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 – SEPTEMBER 16, 2010

The three hundred and eighty-first 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 Chairman Steve Dougherty.

1. **Roll Call –**

Fire Members	Police Members	City Members
Adam Cabeza	Carl Heim	Gary Arenson
Steven Dougherty	Kevin McCluskey	Vicki Minnaugh
	James Ryan	Isadore Nachimson

Others Present: Larry Wilson from Gabriel, Roeder, Smith & Co.; Disability Applicant P/O Victoria Hines and legal counsel Louis P. Pfeffer, Esq.; Deputy City Attorney Julie Klahr; F/F Frank Musumeci; P/O Humberto Chirino, Steven Faby and Thomas House; Alison Bieler, Esq. from Cypen & Cypen; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. **Approval of Minutes for August 19, 2010.** Chairman Dougherty presented minutes from the August 19, 2010 meeting for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

3. **Ratification of Warrant #493.** Chairman Dougherty presented Warrant #493 in the amount of $1,000,000.00 for Board ratification. It was noted that this warrant was previously circulated for interim signatures (as directed at the August Board meeting) following the presentation by representatives from State of Israel Bonds. Motion by Vicki Minnaugh, second by Isadore Nachimson, to ratify Warrant #493 as presented. The motion carried unanimously, ratifying the payment of:

State of Israel Bonds. (per attached wiring instructions) for:	
State of Israel Bonds, Floating Rate Libor	$1,000,000.00
TOTAL	**$1,000,000.00**

4. **Approval of Warrant #494.** Chairman Dougherty presented Warrant #494 in the amount of $64,503.46 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 September, 2010	$3,250.00
Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for October, 2010	$407.72
Karen Warner – Mo. Allowance for September, 2010 (Med/Dental/Life)	$375.00
James Fisher – Mo. Allowance for September, 2010 (Med/Dental/Life)	$308.00
LEAF – Xerox Copier Lease for September, 2010	$194.23
Twilight Industries, LLC – Office Maintenance for September, 2010	$152.00
Ultimate Security – Monitoring 9/21/2010-12/21/2010	$75.00
Goldstein Schechter Koch – Progress work for 9/30/2010 audit	$500.00
Fiduciary Trust Co. – Custody Fee for Q/E 7/31/2010 (Inverness)	$14,403.47
FPPTA – CPPT Registration for NYSE Trip (Cabeza)	$600.00
FPL – Electric service 7/28/2010-8/26/2010	$199.92
State Street Global Advisors – Mgmt. Fee for Q/E 6/30/2010 (S&P Midcap Index)	$4,647.21
State Street Global Advisors – Mgmt. Fee for Q/E 6/30/2010 (International)	$39,390.91
TOTAL	**$64,503.46**

5. **<u>Request for DROP Account Distribution(s)</u>** – Since agenda packets were mailed out for this meeting, an additional DROP distribution request has been received from P/O Nick Naples. Karen Warner asked that the Board consider adding this request to the agenda if meeting with their approval. Copies of Mr. Naples' request were distributed. <u>Motion by Vicki Minnaugh, second by Gary Arenson, to add the distribution request from P/O Nick Naples to the agenda as requested. The motion carried unanimously</u>.

The following DROP account distribution requests were then presented for Board consideration:

- P/O Michael Arnett — Monthly ***
- P/O Nick Naples — Monthly ***
- F/F Leslie Ortagus — Monthly ***

*** (See Attachment A)

Actuary Larry Wilson has provided the necessary letter for each of the above requests, indicating that these distributions would not pose a problem with the 415 limitation at the present time. <u>Motion by Vicki Minnaugh, second by Carl Heim, to approve the distribution requests for Michael Arnett, Nick Naples and Leslie Ortagus as presented. The motion carried unanimously</u>.

UNFINISHED BUSINESS

6. **Approval of DROP Benefit(s) – Ordinance 1669 (Fire)** (continued from 8/19/2010)

	DROP Eff. Date	DROP Term. Date	Form of Benefit
F/F Jaime Friedman	8/01/2010	7/31/2015	10-Year Certain & Life

<u>Motion by Vicki Minnaugh, second by Gary Arenson, to approve the calculation of DROP Benefit(s) as presented</u>.

Lengthy discussion followed as several Trustees expressed concern and frustration over conflicting advice provided by legal counsel. The Fund's procedure for processing DROP applicants, DROP calculations and subsequent Board approval of the DROP applicant's "form of benefit" selection has not changed. The information relayed to F/F Friedman was based upon Counsel's response to previous questions from the Trustees. Mr. Friedman was led through the DROP entry process and his DROP benefit was calculated based upon Counsel's position. A timeline of events was reviewed. The situation became problematic with Attorney Cypen's August 19th announcement that additional details had been provided by Assistant City Attorney Julie Klahr that altered previous advice given at the June and July meetings [see minutes of 8/19/2010, agenda item #8].

Deputy City Attorney Julie Klahr summarized the City's position with regard to F/F Friedman (and to P/O Chirino – Agenda Item #7), stating that they do not wish for any member to be monetarily penalized. She added that the City does not object if a member opts to stay past 20 years in order to achieve an 80% benefit.

Alison Bieler responded that the legal opinions given to the Board have always been consistent. She believes the confusion arose from counsel being told the member was retired, adding that a member is not ***legally*** retired until approved by the Board. Ms. Bieler stated that the member should have requested a special Board meeting prior to the City Commission's August 4th approval of Ord. 1669 on second reading. She added that the problem lies with the Plan's administrative staff and their misunderstanding of when an applicant is retired. The Trustees disagreed, asserting that they, too, were in attendance when this issue was addressed directly with Mr. Cypen.

The above motion was withdrawn by the maker and by the second.

<u>Motion Gary Arenson, second by Vicki Minnaugh, directing GRS to calculate F/F Jaime Friedman's benefits based upon the new ordinance provisions. Further, that the member be allowed to work to a later date, if he chooses, to achieve an 80% benefit</u>.

Roll call vote:

For the motion: (6)

Gary Arenson
Adam Cabeza
Steve Dougherty
Vicki Minnaugh
Isadore Nachimson
James Ryan

Against the motion: (2)

Carl Heim
Kevin McCluskey

The motion carried.

Actuary Larry Wilson advised their office will need additional payroll information to calculate the 80% benefit achieved past twenty years of service.

7. **Approval of DROP Benefit(s) – Ordinance 1669 (Police)** (continued from 8/19/2010)

	DROP Eff. Date	DROP Term. Date	Form of Benefit
P/O Humberto Chirino	7/01/2010	6/30/2015	Joint & 75% Contingent

P/O Chirino's situation is the same as for F/F Jaime Friedman (see Agenda Item #6 above). Mr. Chirino address the Board relaying the sequence of events he experienced. He spoke with Trish Shoemaker, Division of Retirement in Tallahassee, for clarification on when a member is officially retired. Ms. Shoemaker expressed her opinion that a member is officially retired upon reaching the Plan's age and/or service requirements. Alison Bieler stated this was another example of a layperson addressing a situation. A member is eligible for retirement upon reaching the Plan's age and service requirements. She reiterated the earlier statement that the member was not ***legally*** retired until the member's retirement application is approved by the Board and added that this is part of the Board's administrative and fiduciary duties.

Mr. Chirino requested direction relative to case law precedent; there was no specific response from Ms. Bieler. She continued by explaining that she and Julie Klahr spoke numerous times, between first and second reading, and had concluded that there was no consideration given to accommodating people in this gray area. Mr. Chirino added that he had no idea he should have requested a special Board meeting as mentioned during the Friedman matter.

Motion Gary Arenson, second by Vicki Minnaugh, directing GRS to calculate P/O Humberto Chirino's benefits based upon the new ordinance provisions. Further, that the member be allowed to work to a later date, if he chooses, to achieve an 80% benefit.

Roll call vote:

For the motion: (6)

Gary Arenson
Adam Cabeza
Steve Dougherty
Vicki Minnaugh
Isadore Nachimson
James Ryan

Against the motion: (2)

Carl Heim
Kevin McCluskey

The motion carried.

Based upon Ms. Bieler's earlier comment, Vicki Minnaugh stated each member should clearly understand the importance of being told they are not retired (Dropped or in pay status) until formally approved by the Board at a public meeting. Ms. Bieler added that she and Ms. Klahr discussed the possibility that member calculations be prepared in advance in order to avoid similar occurrences. The process was described again, as were the reasons supporting the process. Actuary Larry Wilson suggested the Trustees might consider making an online password-protected benefit calculator available to the members. He will plan to discuss further at the October 21st meeting.

NEW BUSINESS

8. **Informal Disability Hearing – P/O Victoria Hines.** Louis Pfeffer, Esq. addressed the Board on behalf of his client. He commended the Board for the professional manner in which Ms. Hines' disability records were presented, and gave a brief summary of events leading up to her disability application. The basis of Ms. Hines' application is super ventricular tachycardia (speeding of the heart), and she seeks the disability award on the presumption provision of FS 185.34. Mr. Pfeffer referred to the IME results of all three doctors, noting that Drs. Starr and Stone affirmed total, permanent and service-connected disability. Dr. Lupu's opinion questioned an abnormal pre-employment ECG (page 60 of medical records). Alison Bieler added that, in her opinion, Drs. Starr and Stone did not clearly address the issue of presumption and felt it would be prudent for the Board to seek clarification with respect to the abnormal pre-employment ECG results and whether the results are a cause for concern. Following discussion by various Trustees, motion by Carl Heim, second by Kevin McCluskey, to approve the application for total, permanent and service-connected disability for P/O Victoria Hines.

Roll call vote:

For the motion: (4)	Against the motion: (4)	
Gary Arenson	Adam Cabeza	
Carl Heim	Steve Dougherty	
Kevin McCluskey	Vicki Minnaugh	
James Ryan	Isadore Nachimson	The motion failed.

Motion by Gary Arenson, second by Vicki Minnaugh, to ask Dr. Margaret Starr and Dr. Martin Stone to re-evaluate and clarify their positions on the statutory presumption of FS 185.34 in light of the abnormal pre-employment ECG results (page 60 of medical records). The motion carried with 1 vote in opposition (McCluskey).

Alison Bieler stated that the "informal hearing" will automatically continue to the next meeting and that a motion for same was unnecessary. She added that if the Trustees deny the application at the informal stage they could hold a special meeting prior to October 21st, as the formal process could be lengthy.

9. **Review / Approve – COLA increases for Police Officers (Effective 10/1/2010)**
Review / Approve – Warrant #495 in the amount of $435,500.58

Agenda packets included calculations prepared by GRS and a copy of Warrant #495. Karen Warner distributed revised calculations received on September 16th and revised Warrant #495. She noted that the only change was to the COLA amount for P/O Gerard Arzillo; his COLA should have been based on the gross benefit before Board offset. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the COLA calculations for Police Officers effective 10/1/2010 as prepared by GRS. The motion carried unanimously.

Motion by Gary Arenson, second by Vicki Minnaugh, to approve payment of Warrant #495 in the amount of $435,500.58 as presented. The motion carried unanimously, authorizing the payment of:

MONTHLY BENEFITS FOR POLICE OFFICERS EFFECTIVE 10/1/2010
REFLECTS COLA INCREASES EFFECTIVE 10/1/2010

	$ COLA/mo.	Benefit 10/1/2010
Andrews, Glenn L.	***	***
Arcuri, Anthony	***	***
Arnett, Michael J.	***	***
Arzillo, Gerard M.	***	***
Bedell Jr., John E.	***	***
Belusko, David A.	***	***
Birkenheuer, John J.	***	***
Birkenheuer, Kimberly	***	***
Bradford, Mark G.	***	***

Buchholz, Kevin	***	***
Burns, Teresa A.	***	***
Campolo, Richard	***	***
Cerny II, James A.	***	***
Cortese, Gregory S.	***	***
Crawford Jr., Fred J.	***	***
Demma, Joseph M.	***	***
Dilenge, James L.	***	***
Drummond, Terri Rousseau	***	***
Dutton, Pamela J.	***	***
Edwards, James D.	***	***
English, Russell P.	***	***
Ewing, Sandra	***	***
Falzone Sr., Vincent J.	***	***
Felix, William H.	***	***
Fidler, Charles B.	***	***
Fisher, James F.	***	***
Fiumefreddo, Robert	***	***
Fontana, John V.	***	***
Fosman, David	***	***
Garris, Dale A.	***	***
Golt, David	***	***
Guerra, Alfredo J.	***	***
Hall Jr., Carl W.	***	***
Hartmann, Amy	***	***
Haywood, Leslie L.	***	***
Hazzard, Irene S.	***	***
Hitchings, Gregory	***	***
Hones, Kevin T.	***	***
Ikalina, Glenn B.	***	***
Irlanda, Carlos	***	***
Jacob, John F.	***	***
Jacob, William A.	***	***
Jomant, Michael J.	***	***
Jones, Robert C.	***	***
Knapp, Edward B.	***	***
Lachmiller, William E.	***	***
Lewis, Mark N.	***	***
Lombardo, John J.	***	***
Lynn, Patrick A.	***	***
McLoughlin, Warren R.	***	***
Maynard, William W.	***	***
Michaud, France R.	***	***
Moloney, Brianna	***	***
Naples, Nick	***	***
Nasta, John P.	***	***
Noonan, Leonard W.	***	***
Novak Jr., Joseph W.	***	***
O'Shea, David E.	***	***
Palant, Keith	***	***
Parsons, David A.	***	***
Pazienza, Angelo	***	***
Primeau, Gerald A.	***	***

Raimondi, Onofrio A.	***	***
Reilly, Mary J.	***	***
Riddick, Glen D.	***	***
Rosinsky, Lisa	***	***
Rosinsky, Matthew P.	***	***
Rosinsky, Sean B.	***	***
Sadagursky, Thomas	***	***
Salazar, Andrew	***	***
Schelling, Carl J.	***	***
Schooley, Larry E.	***	***
Segarra, Michael E.	***	***
Smith, Andrew J.	***	***
Smith, Martin B.	***	***
Spaulding, Tamara L.	***	***
Stanton, John T.	***	***
Tighe, John H.	***	***
Varley, Gregory W.	***	***
Vitale, Ambrose C.	***	***
Wagner, Kenneth R.	***	***
Walsh, Thomas V.	***	***
Webster, Leroy F.	***	***
Wilford, Muriel C.	***	***
Witte, Kenneth	***	***
Wright, Raymond R.	***	***
Yetto, Joseph M.	***	***
Zamora, Reynold	***	***
*** (See Attachment A) **TOTAL**	**$10,230.84**	**$435,500.58**

The motion carried unanimously.

10. **Trustee Election Results.** Karen Warner distributed copies of the balloting results. She reported that Firefighter ballots were counted on the morning of September 16th. F/F Steve Dougherty received the highest number of votes; therefore, his new term of office will be for the two-year term 10/1/2010 – 9/30/2012. The candidate who received the next highest number of votes (in a very close contest) was F/F Frank Musumeci, who will serve through September 30, 2011 (filling the vacancy left by the retirement of Richard Moss). F/F Musumeci was introduced to the Trustees. The Pension Office has asked that he go to the City Clerk's office to be sworn in prior to September 30th. A "new trustee" binder will be provided to him in the near future containing reference materials.

    As reported at the August 19th meeting, P/O James Ryan ran unopposed in his bid for reelection; therefore, he will automatically serve for the 2-year term 10/1/2010 – 9/30/2012 representing the Police Department.

11. **Review / Approve – Financial Reports for Q/E 6/30/2010.** Karen Warner explained that no action can be taken on this item at the present time. While it was expected that the reports would be completed for this meeting, they have not yet been finalized.

12. **Reports:**

    Actuary – None.

    Attorney – None.

    Chairman – No report. Chairman Dougherty felt his opinion and the opinions of other Trustees were thoroughly expressed under Agenda Item #6 as to disappointment with counsel's advice and the manner that the situation evolved.

Plan Administrator – Jim Fisher reported on the ATT telephone contract. Since the last meeting, Chairman Dougherty executed the new contract with C-Beyond effective 12/3/2010. Phone and internet expenses should be reduced by approximately 50%. Motion by Vicki Minnaugh, second by Gary Arenson, to ratify entering into a 3-year contract with C-Beyond for phone and internet services. The motion carried unanimously.

Karen Warner thanked all of the Trustees for their expressions of sympathy and kind words of encouragement on the recent death of her father.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Chairman Dougherty presented Warrant #496 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Gary Arenson, to add Warrant #496 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the payment of Warrant #496 as presented in the amount of $43,562.85. The motion carried unanimously, authorizing the payment of:

F/F Thomas Kelly – Normal Retirement Benefit commencing 10/1/2010			***
F/F Leslie Ortagus – Normal Retirement Benefit commencing 10/1/2010			***
P/O Michael Arnett – Monthly DROP Withdrawal commencing 10/1/2010			***
F/F Leslie Ortagus – Monthly DROP Withdrawal commencing 10/1/2010			***
P/O Nick Naples – Monthly DROP Withdrawal commencing 10/1/2010			***
Gabriel, Roeder, Smith & Co. – Prof. Fees for August, 2010			$20,666.00
Purchase Power – Postage Meter Refill			$400.00
SunTrust Bank (Visa – Fisher)	Bd Mtg / Off Supplies	$342.09	
	Gasoline	40.01	
	Pest Control	35.00	
	AT&T	377.10	
	AT&T / Bellsouth	398.36	
	Monthly Storage	104.00	
		$1,296.56	$1,296.56
SunTrust Bank (Visa – Warner)	Xerox (mo. Maintenance)	$21.60	
	Bd Mtg / Ofc Supplies	197.94	
	ISP	24.95	
		$244.49	$244.49
*** (See Attachment A)		**TOTAL**	**$43,562.85**

Karen Warner expressed disappointment with Ms. Bieler's comments during the Friedman matter pertaining to staff's understanding and communication skills. Information passed along to our members is the same information told to the Trustees. Any perceived communication problem is misdirected to Pension Office staff.

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

14. **Input from Active Members**: Regarding the discussion on estimated benefits ninety days prior to a member's Drop / Retirement date, F/F Frank Musumeci questioned whether it would be prudent for the Board to approve the retirement pending the receipt of final numbers. Alison Bieler stated doing so would be a breach of Fiduciary responsibility.

15. **Adjournment** – Chairman Dougherty announced that the next regular meeting will be held on Thursday, October 21, 2010 at 4:00 p.m. There being no further business to come before the Board at this time, motion by Carl Heim, second by Vicki Minnaugh, to adjourn the meeting at 6:45 pm. The motion carried unanimously.

Steven Dougherty – Chairman

Kevin McCluskey – Secretary