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 – AUGUST 16, 2012

The four hundred and sixth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:00 p.m. by Chairman Adam Cabeza.

1. **Roll Call –**

Fire Members	Police Members	City Members
Adam Cabeza	James Ryan	Gary Arenson
Steve Dougherty	Al Xiques	Vicki Minnaugh
Frank Musumeci	Carl Heim	Isadore Nachimson

Others Present: Greg McNeillie from Dahab Associates; Henry Renard and Robert Maddock from Inverness Counsel; Dhaval Parikh from Blackrock; Alison Bieler, Attorney for the Fund; and Rachel Maldonado, Assistant Plan Administrator.

2. **Dahab Associates** – Greg McNeillie discussed the overall economic environment of the last quarter and the portfolio's performance. Domestic equities were down 4.4%; fixed incomes were at 4.1%. Mr. McNeillie noted lower quality bonds outperformed the higher quality bonds. The only manager that outperformed the benchmark in the last quarter was Eaton Vance. However, the company is no longer part of the Pembroke Pines portfolio.

	Quarter Ended 6/30/2012					
	Equities	Equity Bench-mark	Fixed Income	Fixed Inc. Bench-mark	Total Portfolio	Trailing 12 Months
Atlanta Capital	-3.1%	-3.5%	---	---	-3.1%	3.5%
Inverness	-4.8%	-2.8%	1.4%	2.0	-1.3%	4.8%
Lee Munder	-6.7%	-4.0%	---	---	-6.7%	3.1%
SSgA Midcap	-4.9%	-4.9%	---	---	-4.9%	-2.3%
SSgA Int'l Equity	-7.7%	-7.6%	---	---	-7.7%	-16.1%

	Quarter Ended 6/30/2012			
	R.E.	R.E. Bench-mark	Total Portfolio	Trailing 12 Months
Am. Realty Advisors	2.7%	2.5%	2.7%	12.2%
AmSouth Timber Fd.	0.6%	0.6%	0.6%	-1.1%
BlackRock	2.4%	2.5%	2.4%	13.1%
TA Assoc Realty	-0.5%	2.5%	-0.5%	0.7%

Mr. McNeillie discussed the outlook for the upcoming quarters. He highlighted the fact that this year there was a lot of movement with Pembroke Pines Pension accounts and the decisions to add or remove managers. He also advised that there will be so much riding on the November presidential election; predictions are extremely difficult as they are dependent on the election results.

3. **Blackrock** – Dhaval Parikh represented the firm on this day. He gave an overview on Blackrock's real estate investments, emphasing the firm's focus on investing in all properties. He discussed the US Market, noting the GDP growth and the very little progress made in unemployment. He mentioned that

Blackrock properties are located in primary markets that are urban and a central hub for business. He also brought to the Board's attention the shift in the driving performance factor. Last year, performance was driven by apartment portfolios and office properties. This year, it is mostly driven by the purchase of one large Disney office property.

4. **Inverness Counsel** – **Investment / Market Report**. Henry Renard and Robert Maddock represented the firm this date. Inverness is watching for volatility as there were swings in the equity and bond markets. This is not usually the case. They anticipate continued swings especially with the uncertainty surrounding the US Presidency this coming November. There are other issues with the European recession and the future of the Euro.

The Board recessed at 3:01 p.m. and reconvened at 3:35 p.m.

5. **Approval of Minutes for July 19, 2012**. Chairman Cabeza presented minutes from the July 19, 2012 meeting for approval. Steve Dougherty noted that his absence was correctly reported but he was mistakenly recorded as seconding a motion later on in the meeting. Asst. Administrator Maldonado noted the correction and said that the second should have been Vicki Minnaugh. Motion by Vicki Minnaugh, second by Gary Arenson, to approve the amended minutes. The motion carried unanimously.

6. **Approval of Warrant #550**. Chairman Adam Cabeza presented Warrant #550 in the amount of $130,965.33 for approval and payment. Motion by Vicki Minnaugh, second by Al Xiques, to approve as presented. The motion carried unanimously.

   It was necessary for Gary Arenson to abstain from voting on this matter, due to the payment being made to Arenson & Sandhouse. Form 8B will be completed and attached to the permanent minutes of this meeting. The payments on Warrant #550 are listed below.

Cypen & Cypen – Monthly Retainer for August 2012	$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Sept. 2012)	407.72
Twilight Industries, LLC – (Maintenance – August 2012)	152.00
Fiduciary Trust – Custodial Fee for Wells Capital Mgmt Q/E 6/30/12	1,734.75
Fiduciary Trust – Custodial Fee for Herndon Q/E 6/30/12	1,640.20
Fiduciary Trust – Custodial Fee for L/M Midcap Q/E 6/30/12	1,675.21
Fiduciary Trust – Custodial Fee for Stewart Q/E 6/30/12	544.44
Fiduciary Trust – Custodial Fee for Lee Munder Q/E 6/30/12	1,715.71
Richard Ziff – DROP Loans fees for July 2012	525.00
James Fisher – Reimbursement for State Workers' Comp Fee	120.80
Herndon Capital Q/E 6/30/12	24,717.76
Atlanta Capital Q/E 6/30/12	63,625.00
FP&L (Already paid)	204.36
Wells Capital Management Q/E 6/30/12	30,377.38
Arenson & Sandhouse Q/E 6/30/12	275.00
TOTAL	$130,965.33

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

   - P/O Nick Naples ***
   - P/O Keith Palant ***

   *** (See Attachment A)

   Motion by Vicki Minnaugh, second by Gary Arenson, to approve the DROP Loan requests for Nick Naples and Keith Palant as presented. The motion carried unanimously.

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

- P/O Mike Hones (Lump Sum) ***
- F/F Robert Kern (Monthly) ***
- P/O David Light (Lump Sum) ***
- F/F Leslie Ortagus (Lump Sum) ***
- F/F Reynol Perez (Lump Sum) ***
- P/O Robert Scopa (Lump Sum) ***
- F/F Steve Sumby (Lump Sum) ***

*** (See Attachment A)

The 415 screening tool results were provided to Actuary Larry Wilson; and, when appropriate, his office 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 Gary Arenson, to approve the account distributions as presented. The motion carried unanimously.

UNFINISHED BUSINESS

9. **Trustee Election Update** – Asst. Administrator Rachel Maldonado shared the status on the candidates for the open police and fire trustee seats. F/F Trustee Steve Dougherty nominated himself as a candidate and was unopposed. Therefore, Steve Dougherty was elected to a new 2-yr term beginning 10/1/2012. P/O James Ryan did not nominate himself. Two other officers, Jeff Desilets and Kevin Venema, are running for the Police seat with the 2-yr term beginning 10/1/2012. The candidates were posted on 8/13/12. Ballots will be mailed within the week and they are due in the office on 9/12/12. The ballots will be counted on 9/13/12 and the winner announced thereafter.

NEW BUSINESS

10. **Review / Approve – Gross and Net Rates of Return for Q/E 6/30/2012**. Correspondence from Dahab Associates indicate the following rates of return for the quarter ended June 30, 2012:

    - Gross of Fees -2.79%
    - Net of Fees -2.91%

    Motion by Vicki Minnaugh, second by Gary Arenson, to approve the rates of return for Q/E 6/30/2012 as presented. The motion carried unanimously.

11. **Reports:**

    Actuary – None.

    Attorney – None.

    Chairman – None.

    Plan Administrator – Asst. Administrator Rachel Maldonado presented the Administrator's report to the Board. She requested that the Board add and approve the benefit for F/F Carlos Deitado to the agenda. He is entering the DROP and his benefit selection was given to the Board. As well, former P/O Charles "Ed" Laughlin should begin to receive his vested benefit on 9/1/12. He would need to be included on the additional warrant. Motion by Steve Dougherty, second by Frank Musumeci, to add and approve the benefits for F/F Carlos Deitado and P/O Ed Laughlin. The motion carried unanimously.

    The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Asst. Administrator Maldonado presented Warrant #551 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Isadore Nachimson, to add Warrant #551 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the payment of Warrant #551 as presented in the amount of $283,050.58. The motion carried unanimously, authorizing the payment of:

Plan Benefits:

P/O Robert Scopa – Normal Retirement Benefit Commencing 9/1/2012	***
P/O Charles "Ed" Laughlin – Vested Retirement Benefit Commencing 9/1/2012	***
DROP Withdrawals:	
P/O Robert Scopa – Lump Sum DROP Withdrawal	***
P/O Steve Sumby – Lump Sum DROP Withdrawal	***
P/O David Light – Lump Sum DROP Withdrawal	***
F/F Leslie Ortagus – Lump Sum DROP Withdrawal	***
P/O Mike Hones – Lump Sum DROP Withdrawal	***
F/F Reynol Perez – Lump Sum DROP Withdrawal	***
F/F Robert Kern – Monthly DROP Withdrawal	***
DROP Loans:	
P/O Nick Naples - DROP Loan	***
P/O Keith Palant – DROP Loan	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Naples, Palant)	***
Various:	
Pitney Bowes (Postage Machine)	$400.00
SunTrust (R. Maldonado)	$190.88
SunTrust (J. Fisher)	$1,581.07
SunSentinel Office Subscription (7/30/12 – 10/28/12)	$47.11
SSgA (Mid Cap – Q/E 6/30/12)	$2,500.00
SSgA (International – Q/E/ 6/30/12)	$42,605.52
Fiduciary Trust – Inverness Custody Fee Q/E 6/30/12	$17,985.29
Fiduciary Trust – Atlanta Custody Fee Q/E 6/30/12	$3,646.67
GRS – Services rendered July 2012	$6,568.00
Dahab – Fees for Q/E 6/30/2012	$24,527.68
TOTAL	**$283,050.58**

*** (See Attachment A)

The Board was informed of State Chapter monies that were awarded to the Board. Firefighters received $1,187,848.65 under Chapter 175. Police officers received $1,028,386.27 under Chapter 185. Also, the office is in receipt of the audit letter from Goldstein Schecter Koch confirming the contract terms and expectations for the upcoming audit. The letter of confirmation needs to be returned to GSK with the Chairman's signature.

11. **Input from Retirees:** None.

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

13. **Input from Trustees:** The Ad Hoc Committee is set to meet at 3 PM on September 20, just prior to the Regular Meeting. They agreed to discuss the GRS (actuarial) contract and that of Cypen & Cypen (Board attorney).

14. **Adjournment** – Chairman Cabeza announced that the next regular meeting would be held on **Thursday, September 20, 2012** at 4 p.m. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Gary Arenson, to adjourn the meeting at 4:02 p.m. The motion carried unanimously.

Adam Cabeza – Chairman

Al Xiques – Secretary