

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 – OCTOBER 18, 2012

The four hundred and eighth 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 Adam Cabeza.

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

Others Present: Alison Bieler, Attorney for the Fund; Larry Wilson, Actuary for the Fund; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator. Trustee Frank Musumeci requested an excused absence from the meeting. Motion by Vicki Minnaugh, second by Gary Arenson, to excuse Frank Musumeci. The motion carried unanimously.

2. Election of Officers –

<i>Chairman</i>	Al Xiques nominated Carl Heim. <u>Motion by Al Xiques, second by Gary Arenson, to close nominations. The motion carried unanimously.</u> By acclamation, Carl Heim will serve as Chairman for the current fiscal year.
<i>Vice Chairman</i>	Carl Heim nominates Steve Dougherty. <u>Motion by Gary Arenson, second by Vicki Minnaugh, to close nominations. The motion carried unanimously.</u> By acclamation, Steve Dougherty will serve as Vice Chairman for the current fiscal year.
<i>Secretary</i>	Steve Dougherty nominated Kevin Venema. <u>Motion by Gary Arenson, second by Vicki Minnaugh, to close nominations. The motion carried unanimously.</u> By acclamation, Kevin Venema will serve as Secretary for the current fiscal year.

The meeting was turned over to newly-elected Chairman Carl Heim.

- Approval of Minutes for September 20, 2012 –** Chairman Heim presented minutes from the September 20, 2012 meeting for approval. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the minutes. The motion carried unanimously.
- Approval of Warrant #554 –** Chairman Heim presented Warrant #554 in the amount of \$200,244.94 for approval and payment. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

Cypen & Cypen – Monthly Retainer for September 2012	\$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Nov. 2012)	407.72
Twilight Industries, LLC – (Maintenance – October 2012)	152.00
FP&L (Already paid)	214.44
Computers R Us	69.00
NCPERS Membership Fee	225.00
Gabriel Roeder Smith & Company	12,732.00
International Foundation Membership Fee	880.00
Inverness Counsel LLC (Management fee 10-1-12 to 12-31-12)	182,314.78
TOTAL	\$200,244.94

5. **Approval of DROP Account Distribution(s)** – The following DROP Distributions were presented for Board consideration:

- F/F Jack Masiello (Lump Sum) ***
- F/F Robert Welter (Lump Sum) ***
- P/O Pam Dutton (Lump Sum) ***
- P/O John Sammarco (Monthly) ***

*** (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 Steve Dougherty, to approve the account distributions as presented. The motion carried unanimously.

6. **Approval of DROP Loan(s)** – The following DROP Loans were presented for Board consideration:

- P/O William Jacob ***
- F/F Douglas Kraft ***
- P/O Michael Scopa ***

*** (See Attachment A)

Motion by Vicki Minnaugh, second by Steve Dougherty, to approve the DROP Loan requests for William Jacob, Douglas Kraft, and Michael Scopa as presented. The motion carried unanimously.

UNFINISHED BUSINESS

None

NEW BUSINESS

7. **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 Steve Dougherty, second by Gary Arenson, to approve a 4.25% DROP Loan interest rate for loans approved by the Board during October, November and December of 2012. The motion carried unanimously.

Review and Approve Office Staff Leave Accruals – The Administrator presented the leave balances for himself and the Assistant Administrator through the end of September 2012. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the leave used and the balance left for the office staff. The motion carried unanimously.

8. **Reports:**

Actuary – Larry Wilson announced the start of the evaluation process for 10/1/12. GRS has already begun receiving the necessary worksheets from the Pension office staff. He also mentioned the Division of Retirement's actuarial assumption rate meeting on October 1, 2012.

Attorney – Alison Bieler talked first about a matrix that attorney Bob Friedman drafted on the various scenarios regarding the death of the member and the balance of their DROP account. Mr. Wilson is tweaking some language before the Board can approve it and the information can be distributed to the members. A final will be presented to the Board soon. Ms. Bieler also encouraged the Board to establish rules on DROP distributions for surviving beneficiaries, apart from the IRS annual minimum distribution requirement. The Board reviewed various options such as charging administrative fees on DROP accounts after the member dies. Motion by Vicki Minnaugh, second by Gary Arenson, to charge \$600 per year to the DROP accounts of surviving beneficiaries to cover the cost of annual calculations

and additional maintenance. After further discussion, the motion was withdrawn.

Motion by Vicki Minnaugh, second by Al Xiques, to charge the actual actuarial cost of a distribution calculation to the beneficiary and the cost will be deducted directly from the beneficiary's DROP account. The motion carried unanimously. The Board will revisit setting additional fees at a future meeting. In addition, the Board discussed the DROP rules and emphasized that there were no provisions that would allow for DROP loans to be taken by beneficiaries. In the event of the death of a member, beneficiaries can only withdraw from the DROP; they cannot take a loan. Ms. Bieler will modify the official DROP rules document based on the discussion and will present a draft for Board approval at the November 2012 meeting.

Chairman – No report from the Chairman.

Plan Administrator – Administrator Fisher presented a document from Fiduciary Trust, the Board's custodian. All trustees must annually provide their official signatures for the custodian's records. The trustees present signed accordingly.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Administrator Fisher presented Warrant #555 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Adam Cabeza, to add Warrant #555 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the payment of Warrant #555 as presented in the amount of \$309,968.71. The motion carried unanimously. Trustees Cabeza, Venema, and Xiques abstained from the vote as they were receiving refunded expenses due to conference attendance. The authorized payment includes:

Plan Benefits:	
P/O Michael Johnson - Normal Retirement Benefit Commencing 11/1/2012	***
F/F Robert Welter – Normal Retirement Benefit Commencing 11/1/2012	***
DROP Withdrawals:	
P/O John Sammarco – Monthly DROP Withdrawal effective 11/1/2012	***
P/O Pam Dutton – Lump Sum DROP Withdrawal	***
F/F Jack Masiello – Lump Sum DROP Withdrawal	***
F/F Robert Welter - Lump Sum DROP Withdrawal	***
F/F Ariel Villarreal – Lump Sum DROP Withdrawal	***
U.S. Treasury – FIT – W/H (Dutton, Masiello, Welter, Villareal)	***
DROP Loans:	
P/O Michael Scopa - DROP Loan	***
P/O William Jacob – DROP Loan	***
F/F Douglas Kraft – DROP Loan	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Scopa, Jacob, Kraft)	***
Refunds (Terminations):	
F/F Justin Weiss – Full Refund	***
P/O Gary Baldree – Full Refund	***
P/O Damaris Breton – Full Refund	***
U.S. Treasury – FIT – W/H (Weiss, Baldree, Breton)	***
Various:	
Kevin Venema – Reimbursements for FPPTA October 2012 Conference	\$1,012.03
Al Xiques – Reimbursements for FPPTA October 2012 Conference	\$246.00
Rachel Maldonado – Reimbursements for FPPTA October 2012 Conference	\$468.46
Strike Group, Inc. (Phone Service)	\$100.00
SunTrust (J. Fisher)	\$2,001.12
SunTrust (A. Cabeza)	\$841.30
SunTrust (R. Maldonado)	\$1,769.82
Lee Munder – Mid Cap Core Q/E 9/30/12	\$28,070.36
Lee Munder – Large Cap Focus Q/E 9/30/12	\$25,856.05
Richard Ziff P.A.- Loan Processing for October 2012	\$525.00
Goldstein Schechter Koch – Audit 9/30/12	\$700.00
Stewart Capital Advisors, LLC – Mid Cap Q/E 9/30/12	\$9,970.91

Fiduciary – Stewart Q/E 9/30/12	\$569.78
Fiduciary – Lee Munder Mid Cap Q/E 9/30/12	\$1,792.43
Fiduciary – R&D Account Q/E 9/30/12	\$1,083.33
Fiduciary – Lee Munder Ind Q/E 9/30/12	\$1,861.97
Fiduciary – Wells Capital Q/E 9/30/12	\$1,853.49
Fiduciary – Herndon Q/E 9/30/12	\$1,741.21
Rachel Maldonado – Reimbursement for Mileage (Office Errands) 5/16/12-10/16/12	\$49.40
TOTAL	\$309,968.71

*** (See Attachment A)

Administrator Fisher also asked that the Board approve P/O Carl Schelling's request to repay the balance of a DROP overpayment he received a few years ago. He has been paying the Board back via offset. He would like to have the balance of what is owed deducted directly from his DROP account. Motion by Gary Arenson, second by Vicki Minnaugh, to accept the repayment in full of the balance of Carl Schelling's DROP repayment. The motion carried unanimously.

Administrator Fisher requested that the Board increase Asst. Administrator Maldonado's workweek to 40 hours. With the numerous obligations coming up related to the audit, the annual evaluation, and the state report, Ms. Maldonado's part-time schedule is impeding progress. Motion by Gary Arenson, second by Vicki Minnaugh, to increase Ms. Maldonado's hours to a full-time schedule. The motion carried unanimously. There was discussion on ensuring the full-time schedule and the corresponding increase in salary would still fall in line with the 2012 salary budget. As well, Trustee Xiques noted that the Ms. Maldonado's benefits should be readdressed as some of the benefits were prorated for a 32-hr workweek. The Board will revisit the schedule in 6 months, in time for Ms. Maldonado's annual evaluation.

9. **Input from Retirees:** None.

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

11. **Input from Trustees:** As the committee chair, Trustee Arenson discussed the Ad Hoc Committee meeting that was held on October 18 at 3:00 PM. He reported on the review of the actuarial and attorney contracts. In reference to Cypen & Cypen, he presented the new retainer agreement. Ms. Bieler briefly reviewed the agreement for the Board and noted that, as always, additional charges outside of the monthly retainer are \$250 per hour on the rare occasion that they might be incurred. The Board approved the agreement by consent.

Trustee Xiques also briefly reported on his attendance at the October 2012 FPPTA school in Bonita Springs and the areas covered during the sessions.

12. **Adjournment** – Chairman Heim announced that the next regular meeting would be held on **Thursday, November 15, 2012** at 2 p.m. for the quarterly investment meeting, immediately followed by the regular meeting. Attendance is expected by associates from Dahab, Stewart, Regions/AmSouth, and Inverness. There being no further business to come before the Board, motion by Steve Dougherty, second by Adam Cabeza, to adjourn the meeting at 5:07 p.m. The motion carried unanimously.



Carl Heim – Chairman



Kevin Venema – Secretary