

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 – NOVEMBER 15, 2012

The four hundred and ninth 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 Carl Heim.

1. <u>Roll Call –</u>	<u>Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Adam Cabeza Steve Dougherty Frank Musumeci	Carl Heim Kevin Venema Al Xiques	Vicki Minnaugh

Others Present: Greg McNeillie, David Lee, and Steve Roth from Dahab Associates; Henry Renard, Robert Maddock, and John Rochford from Inverness Counsel; Karen Hackman and Malcolm E. Polley from Stewart Capital; Jim Bates from AmSouth Timber Co., Alison Bieler, Attorney for the Fund; Larry Wilson, Actuary for the Fund; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator. Trustee Arenson requested to be excused for his scheduled vacation. Motion by Vicki Minnaugh, second by Al Xiques, to excuse Gary Arenson and Isadore Nachimson, if the latter did not make the meeting. The motion carried unanimously.

2. Dahab Associates –

Quarter Ended 9/30/2012						Trailing 12 Months
Equities	Equity Bench- mark	Fixed Income	Fixed Inc. Bench- mark	Total Portfolio		
Atlanta Capital	4.2%	5.2%	---	---	4.2%	28.3%
Inverness	9.3%	6.3%	2.0%	1.6%	4.8%	16.0%
Equities						34.4%
(Lee Munder	8.7%	6.1%	---	---	8.7%	29.9%
SSgA Midcap	5.4%	5.4%	---	---	5.4%	28.6%
SSgA Int'l Equity	7.4%	7.4%	---	---	7.4%	14.5%

Quarter Ended 9/30/2012				Trailing 12 Months
R.E.	R.E. Bench- mark	Total Portfolio		
Am. Realty Advisors	2.6%	2.8%	2.6%	11.6%
AmSouth Timber Fd.	0.1%	0.8%	0.1%	-1.3%
BlackRock	2.6%	2.8%	2.6%	9.9%
TA Assoc Realty	-0.2%	2.8%	-0.2%	-0.4%

Mr. McNeillie talked about some of the year's changes that included a new active mid cap manager, a change in the value manager, and slight adjustment on the mid core. The fiscal year performance for the fund is 19.9%, which makes the plan 17th in the public fund universe.

Mr. McNeillie said that overall, the managers had performed very well this year. Going forward, real estate will be replenished as the housing market goes up. He is also watching for timber products. Although it was a good year, Mr. McNeillie noted that it would take another year or so for the "bad year" to drop off the 5-year numbers and positively impact the smoothing, which would allow the plan to realize actuarial gains.

3. **Stewart Capital Advisors** – Ms. Hackman and Mr. Polley discussed the performance for Stewart Capital. Although the performance for the fiscal year underperformed the benchmark, the calendar year-to-date shows that Stewart has beaten the benchmark. They noted that the Plan was underweight in financials and a little overweight in energy. For the future, they will continue to review asset allocation. They noted that cash/bonds may be a preferable investment vehicle.
4. **Regions/AmSouth** – Mr. Bates discussed the Plan's participation with AmSouth, reporting the Plan's ownership of 37,000 acres of timber. The total return for the year was 1.6%, net of all fees, beating the benchmark by 100 basis points. He talked about the anticipated resurgence of the housing market and the recovery that will follow.
5. **Inverness Counsel, LLC** – Mr. Renard and Mr. Maddock introduced a new member to the team, Mr. John Rochford. The Inverness team reiterated some of the things that were discussed during the other presentations. They also discussed the recent splitting of the accounts by the Pension Board into stocks, equities, and R&D accounts. They mentioned the need to review how the history of the account will be reported as a result of the changes.

The Board recessed at 3:22 p.m. and reconvened at 3:41 p.m.

6. **Approval of Minutes for October 18, 2012** – Chairman Heim presented minutes from the October 18, 2012 meeting for approval. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the minutes. The motion carried unanimously.
7. **Approval of Warrant #556** – Chairman Heim presented Warrant #556 in the amount of \$129,735.88 for approval and payment. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve as presented. The motion carried unanimously.

Cypen & Cypen – Monthly Retainer for October 2012	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Dec. 2012)	407.72
Twilight Industries, LLC – (Maintenance – November 2012)	152.00
Arenson & Sandhouse, P.A.	275.00
SunSentinel	36.24
Atlanta Capital Q/E 9/30/12	66,161.00
Herndon Capital Q/E 9/30/12	26,160.65
FP&L (Already Paid)	213.68
Broward County Tax Collector	557.64
Wells Capital Q/E 9/30/12	32,443.95
TOTAL	\$129,735.88

8. **Approval of DROP Benefit(s)** – The following DROP Benefit, effective 10/1/12, was presented for Board consideration:
 - P/O Brian Dietrich (Joint & 75% Contingent) ***
 - *** (See Attachment A)

Motion by Vicki Minnaugh, second by Al Xiques, to approve the DROP benefit as presented for Mr. Dietrich. The motion carried unanimously.
9. **Approval of DROP Account Distribution(s)** – The following DROP Distributions were presented for Board consideration:
 - F/F Brad Mayhew (Lump Sum) ***
 - P/O John Nasta (Lump Sum) ***
 - F/F Troy Paletz (Monthly) ***
 - P/O David Parsons (Lump Sum) ***

*** (See Attachment A)

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. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the account distributions as presented. The motion carried unanimously.

UNFINISHED BUSINESS

10. Rules for Payment of Death Benefits from DROP Account – Ms. Bieler was not present at this point in the meeting. This discussion was delayed.

NEW BUSINESS

11. Review and Approve DROP Loan Interest Rate for Q/E 12/31/2012 – Agenda packets included information that the Wall Street Journal prime rate at the beginning of the current quarter 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 Vicki Minnaugh, second by Steve Dougherty, to approve a 4.25% DROP Loan interest rate for loans approved by the Board during January, February, and March of 2013. The motion carried unanimously.

12. Reports:

Actuary – Mr. Wilson was not present at this point in the meeting.

Attorney – Ms. Bieler was not present at this point in the meeting.

Chairman – No report from the Chairman.

Plan Administrator – Administrator Fisher asked that Firefighter Lincoln Smith be added to Warrant #557. Mr. Smith left employment and requested a refund of his pension contributions. Motion by Steve Dougherty, second by Kevin Venema, to add Mr. Smith to the warrant.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Administrator Fisher presented Warrant #557 for addition to the agenda and approval for payment. Motion by Steve Dougherty, second by Adam Cabeza, to add Warrant #557 to the agenda. The motion carried unanimously. Motion by Steve Dougherty, second by Adam Cabeza, to approve the payment of Warrant #557 as presented in the amount of \$94,705.43. The motion carried unanimously. Trustee Xiques abstained from the vote as he applied payment to his Board card due to conference related expenses. The authorized payment includes:

DROP Withdrawals:	
P/O James Dilenge – Lump Sum DROP Withdrawal	***
F/F Bradford Mayhew – Lump Sum DROP Withdrawal	***
P/O John Nasta – Lump Sum DROP Withdrawal Rollover	***
F/F Troy Paletz – Monthly DROP Withdrawal	***
P/O David Parsons – Lump Sum DROP Withdrawal	***
U.S. Treasury – FIT – W/H (Dilenge, Mayhew, Parsons)	***
Refunds (Terminations)	
U.S. Treasury – FIT – W/H (Smith)	***
Various:	
SunTrust (J. Fisher)	\$1,580.30
SunTrust (A. Xiques)	\$880.10
SunTrust (R. Maldonado)	\$2,017.47
Dahab Associates Q/E 9/30/2012	\$25,201.91
Gabriel Roeder Smith & Company Services for October 2012	\$7,355.00
TOTAL	\$94,705.43

*** (See Attachment A)

Administrator Fisher informed the Board about the discussion with Larry Wilson regarding meeting attendance. In October, the Ad Hoc Committee asked that the actuary only attend meetings in which the Administrator deems his presence necessary, in an effort to bring down costs and fees associated with the visits. The Administrator said the conversation went well and the practice will be implemented going forward.

10. **Rules for Payment of Death Benefits from DROP Account** Attorney Alison Bieler discussed the completed matrix which outlined what happens to the member's DROP accounts in various scenarios. Of particular interest are the implications of the DROP when a member passes away. Motion by Vicki Minnaugh, second by Steve Dougherty, to approve the matrix as a flyer that will be distributed to members.

Ms. Bieler also discussed the update of the DROP rules in general. She highlighted the changes which were mostly language clarification. Motion by Adam Cabeza, second by Vicki Minnaugh, to approved the updated DROP rules. The motion carried unanimously.

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

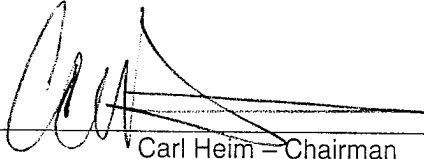
14. **Input from Active Members:** None.

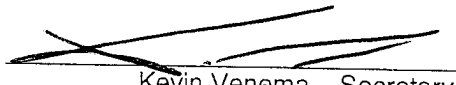
15. **Input from Trustees:** None.

16. **Adjournment** – Chairman Heim announced that the next regular meeting would be held on **Thursday, December 20, 2012** at 11 a.m. It will be followed immediately by a holiday luncheon for the Board. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Al Xiques, to adjourn the meeting at 4:03 p.m. The motion carried unanimously.

By consensus, the meeting reconvened at 4:16 pm. All trustees were present.

The meeting reconvened with the arrival of actuary Larry Wilson. Mr. Wilson also discussed the death benefits for the DROP, as he worked on the matrix with the Board attorney. Mr. Wilson invited the Board to participate in a Webinar on Dec. 5th that would review looming changes in government accounting standards. He updated the Board on the status of the annual DROP statements and said they would be ready by the 3rd or 4th week of December. Finally, he mentioned that the 415 screener would need to be updated in the office during the month of December, as well. Motion by Vicki Minnaugh, second by Adam Cabeza, to adjourn the meeting at 4:24 pm. The motion carried unanimously.


Carl Heim – Chairman


Kevin Venema – Secretary