

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 – OCTOBER 18, 2007

The three hundred and forty-sixth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:05 p.m. by Vice Chairman Carl Heim.

1.	<u>Roll Call</u> –	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
		Steve Dougherty	Carl Heim	Gary Arenson
		Richard Moss	James Ryan	Isadore Nachimson

John Birkenheuer, Vicki Minnaugh and Anthony Napolitano were not in attendance for this meeting, having formally requested excused absences. Gary Arenson moved to excuse the absences of John Birkenheuer, Vicki Minnaugh and Anthony Napolitano. James Ryan seconded the motion. The motion carried unanimously.

Others Present: Larry Wilson and Randy Dziubek from Gabriel, Roeder, Smith & Co.; F/F Frank Musumeci; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. **Election of Officers.** Due to the excused absences noted above, Gary Arenson moved to defer the annual election of officers until the November 15th meeting. Isadore Nachimson seconded the motion. The motion carried unanimously. Current officers will continue to serve in their respective capacities until elections are held.
3. **Approval of Minutes for September 20, 2007.** Vice Chairman Heim presented minutes from the meeting of September 20, 2007 for approval. Isadore Nachimson moved to approve. Gary Arenson seconded the motion. The motion carried unanimously.
4. **Approval of Warrant #401.** Vice Chairman Heim presented Warrant #401 in the amount of \$99,601.89 for approval and payment. James Ryan moved to approve payment of Warrant #401 as presented. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

Cypen & Cypen – Monthly Retainer for October, 2007		\$3,250.00
Crexent, LLC – October, 2007	Office Rent	\$1,134.00
	Telephone Equip.	185.00
	Copies	.60
	Long Distance	<u>1.37</u>
		\$1,320.37
		\$1,320.37
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for November, 2007		\$407.72
Karen Warner – Mo. Allowance for September, 2007 (Med/Dental/Life)		\$375.00
Gabriel, Roeder, Smith & Co. – Prof. Services for August, 2007		\$22,368.00
Xerox Corporation – Copier Lease (October)		\$200.07
International Foundation of Employee Benefit Plans – 2008 Membership Renewal		\$725.00

Iron Mountain – Storage Fee (October)	\$105.00
Old Dominion Insurance Co. – Additional premium for umbrella policy	\$210.00
Koch Reiss & Company, P.A. – Progress billing for 9/30/2007 audit	\$1,500.00
Independence Investments LLC – Mgmt. Fee for Q/E 9/30/2007	\$32,094.65
Sawgrass Asset Management LLC – Mgmt. Fee for Q/E 9/30/2007	\$30,900.00
Fiduciary Trust Company – Custody Fee for Q/E 9/30/2007 (Independence)	\$2,420.91
Fiduciary Trust Company – Custody Fee for Q/E 9/30/2007 (Buckhead)	\$2,486.87
Fiduciary Trust Company – Custody Fee for Q/E 9/30/2007 (Sawgrass)	\$1,238.30

TOTAL **\$99,601.89**

5. **Ratification of Warrant #402.** Vice Chairman Heim presented Warrant #402 in the amount of \$15,000.00 for ratification. It was noted that an interim warrant had been circulated for signature subsequent to the September 20th meeting. Gary Arenson moved to approve payment of Warrant #402 as presented. Isadore Nachimson seconded the motion. The motion carried unanimously, authorizing payment of:

STRIKE GROUP, INC. for:

Down payment for installation of telephone system, computer network/
internet, security, closed circuit TV (with audio & video capabilities),
required permits and fees – 1951 NW 150th Ave., Suite #104
Pembroke Pines, FL 33028

\$15,000.00

TOTAL **\$15,000.00**

6. **Request for DROP Account Distributions – F/F Anthony Curtis and P/O Thomas Sadagursky.** DROP account distribution requests have been received from F/F Anthony Curtis (\$15,000 lump sum) and P/O Thomas Sadagursky (\$20,000 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. Isadore Nachimson moved to approve the distribution requests for Anthony Curtis and Thomas Sadagursky. James Ryan seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

7. **Actuarial Issues – F/F Kenneth Fritz.** Karen Warner summarized events leading up to this continuing agenda item. Actuary Larry Wilson stated his position, specifically that he did not feel he was authorized to go down a path that will never apply to F/F Fritz (married with a 32-year-old spouse at the time of DROP). He added that he feels it is dangerous to calculate benefits that are clearly inconsistent with the pension ordinance. Discussion continued regarding F/F Fritz being unhappy with answers previously given and that his issue is with the City due to ordinance language. Gary Arenson moved to notify F/F Fritz that he is welcome to utilize the services of the Plan’s Actuary (but it will be necessary to make his own financial arrangements, as the Plan will not be responsible for related charges incurred); that the Plan must be provided with copies of all work and/or information produced; and that the work F/F Fritz requests is not sanctioned, requested or approved by this Board of Trustees. Isadore Nachimson seconded the motion. The motion carried (with one vote in opposition – Dougherty.

NEW BUSINESS

8. **Review / Approve – Net Return for Q/E 9/30/2007.** Copies of the rate of return letter from Dahab Associates were distributed for discussion purposes. As was the case in 2006, it was noted that Dahab has provided a rate of return using a preliminary value for the real estate investments, as the real estate components make it more difficult to provide an accurate and early net return for the DROP accounts. Karen Warner noted immediate concerns of accuracy and timing in light of the fiscal year end, audit, valuation, quarterly DROP statements and the City's insistence on speedy completion of related year-end work. Following discussion, Gary Arenson moved to defer approval of the quarter rate of return until the November 15th meeting, when final values for the real estate investments have been received. Richard Moss seconded the motion. The motion carried unanimously.

9. **Specimen Trustee Signatures – Letter to Fiduciary Trust.** As part of the Plan's annual procedures, a letter was circulated providing the Custodian with specimen signatures of all trustees for the new year.

10. **Reports:**

Actuary – Larry Wilson stated his office has requested annual valuation data, adding that a reminder about the overtime limit for Police Officers was provided to insure the accuracy of data provided.

Completion of DROP statements for the quarter ended 9/30/2007 is on hold until the quarterly rate of return is approved (see agenda item #8).

There has been no feedback regarding the Summary Plan Description draft. Karen Warner noted that staff has been working on a complete revision in terms of layout and clarifying text. Copies will be provided to Actuary Wilson and Attorney Cypen for further input.

Mr. Wilson addressed questions regarding the rate of return smoothing process and effects of a double-digit return for the year just ended. Also discussed was the City's contribution as a percentage of pay, and whether that was determined using only active (contributing) members or if it also included members currently participating in the DROP. Mr. Wilson agreed that his valuation report can be modified to be clearer in this regard.

Attorney – Copies of the revised letter from Holland & Knight addressing the application of Section 415 were distributed for discussion. Attorney Cypen pointed out two minor revisions from the letter previously received. The Pension Office was asked to disseminate copies to Asst. City Attorney Julie Klahr and Finance Director Rene Gonzalez.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Vice Chairman Heim presented Warrant #403 for addition to the agenda and approval for payment. Gary Arenson moved to add Warrant #403 to the agenda. Steve Dougherty seconded the motion. The motion carried unanimously.

Gary Arenson moved to approve payment of Warrant #403 in the amount of \$291,938.87. Steve Dougherty seconded the motion. The motion carried unanimously, authorizing payment of:

F/F Anthony Curtis – DROP Withdrawal (Lump Sum) \$15,000 less FIT \$4,500	\$10,500.00
P/O Thomas Sadagursky – DROP Withdrawal (Lump Sum) \$20,000 less FIT \$4,000	\$16,000.00
P/O Justin Popps – Refund of Contributions (Term 10/5/2007) Contributions \$3,211.11 + Interest \$94.74 less FIT \$661.17	\$2,644.68

P/O Randy Carpenter – Refund of Contributions (Term 10/1/2007), Contributions \$4,543.67 + Interest \$135.55 less FIT \$935.84			\$3,743.38
P/O Andre Lawson – Refund of Contributions (Term 9/30/2007) Contributions \$5,187.75 + Interest \$170.96 less FIT \$1,071.74			\$4,286.97
James F. Fisher – Semi-monthly payroll effective 10/1/2007 (payable commencing 10/15/2007)			\$1,890.96
James F. Fisher – Retroactive payroll for PPE 10/15/2007 (gross)			\$875.00
U. S. Treasury – f.b.o. James F. Fisher Form 941 Tax to be paid each pay period commencing 10/15/2007			\$558.08
Strike Group, Inc. – Balance due for installation of telephone system, computer network/internet, security, closed circuit TV (with audio & video capabilities), required permits and fees – 1951 NW 150 th Ave., Suite #104, Pembroke Pines, FL 33028			\$12,600.00
Inverness Counsel, Inc. – Mgmt. Fee for Q/E 12/31/2007			\$134,282.39
Irene S. Hazzard – Normal Retire. Benefit commencing 11/1/2007			\$2,561.65
Anthony Napolitano – Reimb. of conference expenses (FPPTA)			
	Mileage/Tolls	\$58.20	
	Per Diem	300.00	
		\$358.20	\$358.20
Richard Moss – Reimb. of conference expenses (FPPTA)		\$535.20	
	Hotel	240.00	
	Per Diem	7.05	
	Mileage/Tolls	\$782.25	\$782.25
SunTrust Bank – Visa (Napolitano) Conference Reg. (FPPTA)			\$400.00
SunTrust Bank – Visa (Fisher) Bd. Mtg. / Ofc. Supplies		\$56.80	
	Gasoline	35.10	
		\$91.90	\$91.90
SunTrust Bank – Visa (Warner)			
	Bd. Mtg. / Ofc. Supplies	\$373.43	
	Computer Supplies	45.95	
	FP&L (new office)	202.64	
	Public Storage	71.00	
	FPPTA Conf. Reg. (Moss/ Dougherty)	800.00	
		\$1,493.09	\$1,493.09
P/O Patrick Demauro – Refund of Contributions (Term 9/24/2007) Contributions \$2,524.31 + Interest \$75.73 less FIT \$520.01			\$2,080.03
Buckhead Capital Management – Mgmt. Fee for Q/E 9/30/2007			\$29,318.99
Gabriel, Roeder, Smith & Co. – Prof. Fees for September, 2007			\$9,644.00
Atlanta Capital Management Co. – Mgmt. Fee for Q/E 9/30/2007			\$24,776.00
Dahab Associates, Inc. – Consulting Fee for Q/E 9/30/2007			\$21,362.54
U.S. Treasury – FIT Withholding (Curtis, Sadagursky, Popps, Carpenter, Lawson, Demauro)			\$11,688.76
TOTAL			\$291,938.87

It was noted that Koch Reiss has agreed to a 3-year commitment for auditing services at a base fee of \$14,500.

Karen Warner stated that the copier lease will expire early in November. As mentioned previously, Xerox has quoted \$194.23 as the monthly payment on a 3-year lease for copier with full office functions. Under the existing lease agreement, the fund currently pays \$200.07 per month. Following discussion, Gary Arenson moved to authorize execution of the lease agreement with Xerox as described above. James Ryan seconded the motion. The motion carried unanimously.

The property manager for the current office location has provided a Non-Renewal Lease Form for execution. Because the current lease expires on October 31st and because it appears occupancy for the new office will be pushed into November, the form needs to be signed. Attorney Cypen suggested language changes and, following discussion, Gary Arenson moved to execute the Non-Renewal Lease Form as long as language revisions are acceptable to Attorney Cypen. James Ryan seconded the motion. The motion carried unanimously.

James Fisher reported to the trustees on the following issues:

New Office – Permits have been issued, the necessary inspections have been completed, drywall is going up and things are finally moving quickly.

Website – Disappointment is the only appropriate word to express feelings about the website's progress. Intuicode has been notified that their completion deadline must be the date of occupancy in the new office location.

Records Retention – Several professional companies have been contacted regarding fees and services to scan data onto CD's for retention. There appears to be a wide variety of fees, but the most reasonable seems to be a per-page charge, as many of the boxes of records currently in storage are only partially full. The trustees discussed disposal of information. Attorney Cypen expressed concern regarding the security of confidential information if using an outside service, and the need to comply with the State Records Retention Schedule. It was suggested that the board consider leaving the Iron Mountain documents as is, scanning only those records maintained at the public storage facility, and scanning all future records as appropriate. Attorney Cypen recommended contacting Celia Locke at Miami Beach Police & Fire as they have just gone through this process.

Question – A retired member has asked whether it is permissible to change his DROP beneficiary to a Living Trust. Attorney Cypen stated the answer is "yes" so long as the appropriate form is executed.

11. **Input from Retirees:** None.
12. **Input from Active Members:** None.
13. **Adjournment** – Vice Chairman Heim announced the next regular meeting would be held on Thursday, **November 15, 2007 at 2:00 p.m.** This will be a quarterly / fiscal year end meeting including investment and market reports from Dahab Associates, State Street Global Advisors and Inverness Counsel.

There being no further business before the Board, Gary Arenson moved to adjourn the meeting at 5:10 p.m. James Ryan seconded the motion. The motion carried unanimously.

Carl Heim – Vice Chairman

Richard Moss – Secretary