

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 – JULY 16, 2009

The three hundred and sixty-seventh 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.	<u>Roll Call – Fire Members</u>	<u>Police Members</u>	<u>City Members</u>
	Adam Cabeza	Kevin McCluskey	Gary Arenson
	Steve Dougherty	James Ryan	Vicki Minnaugh
	Richard Moss		Isadore Nachimson

Carl Heim is in training this week and has requested an excused absence. Motion by Vicki Minnaugh, second by Isadore Nachimson, to excuse the absence of Carl Heim for this meeting. The motion carried unanimously.

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Daniel Rotstein, City HR Director; F/F Vinnie Garcia; P/O Neil Vaughan and Al Xieques; 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 June 18, 2009. Chairman Ryan presented minutes from the June 18, 2009 meeting for approval. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve as presented. The motion carried unanimously.

3. Approval of Warrant #458. Chairman Ryan presented Warrant #458 in the amount of \$140,742.18 for approval and payment. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve as presented. The motion carried unanimously, authorizing the payment of:

Cypen & Cypen – Monthly Retainer for July, 2009	\$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for August, 2009	\$407.72
Karen Warner – Mo. Allowance for July, 2009 (Med/Dental/Life)	\$375.00
LEAF – Xerox Copier Lease for July, 2009	\$194.23
Twilight Industries, LLC – Office Maintenance for July, 2009	\$152.00
FPL – Electric Service 5/27/2009 – 6/25/2009	\$167.96
Inverness Counsel, Inc. – Mgmt. Fee for Q/E 9/30/2009	\$136,195.27
TOTAL	\$140,742.18

4. Approval of DROP Benefit(s) – Ordinance 1443 (Fire). Prior to any Board action, Karen Warner noted that the form-of-benefit election was received from F/F Joseph D'Onofrio since agenda packets were mailed out. She requested that the Board consider adding this election to the agenda if meeting with their approval. Motion by Steve Dougherty, second by Vicki Minnaugh, to add F/F Joseph D'Onofrio to the agenda as requested. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the calculation of DROP Benefits as presented. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit
F/F Joseph D'Onofrio	4/01/2009	3/31/2014	Joint & 100% Contingent
F/F John McCarthy	5/01/2009	4/30/2014	10-Year Certain & Life

5. **Request for DROP Account Distribution(s)** – Prior to any Board action, Karen Warner noted that a DROP distribution request was received from F/F Jerry Scott, as was the usual “415” letter from Actuary Larry Wilson, since agenda packets were mailed out. She requested that the Board consider adding this request to the agenda if meeting with their approval. Motion by Gary Arenson, second by Vicki Minnaugh, to add F/F Jerry Scott to the agenda as requested. The motion carried unanimously. The following DROP account distribution requests were presented for Board consideration:

- | | |
|---------------------|--------------|
| ▪ F/F Jimmy Sanchez | Lump Sum *** |
| ▪ F/F Jerry Scott | Lump Sum *** |
| ▪ P/O Kenneth Witte | Monthly *** |

*** (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 Isadore Nachimson, to approve the distribution requests for Jimmy Sanchez, Jerry Scott and Kenneth Witte as presented. The motion carried unanimously.

UNFINISHED BUSINESS

6. **Letter from Robert Friedman, Esq. (Holland & Knight) – Plan Amendments.** Due to the complexity of the amendments involved, Attorney Cypen recommended that in-depth discussion be tabled until such time as Attorney Friedman can be present. Motion by Isadore Nachimson, second by Vicki Minnaugh, to table discussion on this item until Robert Friedman, Esq. can be in attendance. The motion carried unanimously. The Pension Office will extend this invitation to Attorney Friedman and reschedule the item for discussion at his convenience.
7. **Memorandum from Attorney Cypen – Policy for Disclosure of Placement Agent Fees.** Attorney Cypen led a brief discussion about the purpose of having such a policy in place – namely, to insure that any amounts paid to third party marketers or independent contractors be disclosed to the Board. Motion by Steve Dougherty, second by Vicki Minnaugh, to adopt the policy provided by Attorney Cypen. The motion carried unanimously. The document will be personalized and prepared for signature at the August 20th meeting.

NEW BUSINESS

8. **Review / Approve: Request to Discontinue Buy-Back – P/O Sean Yap.** Agenda packets included a copy of Larry Wilson's letter regarding this matter. Actuary Wilson indicates that P/O Yap's buy-back payments to date total \$55,529.46, which fully pays for 2 years, 6 months and 22 days of additional credited service. P/O Yap's modified Normal Retirement Date will be July 6, 2014. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the discontinuance of buy-back payments for P/O Sean Yap as presented. The motion carried unanimously. The Pension Office will notify the City's Payroll Department regarding this action.
9. **Review / Approve: Financial Reports for Q/E 12/31/2008.** Prior to any Board action, Karen Warner noted that Joan Wall has also completed the Financial Reports for Q/E 3/31/2009 since agenda packets were mailed out. She requested that the Board consider adding this item to the agenda if meeting with their approval. Motion by Vicki Minnaugh, second by Gary Arenson, to add Financial Reports for the Q/E 3/31/2009 to the agenda as requested. The motion carried unanimously. Motion by Gary Arenson, second by Adam Cabeza, to approve the Financial Reports for Q/E 12/31/2008 and Q/E 3/31/2009 as presented. The motion carried unanimously.
10. **Review / Discuss: Fee Sharing Agreement – First Marblehead, Inc. Securities Litigation.** Chairman Ryan requested clarification on the fee sharing agreement between lawyers in these litigation cases. Attorney Cypen explained that the Florida Bar provides rules for such arrangements, either based upon hourly fees or on a contingency basis. He added that he maintains agreements with a number of law firms he works with; and generally he will receive between 6% – 16% of legal fees awarded and approved by the Court. Attorneys' fees are based upon a piece of the recovery.

Discussion followed regarding the concept of negotiating fee-sharing fees as it relates to any amounts that may be recoverable by the Fund. This would be similar to the negotiation of a portion of placement agent fees (which Attorney Cypen has previously stated is possible). Attorney Cypen noted that the Board certainly has the right to negotiate with the primary law firm for any fees that may be recoverable by the Fund, adding that this should be done on a case-by-case basis. Motion by Gary Arenson, second by Vicki Minnaugh, to accept the "contingency fee basis" in future securities litigation cases, so long as the Fund's amount of recovery is not affected by such an arrangement. The motion carried unanimously.

11. **Reports:**

Actuary – Larry Wilson reported that the City requested his presence at an administrative hearing in the matter of F/F Kenneth Fritz. The hearing was held on July 1st in Lauderdale Lakes, and the judge was video conferenced in from Tallahassee. Mr. Wilson was asked to explain the methodology used in Mr. Fritz's calculations. ACA Julie Klahr also testified on behalf of the City. Mr. Fritz was in attendance and represented himself in this proceeding. The judge requested proposed orders from each side by Tuesday, July 14th. Mr. Wilson has heard nothing further regarding this matter.

The Actuary for the City's General Employees' Plan requested census data used for the 10/1/2008 Fire & Police Actuarial Valuation. They also requested Social Security Numbers, and Mr. Wilson advised that he would need Board approval to release that confidential information. The request for Social Security Numbers has subsequently been withdrawn.

As for any future discussion or review pertaining to recommended Plan Amendments, GRS would ask to be included in that process from an actuarial perspective.

Attorney – Attorney Cypen spoke briefly about the provisions of CS SB 538. Significant areas affecting the plan are an increase in International investments to 25% maximum (on a market value basis); divestiture of any holdings in "scutinized" companies; and expanding the length of Trustee terms from 2 years to 4 years. Vinnie Garcia and Neil Vaughn (union representatives for Fire and Police, respectively) indicated they have yet to discuss these issues with the City.

Chairman – None.

Plan Administrator – Karen Warner – The Pension Office has received a request from F/F Gino Christi to **increase** his monthly deduction for alimony effective August 1, 2009. An Income Deduction Order is currently in effect. Attorney Cypen added that there is nothing to prohibit a member from voluntarily increasing such payments. Decreases, on the other hand, would require a modified Income Deduction Order to be filed with the Plan. Motion by Vicki Minnaugh, second by Gary Arenson, to approve F/F Christi's request to voluntarily increase his monthly deduction for alimony. The motion carried unanimously. The Pension Office will notify Fiduciary Trust (custodian) regarding this action.

The City Clerk's Office confirms that the City Commission has reappointed Vicki Minnaugh and Isadore Nachimson as City appointees to this Board. Their terms will expire on May 31, 2011.

Terms for the following elected trustees will expire on September 30, 2009:

<u>Fire</u>	<u>Police</u>
Richard Moss	Carl Heim
Adam Cabeza	Kevin McCluskey

In anticipation of an election for these 2-year positions, Jim Fisher has prepared a proposed "**Election Time Table**". The Board was asked to consider adding this request to the agenda if meeting with their approval. Motion by Vicki Minnaugh, second by Gary Arenson, to add the 2009 Election Time Table to the agenda. The motion carried unanimously.

ELECTION TIME TABLE – 2009

<u>7/21/2009</u> (Tuesday)	" <u>Notice to File as a Candidate for Trustee</u> " will be posted in each Department and on the plan's website. Completed notices must be <u>RECEIVED AT THE PENSION OFFICE</u> no later than <u>5 PM</u> on <u>TUESDAY, AUGUST 11, 2009</u> .
<u>8/12/2009</u> (Wednesday)	" <u>Election Notice of Candidates</u> " running for office will be posted in each Department and on the Plan's website.
<u>8/19/2009</u> (Wednesday)	Ballot Envelopes will be mailed out. Completed ballots must be <u>RECEIVED AT THE PENSION OFFICE</u> no later than <u>5 PM</u> on <u>TUESDAY, SEPTEMBER 15, 2009</u> .
<u>9/16/2009</u> (Wednesday)	Ballots will be counted at the <u>PENSION OFFICE</u> beginning at <u>10 AM</u> . Anyone wishing to observe this process is welcome to attend.

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the 2009 Election Time Table as presented. The motion carried unanimously.

Henry Renard (Inverness Counsel) asked that the Board be apprised about CIT. Board Members should not be alarmed by any CIT coverage they may see. Inverness was granted a waiver regarding CIT at the May meeting; and they eliminated the fund's position between May and July 7th. Mr. Renard added that CIT shares are currently selling for substantially less than what Inverness sold them for.

The Pension Office is in receipt of additional bills for payment and other benefit disbursements for approval. Chairman Ryan presented Warrant #459 for addition to the agenda and approval for payment. Motion by Gary Arenson, second by Vicki Minnaugh, to add Warrant #459 to the agenda. The motion carried unanimously. Motion by Gary Arenson, second by Gary Arenson, to approve the payment of Warrant #459 as presented in the amount of \$154,874.87. The motion carried unanimously, authorizing the payment of:

P/O David Golt – Normal Retirement Benefit Effective 8/1/2009		***
P/O Kenneth Witte – Normal Retirement Benefit Effective 8/1/2009		***
P/O Kenneth Witte – Monthly DROP Withdrawal Effective 8/1/2009		***
P/O Kenneth Wagner – Normal Retirement Benefit Effective 7/1/2009		***
F/F Jimmy Sanchez – Lump Sum DROP Withdrawal		***
F/F Jerry Scott – Lump Sum DROP Withdrawal		***
F/F Kevin Esparza – Refund of Contributions (Terminated 6/8/2009)		***
U.S. Treasury – FIT Withholding (DROP Withdrawals and/or Refunds)		***
Gabriel, Roeder, Smith & Co. – Prof. Services for June, 2009	\$10,492.00	
Sawgrass Asset Management – Mgmt. Fees for Q/E 6/30/2009	\$16,484.00	
Independence Investments LLC – Mgmt. Fees for Q/E 6/30/2009	\$21,035.70	
Joan L. Wall – Bookkeeping (1/5/2009 – 7/11/2009)	\$1,782.85	
Adam Cabeza – Reimb. Conference Exp (FPPTA)		
Parking	\$106.52	
Per Diem	240.00	
Mileage 84 @ \$.55/mi.	46.20	
(Adj. for personal exp.)	<u>-45.00</u>	
	\$347.72	\$347.72
Richard Moss – Reimb. Conference Exp (FPPTA)		
Hotel	\$920.73	
Parking	76.68	
Per Diem	300.00	
Conf. Registration	<u>550.00</u>	
	\$1,847.41	\$1,847.41

SunTrust Bank (Visa – Fisher)	Shutter Install. Svc. (Renewal)	\$50.00	
	Gasoline	36.02	
	AT&T	364.65	
	Bellsouth	398.62	
	Monthly Storage	104.00	
		<u>\$953.29</u>	\$953.29
SunTrust Bank (Visa – Warner)	FPPTA Hotel (Cabeza)	\$612.00	
	Xerox (maintenance & copies)	153.02	
	Bd Mtg / Ofc Supplies	1,859.74	
		<u>\$2,624.76</u>	\$2,624.76
Buckhead Capital Management – Mgmt. Fees for Q/E 6/30/2009			\$10,686.18
*** (See Attachment A)		TOTAL	\$154,874.87

Jim Fisher – None.

12. **Input from Retirees:** None.

13. **Input from Active Members:** F/F Vinnie Garcia stated that Firefighter negotiations are currently underway with the City. As was done for the Police union, he requests that the Firefighters be allowed to utilize the services of GRS for any needed studies. Following discussion, motion by Gary Arenson, second by Vicki Minnaugh, to authorize reasonable GRS expenses in conjunction with Fire negotiations, not to exceed \$25,000.00. The motion carried unanimously.

14. **Adjournment** – Chairman Ryan announced that the next regular meeting would be held on Thursday, August 20, 2009. At 2:00 pm, investment presentations will be made by Dahab Associates, Atlanta Capital, Sawgrass Asset Management and Inverness Counsel. The regular order of business will begin at 4:00 pm. There being no further business before the Board, motion by Vicki Minnaugh, second by Steve Dougherty, to adjourn the meeting at 4:50 pm. The motion carried unanimously.


James Ryan – Chairman


Carl Heim – Secretary