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 21, 2011

The three hundred and ninety-third 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. **Roll Call –**

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

Motion by Vicki Minnaugh, second by Gary Arenson, to excuse the absence of Adam Cabeza (who is out of town). The motion carried unanimously.

Others Present: Disability Applicant P/O Melody Barry (and husband P/O Edward Barry) and legal counsel Barbara Duffy, Esq.; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. **Approval of Minutes for June 16, 2011.** Chairman Ryan presented minutes from the June 16, 2011 meeting for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

3. **Approval of Minutes for June 23, 2011.** Chairman Ryan presented minutes from the June 23, 2011 special meeting for approval. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve as presented. The motion carried unanimously.

4. **Approval of Warrant #520.** Chairman Ryan presented Warrant #520 in the amount of $211,135.48 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 June, 2011	$3,250.00
Hampton Professional Center Condo No. 2 – Mo. Maint. (Suite #104) for August, 2011	$407.72
Karen Warner – Mo. Allowance for July, 2011 (Med/Dental/Life)	$375.00
James Fisher – Mo. Allowance for July, 2011 (Med/Dental/Life)	$113.00
LEAF – Xerox Copier Lease for July, 2011, 2010 Prop. Tax on Leased Equipment	$300.26
Twilight Industries, LLC – Office Maintenance for July, 2011	$152.00
Employers Preferred Ins. Co. – Premium audit increase for Work. Comp (1/23/2011-1/23/2012)	$58.00
Plastridge Agency, Inc. – Fiduciary Insurance Renewal Premium (7/18/2011-7/18/2012)	$15,925.04
Computers R Us – Renewal of Business Computer Support Plan (2011-2012)	$399.00
Holland & Knight LLP – Prof Services through 5/15/2011	$425.00
City of Pembroke Pines – Renewal of Local Business Tax (2011-2012)	$112.50
FP&L – Service Dates 5/26/2011 – 6/28/2011	$232.72
Holland & Knight LLP – Prof Services through 6/15/2011	$3,375.00
Inverness Counsel LLC – Mgmt. Fee for Q/E 9/30/2011	$164,039.80
City Fire, Inc. – Annual Service / Inspection & Recharge	$56.00
Richard L. Ziff, P.A. – DROP Loan Processing Fees (July)	$1,225.00
Buckhead Capital Management LLC – Mgmt. Fee for Q/E 6/30/2011	$20,689.44
TOTAL	**$211,135.48**

5. **Approval of Buy-Back Calculation(s)** – Agenda packets included a Buy-Back request from P/O Thomas Maher. It was noted that P/O Robert Sorenson had also submitted a Buy-Back request since the packets were mailed out. Actuary Larry Wilson has determined the actuarial costs relative to both of these purchases. Motion by Vicki Minnaugh, second by Gary Arenson, to add the buy-back request from P/O Robert Sorenson to the agenda. The motion carried unanimously.

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the buy-back calculations for Thomas Maher and Robert Sorenson as presented. The motion carried unanimously.

6. **Approval of DROP Benefit(s) – Ordinance 1669**. Since agenda packets were mailed out, the Pension Office has received form-of-benefit elections from F/F David Cunningham and F/F James White. Karen Warner asked that the Board consider adding these elections to the agenda if meeting with their approval. Motion by Gary Arenson, second by Steve Dougherty, to add the elections of F/F David Cunningham and F/F James White to the agenda for approval. The motion carried unanimously.

Motion by Vicki Minnaugh, second by Carl Heim, to approve the calculation of DROP Benefit(s) as presented. The motion carried unanimously to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit
P/O Dara Van Antwerp	6/01/2011	5/31/2016	10-Year Certain & Life
F/F David Cunningham	8/01/2011	7/31/2016	Joint & 75% Contingent
F/F James White	8/01/2011	7/31/2016	Joint & 100% Contingent

The Pension Office has also received the form-of-benefit election from F/F Steven Dougherty. Because this matter directly inures to the benefit of Trustee Dougherty, he recused himself and will abstain from discussion and voting. Commission on Ethics Form 8B (Voting Conflict for Public Officers) has been completed and will be attached and made a part of the official minutes for this meeting.

Karen Warner asked that the Board consider adding this election to the agenda if meeting with their approval. Motion by Carl Heim, second by Kevin McCluskey, to add the election of F/F Steven Dougherty to the agenda for approval. The motion carried unanimously.

Motion by Frank Musumeci, second by Carl Heim, to approve the calculation of DROP Benefit(s) as presented. On a vote of 7 for the motion and 1 abstention (Dougherty), the motion carried to approve:

	DROP Eff. Date	DROP Term. Date	Form of Benefit
F/F Steven Dougherty	8/01/2011	7/31/2016	Joint & 75% Contingent

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

- P/O Humberto Chirino ***
- P/O Chad Cunningham ***
- P/O Kenneth Hall ***
- P/O Christian Hemingway ***
- P/O John Sammarco ***
- P/O Melvin Seguin ***
- P/O Walter Yester ***

*** (See Attachment A)

Motion by Vicki Minnaugh, second by Kevin McCluskey, to approve the DROP Loans for Humberto Chirino, Chad Cunningham, Kenneth Hall, Christian Hemingway, John Sammarco, Melvin Sequin and Walter Yester as presented. The motion carried unanimously.

8. **Request for DROP Account Distribution(s)** – Since agenda packets were mailed out for this meeting, an additional DROP distribution request has been received from F/F Joseph DeStefano. Karen Warner asked that the Board consider adding this request to the agenda, if meeting with their approval. Copies of the member's request and Actuary's letter were distributed. Motion by Vicki Minnaugh, second by Gary Arenson, to add the distribution request from F/F DeStefano to the agenda for approval. The motion carried unanimously.

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

- F/F Anthony Curtis — Lump Sum ***
- FF Joseph DeStefano — Lump Sum ***
- P/O Robert Laichak — Lump Sum ***
- F/F Michael Macak — Lump Sum ***
- P/O Martin Smith — Lump Sum ***
- F/F Robert Vesely — Lump Sum ***

*** (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 Carl Heim, second by Steve Dougherty, to approve the distribution requests for Anthony Curtis, Joseph DeStefano, Robert Laichak, Michael Macak, Martin Smith and Robert Vesely as presented. The motion carried unanimously.

UNFINISHED BUSINESS

None.

NEW BUSINESS

9. **Informal Disability Hearing – P/O Melody Barry.** Attorney Cypen introduced P/O Barry's application for consideration and reviewed the protocols and appropriate motions for this hearing. At the informal level, the Board must focus only on the materials provided, including the written opinions of the doctors and any statements made during this proceeding. P/O Barry was represented by Barbara Duffy, Esq. Ms. Duffy stated she believes more than enough information has been provided in the written records to grant a service-connected disability to P/O Barry. She acknowledged that two of the three medical opinions (Drs. Starr and Stone) indicate all criteria has been met to grant the disability. Following Trustee comments and discussion, motion by Carl Heim, second by Kevin McCluskey, to grant a total, permanent and service-connected disability to P/O Melody Barry.

Roll Call Vote:	For the motion (4)	Against the motion (4)	
	Carl Heim	Gary Arenson	
	Kevin McCluskey	Steve Dougherty	
	Isadore Nachimson	Vicki Minnaugh	
	James Ryan	Frank Musumeci	The motion failed.

Given the outcome of this vote, a conference call was placed to Trustee Adam Cabeza at approximately 4:25 pm. Following a brief discussion, motion by Vicki Minnaugh, second by Gary Arenson, to defer further action on this matter to the August 18th meeting. The motion carried unanimously.

Ms. Duffy returned to the meeting after leaving with her client. She stated it had just been brought to her attention that the City has informed P/O Barry that her employment will be terminated effective Monday, July 25th. Therefore, in her opinion, the *total* element is no longer applicable and the Board should only be concerned with whether the condition is *permanent* and *service-connected.* HR Director Daniel Rotstein was brought into the meeting via conference call. The Board wished to defer the matter to their next meeting due to one Trustee being out of town and wanted to know if her termination could be deferred as well. He indicated that the City is anxious to bring this matter to resolution, as there are no permanent light-duty positions available. Mr. Rotstein acknowledged that no written notice regarding termination has been given to P/O Barry.

Motion by Vicki Minnaugh, second by Carl Heim, to reconsider the earlier motion as it pertains to granting the disability. The motion carried unanimously.

Upon reconsideration of the previous motion by Trustees Heim and McCluskey, the results were:

Roll Call Vote:	For the motion (5)	Against the motion (3)	
	Carl Heim	Gary Arenson	
	Kevin McCluskey	Steve Dougherty	
	Vicki Minnaugh	Frank Musumeci	
	Isadore Nachimson		
	James Ryan		The motion carried.

10. **Review / Approve – DROP Loan Interest Rate for Q/E 9/30/2011.** Agenda packets included information that the Wall Street Journal prime rate at the beginning of the current quarter was 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 Gary Arenson, to approve a 4.25% DROP Loan interest rate for loans approved by the Board during July, August and September of 2011. The motion carried unanimously.

11. **Review / Approve – Auditor's Engagement Letter for FYE 9/30/2011.** Karen Warner reported (as approved last year) that Goldstein Schechter Koch agreed to perform full audit functions for 9/30/2010, 2011 and 2012 at a base fee of $18,000 annually plus a maximum 5% increase per year for 2011 and 2012 – bringing this year's total to $18,900. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the GSK engagement letter for FYE 9/30/2011 as presented. The motion carried unanimously.

12. **Ad Hoc Committee Report – Pension Office Staff Benefits.** Gary Arenson summarized the Committee's recommendations from their June 16th meeting regarding staff benefits. Still unresolved is the amount of health insurance reimbursement; and the Committee will meet again to determine an amount to be presented to the Trustees. They also recommend an effective date of August 1, 2011. Motion by Gary Arenson, second by Vicki Minnaugh, to approve the Committee's recommended benefit structure effective August 1, 2011, with the understanding that the amount of health insurance reimbursement will be addressed at a future meeting. The motion carried unanimously.

13. **Reports:**

Actuary – None (Larry Wilson out of town).

Attorney – Attorney Cypen reported that the City has reached an agreement with the Firefighters as it pertains to the DROP loans. A draft ordinance has been provided to the City Attorney's Office. A no impact letter will be needed from Actuary Larry Wilson.

Alison Bieler has prepared remedial ordinance language to correct the "corrections officer" issue in Ord. 1669 (8/4/2010). It has been forwarded to ACA Julie Klahr.

Chairman – None.

Plan Administrator – Karen Warner reported that the Fiduciary insurance policy with Travelers has been renewed, and the annual premium is reflected on Warrant #520 (see agenda item #4 above). The premium increased by 4% over last year.

We have received Division of Retirement APPROVAL of the Fund's 9/30/2010 Annual Report. Chapter funds should be forthcoming; however, there is no information currently available on their website.

The terms for Trustees Adam Cabeza (Fire), Frank Musumeci (Fire), Carl Heim (Police) and Kevin McCluskey (Police) will expire on September 30, 2011. To begin the process, the following "Election Time Table" has been prepared for Board consideration:

ELECTION TIME TABLE - 2011

7/26/2011 (Tuesday)	"Notice to File as a Candidate for Trustee" will be posted in BOTH DEPARTMENTS and on the plan's website. Completed notices must be RECEIVED AT THE PENSION OFFICE no later than 5 PM on FRIDAY, AUGUST 12, 2011.
8/15/2011 (Monday)	"Election Notice of Candidates" running for office will be posted in BOTH DEPARTMENTS and on the Plan's website.
8/17/2011 (Wednesday)	Latest date for Ballot Envelopes to be mailed out. Completed ballots must be RECEIVED AT THE PENSION OFFICE no later than 5 PM on WEDNESDAY, SEPTEMBER 14, 2011.
9/15/2011 (Thursday)	Ballots will be counted at the PENSION OFFICE beginning at 10 AM.

Motion by Vicki Minnaugh, second by Gary Arenson, to approve the 2011 Election Time Table as presented. The motion carried unanimously.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Chairman Ryan presented Warrant #521 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Gary Arenson, to add Warrant #521 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the payment of Warrant #521 as presented in the amount of $479,009.87. The motion carried unanimously, authorizing the payment of:

Plan Benefits:	
F/F Robert Vesely – Normal Retirement Benefit Commencing 8/1/2011	***
P/O Robert Laichak – Normal Retirement Benefit Commencing 8/1/2011	***
P/O Michael Hones – Normal Retirement Benefit Commencing 8/1/2011	***
DROP Withdrawals:	
F/F Robert Vesely – Lump Sum DROP Withdrawal	***
P/O Robert Laichak – Lump Sum DROP Withdrawal	***
F/F Michael Macak – Lump Sum DROP Withdrawal	***
F/F Anthony Curtis – Lump Sum DROP Withdrawal	***
F/F Joseph DeStefano – Lump Sum DROP Withdrawal	***
P/O Martin Smith – Lump Sum DROP Withdrawal	***
U.S. Treasury – FIT Withholding (Vesely-Laichak-Macak-Curtis-DeStefano-Smith)	***
DROP Loans:	
P/O Humberto Chirino	***
P/O Chadwick Cunningham	***
P/O Kenneth Hall	***
P/O Christian Hemingway	***
P/O John Sammarco	***
P/O Melvin Seguin	***
P/O Walter Yester	***
Required Fees for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Chirino)	***
Florida Department of Revenue – Documentary Stamp (Cunningham)	***
Florida Department of Revenue – Documentary Stamp (Hall)	***
Florida Department of Revenue – Documentary Stamp (Hemingway)	***
Florida Department of Revenue – Documentary Stamp (Sammarco)	***
Florida Department of Revenue – Documentary Stamp (Seguin)	***
Florida Department of Revenue – Documentary Stamp (Yester)	***

Various:			
Adam Cabeza – Reimb. Conf. Exp. (FPPTA)	Mileage 452 @ $.55	$248.60	
	Tolls	24.80	
	Per Diem (4 days)	240.00	
		$513.40	$513.40
SunTrust Bank (Visa – Fisher)	Bd Mtg / Ofc Supplies	$130.88	
	Conf. Exp. (Cabeza-FPPTA) Reg/Hotel	1,240.00	
	Gasoline	50.00	
	Cbeyond (phones & internet)	435.09	
	DirecTV (2 months)	196.90	
	Pest Control	35.00	
	Postage (Disability – Melody Barry)	95.40	
	Postage Machine Lease (quarterly)	324.00	
	Monthly Storage	104.00	
		$2,611.27	$2,611.27
SunTrust Bank (Visa – Warner)	Xerox (mo. Maint. + quarterly copies)	$212.81	
	Bd Mtg / Ofc Supplies	149.13	
	Wireless Sound System (partial)	488.55	
	ISP (2 months)	49.90	
		$900.39	$900.39
Gabriel, Roeder, Smith & Co. – Prof. Services for June, 2011			$7,494.00
Fiduciary Trust Company Int'l – Custody Fee for Q/E 6/30/2011 (Buckhead)			$1,550.33
Fiduciary Trust Company Int'l – Custody Fee for Q/E 6/30/2011 (Lee Munder)			$3,328.02

Lee Munder Capital Group – Mgmt. Fee for Q/E 6/30/2011	$45,361.27
Purchase Power – Postage Meter Refill	$400.00

*** (See Attachment A) **TOTAL** **$479,009.87**

Copies of Proposed Ordinance 2011-18 (authorizing Firefighter DROP loans – see Attorney Cypen's report above) were distributed to the Trustees for information purposes information. It is believed this will be presented to the City Commission for first reading on August 3rd.

Lastly, the Miami Herald recently requested additional information as a follow-up to their March public records request. That work has been finalized, and copies were distributed for information purposes.

14. **Input from Retirees:** None.

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

16. **Adjournment** – Chairman Ryan announced that the next regular meeting would be held on Thursday, August 18, 2011 at 2:00 pm. The Board will hear investment presentations from Dahab Associates, State Street, Eaton Vance and Inverness Counsel, followed by the regular order of business at approximately 4:00 pm. There being no further business to come before the Board, motion by Carl Heim, second by Vicki Minnaugh, to adjourn at 5:15 pm. The motion carried unanimously.

James Ryan – Chairman

Frank Musumeci – Secretary