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 – APRIL 18, 2013

The four hundred and fourteenth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:10 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: Melanie Weinstein, Representative from Israel Bonds; Sheryl Weitman, Executive Director from Israel Bonds; Alison Bieler, Attorney for the Fund; James Fisher, Plan Administrator and Rachel Maldonado, Assistant Plan Administrator. Motion by Gary Arenson, second by Al Xiques, to excuse trustee John Curran from this meeting. The motion carried unanimously.

2. **Approval of Minutes for March 21, 2013** – Chairman Heim presented minutes from the March 21, 2013 meeting for approval. Motion by Gary Arenson, second by Frank Musumeci, to approve the minutes. The motion carried unanimously.

3. **Approval of Warrant #566** – Chairman Heim presented Warrant #566 in the amount of $248,425.29 for approval and payment. Motion by Vicki Minnaugh, 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 April 2013	$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance –May 2013)	$407.72
Twilight Industries, LLC – (Maintenance – April 2013)	$152.00
FP&L (Already Paid)	$174.51
Inverness - Equity (4/1/13 – 6/30/13)	$77,140.88
Inverness – Fixed Inc (4/1/13 – 6/30/13)	$104,944.29
Lee Munder – Large Cap thru 3/31/13	$27,982.16
Lee Munder – Mid Cap thru 3/31/13	$32,796.91
Accelerated Business Solutions (4/2/13 – 5/1/13)	$25.00
SunTrust (J. Fisher)	$1,233.06
SunTrust (R. Maldonado)	$285.31
SunTrust (A. Xiques)	$33.45
TOTAL	$248,425.29

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

   - P/O William Bucknam

   Motion by Vicki Minnaugh, second by Gary Arenson, to approve the DROP Loan as presented. The motion carried unanimously.

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

   - P/O Louis Sorangelo (Lump Sum) ***
   - P/O Robert Powers (Lump Sum) ***

- P/O Kevin Hones (Lump Sum) ***
- P/O Richard Barber (Lump Sum) ***

*** (See Attachment A)

Administrator Fisher asked that the Board disregard F/F Van Patterson's DROP request, which was on the agenda for a DROP distribution. Mr. Patterson rescinded his request at this time.

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. <u>Motion by Vicki Minnaugh, second Gary Arenson, to approve the account distributions as presented. The motion carried unanimously.</u>

UNFINISHED BUSINESS

None

NEW BUSINESS

6. **<u>Israel Bonds Presentation</u>** – Representative Melanie Weinstein and Executive Director Sheryl Weitman came before the Board. With the maturation of one of the Board's bonds on May 1, 2013, the organization would like the Board to reinvest with them. Ms. Weitman discussed various offerings and new products that the Board might be interested in.

   Mr. Arenson expressed his disappointment over the low rate of return. He also shared a negative personal experience that he had with Israel Bonds and their dealings with his own investment. He is concerned that the Board could go through a similar experience with them in the future. Ms. Minnaugh also expressed her concern over the rate of return on the bonds being much lower than others bonds they hold. <u>Motion by Steve Dougherty, second by Gary Arenson to not renew the $200,000 bond and discuss reallocation with Dahab Associates at the May 2013 meeting. The motion carried unanimously.</u> The monies will be held in R&D Account until further instruction is given.

7. **<u>Review and Approve DROP Loan Interest Rate for Q/E 6/30/2013</u>** – 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. <u>Motion by Vicki Minnaugh, second by Gary Arenson, to approve a 4.25% DROP Loan interest rate for loans approved by the Board during April, May, and June of 2013. The motion carried unanimously</u>.

8. **<u>Staff Annual Evaluations</u>** – The Board discussed the annual evaluation of the Administrator James Fisher and the Assistant Administrator Rachel Maldonado. The Board members all expressed overall pleasure with the performance of the office staff. <u>Motion by Vicki Minnaugh, second by Gary Arenson, to approve the annual step increase, as outlined in the 2012 contract. The motion carried unanimously</u>.

9. **<u>Reports</u>:**

   <u>Actuary</u> – No reports from Mr. Wilson.

   <u>Attorney</u> – Plan Attorney Alison Bieler reviewed the proposed Ordinance changes that the Board wants to present to the City Commission. There are three changes that will go before the Commission.

   1. *Investment Changes*:
      a. The Board would like to change the outer limits of their investment capabilities. They would like to be able to invest up to 75% of the fund in equities. The ceiling is currently at 60%. As well, they would like the percent to be counted against market value and not cost of fees.
      b. The Board would like some flexibility to invest in non-investment grade bonds by modifying the grade requirements.
   2. *Term Limits:* The Board would like to extend the term limits for Board members from two to four-year terms. This would allow a newer Trustee a longer learning curve.
   3. *State Required Change:* In a recent Senate Bill, the State has asked that any Board modifying their Ordinance also include new language regarding a termination provision. Should the City

ever consider the dissolution of the Pension Plan, the Board would have full authority to determine how to disburse the funds.

Motion by Vicki Minnaugh, second by Gary Arenson, to approve and transmit the proposed Ordinance changes to appropriate City personnel. The motion carried unanimously.

Chairman – No report from the Chairman.

Plan Administrator – The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Administrator Fisher formally presented Warrant #567 for addition to the agenda. Motion by Gary Arenson, second by Vicki Minnaugh, to add Warrant #567 to the agenda. The motion carried unanimously. Motion by Gary Arenson, second by Vicki Minnaugh, to approve Add Warrant #567 as presented in the amount of $166,187.30. The motion carried unanimously.

DROP Withdrawals:	
P/O Louis Sorangelo – Lump Sum DROP Withdrawal	***
P/O Robert Powers – Lump Sum DROP Withdrawal	***
P/O Richard Barber – Lump Sum DROP Withdrawal	***
P/O Kevin Hones – Lump Sum DROP Withdrawal	***
U.S.Treasury - FIT- W/H (Sorangelo, Powers, Barber, Hones)	***
DROP Loans:	
P/O William Bucknam - DROP Loan Less Documentary Stamp	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Bucknam)	***
Various:	
Computers R Us- On Site Labor 3/5/2013	$138.00
Gabriel Roeder Smith & Company Actuarial Services for March 2013	$14,394.00
Stewart Quarterly Management Fee through 3/31/13	$11,190.30
Richard Ziff P.A.- Loan Processing for April 2013	$175.00
Accelerated Business Solutions 4/1/13 – 4/30/13	$290.00
TOTAL	**$166,187.30**

*** (See Attachment A)

The Administrator informed the Board that GSK sent over final copies of the approved audit if anyone was interested in taking one. He also mentioned the attendance of the office staff at the FPPTA Annual conference in June. The Board agreed to allow the staff to attend and close the office, as long as each of them was available by phone and was checking their email regularly.

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

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

11. **Input from Trustees:** None.

12. **Adjournment** – Chairman Heim announced that the next regular meeting would be held on **Thursday, May 16th** at 2:00 p.m. It is a quarterly investment meeting. The expected attendees are State Street, Wells Capital, and Inverness. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Frank Musumeci, to adjourn the meeting at 3:55 p.m. The motion carried unanimously.

Carl Heim – Chairman

Kevin Venema – Secretary