.	7,980.69
Fosman, David	6,349.05
Garris, Dale A.	4,139.64
Guerra, Alfredo J.	1,369.11
Hall Jr., Carl W.	4,131.39
Hartmann, Richard J.	1,944.75
Haywood, Leslie L.	6,442.29
Hones, Kevin T.	3,510.03
Ikalina, Glenn B.	5,932.14
Irlanda, Carlos	2,727.30
Jacob, William A.	6,554.97
Jomant, Michael J.	6,866.28
Jones, Robert C.	3,773.37
Knapp, Edward B.	1,688.37
Lachmiller, William E.	1,754.67
Lombardo, John J.	5,055.36
McLoughlin, Warren R.	4,363.44
Maynard, William W.	5,759.55
Michaud, France R.	5,829.39
Moloney, Brianna	629.61
Nasta, John P.	12,467.91
Noonan, Leonard W.	6,414.99
Novak Jr., Joseph W.	3,196.11
O'Shea, David E.	2,163.57
Palant, Keith	9,006.45
Pazienza, Angelo	7,246.08
Pierandozzi, Gloria Jean (spouse of recently deceased member)	3,842.68
Primeau, Gerald A.	6,028.35

Reilly, Mary J.	1,212.45
Riddick, Glen D.	1,629.00
Rosinsky, Lisa	1,049.85
Rosinsky, Matthew P.	262.68
Rosinsky, Sean B.	262.68
Sadagursky, Thomas (new retiree eff. 7/1/2007)	2,426.79
Schooley, Larry E.	5,578.59
Schelling, Carl J.	9,871.68
Smith, Andrew J.	8,476.08
Spaulding, Tamara L.	6,604.32
Stanton, John T.	1,991.22
Tighe, John H.	2,603.73
Varley, Gregory W.	2,424.63
Vitale, Ambrose C.	4,024.08
Walsh, Thomas V.	4,791.42
Webster, Leroy F.	1,572.87
Wright, Raymond R.	6,697.56
Yetto, Joseph M.	7,873.53
TOTAL	\$281,695.60

Karen Warner announced that written approval for the 9/30/2006 State Annual Report has been received. Chapter fund disbursements should be forthcoming.

Trustees are encouraged to contact the Pension Office for further information on any of the following upcoming conferences.

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| FPPTA | – June (Naples, FL) |
| Shoots & Ladders | – July (Newport, RI) |
| Guns & Hoses | – September (Huntington Beach, CA) |
| Division of Retirement | – October (St. Petersburg, FL) |
| Public Fund Boards Forum | – December (San Francisco, CA) |

At the May meeting, the Trustees discussed Firefighters who claim they never received the COLA letter in order to make the COLA election in a timely manner. The Pension office was directed to allow those individuals one final opportunity to do so and that they should swear the original letter was never received. James Fisher reported that the process has been completed as directed.

James Fisher stated he spoke with Asst. City Attorney Julie Klahr regarding Employee Pension Contracts. Ms. Klahr feels the contract should be executed when a new member is hired, adding that in her opinion contracts are not necessary every time the pension ordinance is amended. Attorney Cypen explained that the ordinance is very clear in this regard, and the contracts are absolutely necessary.

- 15. **Input from Retirees:** None.
- 16. **Input from Active Members:** None.
- 17. **Unscheduled** – Chairman Napolitano addressed a recent memo from Finance Director Rene' Gonzalez to the City Manager regarding certain union negotiation matters. The Chairman will contact City Hall to remedy the situation.
Karen Warner requested that the Trustees consider having the Summary Plan Description booklets updated, now that the major provisions for both Fire and Police have been amended. Vicki Minnaugh moved to authorize GRS to update the Summary Plan Description at a cost not to exceed \$2,500.00. Gary Arenson seconded the motion. The motion carried unanimously.

18. **Adjournment** – Chairman Napolitano announced the next regular meeting would be held on Thursday, July 19, 2007 at 4:00 p.m. There being no further business before the Board, Vicki Minnaugh moved to adjourn the meeting at 6:25 p.m. Gary Arenson seconded the motion. The motion carried unanimously.

Anthony Napolitano – Chairman

Richard Moss – Secretary