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 – JANUARY 17, 2013

The four hundred and eleventh meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:17 p.m. by Chairman Carl Heim.

1. **Roll Call** –

Fire Members	Police Members	City Members
Adam Cabeza	Carl Heim	Gary Arenson
Steve Dougherty	Kevin Venema	Vicki Minnaugh
Frank Musumeci	Al Xiques	

Others Present: Alison Bieler, Attorney for the Fund; Larry Wilson, Plan Actuary; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator. Ms. Minnaugh requested an absence in December for this meeting. Motion by Steve Dougherty, second by Gary Arenson, to excuse Vicki Minnaugh. The motion carried unanimously.

Isadore Nachimson was missing from this meeting. The Board discussed his absences and the fact that he may not be well enough to attend future meetings. The Administrator will reach out to Mr. Nachimson to inquire about his well-being. Mr. Nachimson's term as a trustee expires May 2013.

2. **Approval of Minutes for December 20, 2012** – Chairman Heim presented minutes from the December 20, 2012 meeting for approval. Motion by Adam Cabeza, second by Steve Dougherty, to approve the minutes. The motion carried unanimously.

3. **Approval of Warrant #560** – Chairman Heim presented Warrant #560 in the amount of $184,235.16 for approval and payment. Motion by Al Xiques, second by Gary Arenson, to approve as presented. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Cypen & Cypen – Monthly Retainer for January 2013	$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Feb. 2013)	407.72
Twilight Industries, LLC – (Maintenance – January 2013)	152.00
Sun Sentinel Subscription – 1/11/13 through 3/21/13	$36.24
Employers Preferred Ins. Co – 1/23/13 through 1/23/14	$723.00
FP&L thru 12/28/12 (already paid)	$199.24
Inverness Counsel – 1/1/13 through 3/31/13	$179,466.96
TOTAL	$184,235.16

4. **Approval of DROP Benefit(s)** – The following DROP Benefit was presented for Board consideration:

- F/F Lee Bennett Joint & 75% Contingent

Motion by Steve Dougherty, second by Al Xiques, to approve the DROP Benefit for Lee Bennett. The motion carried unanimously.

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

- F/F Gabriel Cardenas (Lump Sum & Monthly) ***
- F/F *Beneficiary* Deborah DeSantis (Lump Sum) ***

- F/F Louis Nettina (Lump Sum) ***
- F/F Joseph Montopoli (Monthly) ***
- P/O Glen Parker (Monthly) ***
- F/F David Saxon (Lump Sum) ***
- F/F Laurence Shahboz (Lump Sum) ***
- P/O Martin Smith (Lump Sum) ***
- F/F Michael Vincent (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 Gary Arenson, second Steve Dougherty, to approve the account distributions as presented. The motion carried unanimously.

UNFINISHED BUSINESS

6. **Review and Approve DROP Loan Interest Rate for Q/E 3/31/2013** – 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 Gary Arenson, 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.

NEW BUSINESS

None

7. **Reports**:

Actuary – Plan Actuary Larry Wilson addressed the Board on the new Government Accounting Standards (GASB) requirements. He referred to GASB 67 and 68. GASB 67 applies to the statements issued by the Pension plans and is to take effect no later than the period ending 9/30/14. GASB 68 applies to the City financial statements and is to take effect no later than the period ending 9/30/15. The new standards separate the funding and the accounting, like the private sector does. As well, it will eliminate smoothing and force the assets to be recorded on the accounting statements at market value.

Mr. Wilson also discussed proposed changes currently being discussed by the Florida Senate's various committees reading the application and use of premium tax monies. Both the League of Cities and the Unions have objected to different parts of the proposal.

Attorney – Plan Attorney Alison Bieler discussed the ruling of the Florida Supreme Court in the Florida Retirement System case that was issued shortly before the Board meeting that same day. The Supreme Court overturned the lower court's decision. They found it was not unconstitutional to convert FRS to a contributory system or to eliminate COLAs.

Chairman – No report from the Chairman.

Plan Administrator – Administrator Fisher formally presented special Warrant #561 for addition to the agenda. Motion by Gary Arenson, second by Al Xiques, to add Warrant #561 to the agenda. The motion carried unanimously. Motion by Adam Cabeza, second by Gary Arenson, to approve Warrant #561 as presented in the amount of $389,113.43. The motion carried unanimously.

Plan Benefits:	
F/F David Whitworth - Normal Retirement Benefit Commencing 2/1/2013	***
DROP Withdrawals:	
F/F Gabriel Cardenas – Lump Sum DROP Withdrawal	***
F/F Gabriel Cardenas – Monthly DROP Withdrawal effective 2/1/13	***
F/F Louis Nettina – Lump Sum DROP Withdrawal	***

F/F Deborah DeSantis - Lump Sum DROP Withdrawal	***
P/O Martin Smith – Monthly DROP Withdrawal effective 2/1/13	***
F/F Michael Vincent – Lump Sum DROP Withdrawal	***
F/F Laurence Shahboz – Lump Sum DROP Withdrawal	***
F/F David Saxon – Lump Sum DROP Withdrawal	***
P/O Glen Parker – Monthly DROP Withdrawal effective 2/1/13	***
F/F Joseph Montopoli – Monthly DROP Withdrawal effective 2/1/13	***
U.S. Treasury – FIT – W/H (Cardenas, Nettina, DeSantis, Vincent, Shahboz, Saxon)	***
Various:	
SunTrust (J. Fisher)	$1,939.45
SunTrust (R. Maldonado)	$2,241.62
Lee Munder – Mid Cap Core Q/E 12/31/12	$29,168.26
Lee Munder – Large Cap Focus Q/E 12/31/12	$25,874.77
Fiduciary – Stewart Q/E 12/31/12	$589.20
Fiduciary – Herndon Q/E 12/31/12	$1,739.78
Fiduciary – Lee Munder Ind Q/E 12/31/12	$1,833.94
Fiduciary – Wells Capital Q/E 12/31/12	$1,828.67
Fiduciary – Lee Munder Mid Cap Q/E 12/31/12	$1,852.31
Fiduciary – R&D Account Q/E 12/31/12	$1,250.00
Fiduciary – Inv Account Q/E 12/31/12	$7,525.13
Stewart Capital Advisors, LLC – Mid Cap Q/E 12/31/12	$10,310.34
GRS – Nov. 2012	$4,642.00
GRS – Dec. 2012	$18,194.00
TOTAL	**$389,113.43**

*** (See Attachment A)

Administrator Fisher informed the Board that Goldstein Schechter Koch is scheduled to present the final draft of the annual audit at the February meeting. He also confirmed the State report must be submitted by March 15th. The "Are You Alive?" Affidavits have been mailed and are due February 8th, 2013.

There was discussion on changing the Board meeting time. The Board agreed to table the discussion until the following month when Ms. Minnaugh returned.

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

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

11. **Input from Trustees:** Gary Arenson summarized the discussion at the Ad Hoc meeting held on January 17th at 3:00 PM, prior to the regular meeting. He mentioned the committee's intent to review the consultant's fee.

12. **Adjournment** – Chairman Heim announced that the next regular meeting would be held on **Thursday, February 21st** at 2:00 p.m. for the quarterly investment meeting, immediately followed by the regular meeting. Attendance is expected by associates from Dahab, Herndon, T/A Realty, and Inverness. There being no further business to come before the Board, motion by Frank Musumeci, second by Al Xiques, to adjourn the meeting at 4:59 p.m. The motion carried unanimously.

Carl Heim – Chairman

Kevin Venema – Secretary

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AD HOC COMMITTEE – January 17, 2013

Chairman Gary Arenson called to order a meeting of the Contracts AD HOC COMMITTEE at 3:19 p.m.

1. **Roll Call –**

Fire Members	Police Members	City Members
Steve Dougherty	Al Xiques	Gary Arenson

Others Present: Alison Bieler from Cypen & Cypen; James Fisher, Plan Administrator; and Rachel Maldonado, Asst. Plan Administrator.

2. **Review of Consultant's Contract – Dahab Associates.** Chairman Arenson presented the contract currently in force with Dahab Associates for consulting services. Each member was provided with a copy of the original contract and any amendments to the original agreement prior to the meeting. Alison Bieler reviewed the related paperwork. Regarding the original contract, she said that everything in the contract was up to par. The Board agreed that the current contract in place was fine.

The Committee discussed the manner in which Dahab is paid. The Board pays based on a percentage of the money in the Plan, whereas many other consulting firms agree to a fixed rate. The Committee looked at the pros and cons of keeping the firm on percentage-based payments versus switching to a flat rate/fixed fee format.

The Committee explored evaluating Dahab with a third party/neutral party to be able to assess the Plan's performance. However, they indicated that they were not interested in putting out an RFP and instead, might just issue a request for qualifications. No decision was made at this time as to how the Board might independently evaluate the performance of Dahab Associates. The Committee asked the Administrator to reach out to his counterparts in other cities to inquire as to the method of payments for other consultants, while also determining the size of the plan assets and the number of managers employed.

3. **Adjournment –** Motion by Al Xiques, second by Steve Dougherty, to adjourn the committee meeting. The motion carried unanimously. The meeting adjourned at 4:06 p.m. The next meeting will be scheduled at a later date, to be determined by the Committee.

Gary Arenson – Ad Hoc Committee Chairman