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 – OCTOBER 20, 2016

The four hundred fifty-seventh meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 1:01 PM by Chairman Adam Cabeza.

1. **Roll Call** –

Fire Members	Police Members	City Members
Adam Cabeza	Timothy Anderson	Gary Arenson
Robert Johnson (1:16 PM)	Adam Feiner	Jack McCluskey
John Kearney	Sean Wollard	Vicki Minnaugh

Others Present: Greg McNeillie, Dahab Associates; Larry Wilson, Board Actuary; Former Firefighter Damian Phang and his attorney Michael Clelland; Steve Cypen and Paul Daragjati, Board Attorneys: James Fisher, Plan Administrator and Rachel Maldonado, Asst. Plan Administrator.

2. **Election of Officers** - Chairman Adam Cabeza opened up nominations for the position of Chairman, Vice Chairman and Secretary of the Board for the 2016 Fiscal Year.

Chairman: Adam Feiner nominated Timothy Anderson for the office of Chairman. Motion by Adam Feiner, second by Vicki Minnaugh to close the nominations. By acclamation, Timothy Anderson will serve as Chairman for the current fiscal year.

Vice-Chairman: Gary Arenson nominated Robert Johnson for the office of Vice-Chairman. Motion by Gary Arenson, second by JP Kearney to close the nominations. The motion carried unanimously. By acclamation, Robert Johnson will serve as Vice-Chairman for the current fiscal year.

Secretary: Adam Cabeza nominated Sean Wollard for the office of Secretary. Motion by Adam Cabeza, second by Gary Arenson to close the nominations. The motion carried unanimously. By acclamation, Robert Johnson will serve as Secretary for the current fiscal year.

The meeting continued under the newly-elected Chairman Timothy Anderson.

3. **RFP Finalist Presentations** – Greg McNeillie of Dahab Associates discussed the results of the recent RFP and introduced the finalists for large cap value managers. The individuals before the Board are listed below in order of appearance.

- Cindy Griffin and Elena Khoziaeva of Bridgeway Capital Management
- M. John Johnson of Eagle Capital Management
- Keri Hepburn and Clint Harris of Invesco

After the presentations, the Board entered discussion about each product, how it may complement the established portfolio, and respective proposed fees. With much consideration, motion by Vicki Minnaugh, second by Jack McCluskey to hire Bridgeway. In a roll call vote, trustees Johnson, Cabeza and Arenson dissented. Trustee Cabeza discussed his reservations and asked the Board to consider choosing Invesco. Trustee Arenson also shared why he thought Invesco was the best choice for the Board. The previous motion was withdrawn. After further deliberation, a second motion was offered. Motion by Vicki Minnaugh, second by Jack McCluskey to hire Bridgeway. The motion carried with Trustees Cabeza and Arenson dissenting.

The Board recessed at 2:43 PM, reconvening at 2:53 PM.

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4. **<u>Informal Disability Hearing</u>** – Attorneys Cypen and Daragjati introduced former Pembroke Pines F/F Damian Phang's application for consideration and reviewed the protocols and appropriate motions for the 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. To receive approval of a service-incurred disability, the following criteria must be met:

   1. The injury must be incurred in the line of duty.
   2. The injury sustained must have caused a total disability.
   3. The disability must be permanent.

   F/F Phang was represented by Michael Clelland, Esq. The Board was given a copy of an email for City HR director Daniel Rotstein stating Mr. Phang was terminated due to his inability to perform the duties of a firefighter. After being sworn in, the Board asked Mr. Phang questions about his injuries and the nature of the City's accommodations. <u>Motion by Adam Cabeza, second by Vicki Minnaugh to grant former F/F Damian Phang's disability application. In a roll call vote, the motion carried unanimously.</u>

5. **<u>Approval of Minutes for September 15, 2016</u>** – Chairman Anderson presented the minutes from the previous meeting held on September 15, 2016. <u>Motion by Gary Arenson, second by Vicki Minnaugh, to approve the minutes as presented. The motion carried unanimously.</u>

6. **<u>Approval of DROP Retirement Benefits</u>** – The following DROP benefits were presented for approval.

   - F/F Thomas Inman, Normal Form, effective 7/1/16
   - F/F Linus Risk, Joint & 75% Contingent, effective 7/1/16

   <u>Motion by Adam Cabeza, second by Vicki Minnaugh, to approve the list of DROP benefits. The motion carried unanimously.</u>

7. **<u>Approval of DROP Distributions</u>** – The following DROP benefits were presented for approval.

   - P/O Jeff Desilets – Lump Sum ***
   - P/O William Bucknam – Lump Sum ***
   - P/O Greg Hitchings – Lump Sum ***
   - P/O Thomas Maher – Lump Sum ***
   - P/O Craig Rupp – Lump Sum ***
   - F/F Louis Nettina – Lump Sum ***
   - F/F Pete Greene – Lump Sum ***
   - F/F Maurice Tola – Lump Sum ***
   - F/F James Sammarco – Lump Sum ***
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   Asst. Administrator Maldonado asked the Board to add an additional DROP distribution to the agenda.

   - P/O Kevin McCluskey – Lump Sum ***

   <u>Motion by Robert Johnson, second by Vicki Minnaugh, to add the DROP distribution for Mr. McCluskey to the agenda. The motion carried unanimously.</u> <u>Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the amended list of DROP distributions. The motion carried unanimously.</u> Trustee McCluskey abstained from the vote due to a voting conflict.

   **** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.*

   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.

8. **<u>Request for DROP Loans</u>** – Chairman Anderson presented the following DROP loans for approval.

   - P/O Christian Hemingway – ***
   - P/O Michael Banks – ***
   - F/F David Whitworth – ***

Motion by Vicki Minnaugh, second by Robert Johnson, to approve the DROP loans as presented. The motion carried unanimously.

9. **Ratify Special Warrant #695** – Warrant #695 was presented to the Board for ratification. Motion by Vicki Minnaugh, second by Adam Feiner, to ratify special warrant #695. The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
DROP Distributions:	
F/F Pete Greene –Lump Sum Withdrawal less FIT	***
U.S. Treasury – FIT – W/H (Greene)	***
TOTAL	***

10. **Approval of Vendor Warrant #696** – Chairman Anderson presented Vendor Warrant #696 for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve Warrant #696 in the amount of **$330,795.82.** The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Cypen & Cypen – Monthly Retainer for October 2016	$3,250.00
Hampton Professional Center Condo #2, Ste 104 (Monthly Maintenance – Nov. 2016)	$407.72
Twilight Industries, LLC – (Maintenance – October 2016)	$152.00
ABS Copier Lease – 9/15 thru 10/14/16	$234.60
CRU #4151	$207.00
CRU #4145	$385.00
CRU #4137	$138.00
Marco Consulting – Proxy Voting Services for Q/E 9/30/16	$2,000.00
IFEBP – 2017 Membership	$1,150.00
NCPERS – 2017 Membership	$250.00
FPPTA – 2017 Membership	$600.00
LMCG – Midcap Mgmt Fees for Q/E 9/30/16	$43,399.17
LMCG – Large Cap Mgmt Fees for Q/E 9/30/16	$39,608.25
Herndon – Mgmt Fees for Q/E 9/30/16	$33,562.96
Inverness – Equity Mgmt Fees for Q/E 12/31/16	$122,999.51
Inverness – Fixed Income Mgmt Fees for Q/E 12/31/16	$72,408.38
Dr. Stone – Carty IME	$375.00
Steven Bornstein – September 2016 Loans	$200.00
Steven Bornstein – October 2016 Loans	$600.00
Pitney Bowes – Postage Machine Lease	$324.00
ProShred – Sept. Service Date	$56.38
FP&L	$202.67
SunTrust – Acct. Ending 8987	$675.55
SunTrust – Acct. Ending 8961	$1,334.78
SunTrust – Acct. Ending 8870	$2,811.79
John Fisher – Electrical Repair at the Office	$261.00
CRU – 10/3/16	$1,326.90
CRU – 10/19/16	$1,030.99
Rachel Maldonado – FPPTA Conference Reimbursement	$396.63
Verizon – Tablet Fees	$90.72
McConnell Air Conditioning	$356.82
TOTAL	**$330,795.82**

11. **Approval of Member Warrant #697** – Chairman Anderson presented Member Warrant #697 for approval. Motion by Vicki Minnaugh, second by Jack McCluskey, to approve Warrant #697 in the amount of **$292,248.11.** The motion carried unanimously.

Name (Pension Benefits, Services Rendered or Obligations)	Amount
Retirement Benefit:	
P/O Thomas Maher – Normal Retirement commencing 11/1/16	***
DROP Distributions:	

P/O Thomas Maher – Lump Sum Withdrawal less FIT	***
P/O Jeff Desilets – Lump Sum Withdrawal less FIT	***
P/O William Bucknam – Lump Sum Withdrawal less FIT	***
P/O Greg Hitchings– Lump Sum Withdrawal less FIT	***
P/O Craig Rupp – Lump Sum Withdrawal less FIT	***
F/F Louis Nettina – Lump Sum Withdrawal less FIT	***
F/F Maurice Tola – Lump Sum Withdrawal less FIT	***
F/F James Sammarco– Lump Sum Withdrawal less FIT	***
P/O Kevin McCluskey – Lump Sum Withdrawal less FIT less FIT	***
U.S. Treasury – FIT – W/H (Maher, Desilets, Bucknam, Hitchings, Rupp, Nettina, Tola, Sammarco, McCluskey)	***
DROP Loans:	
P/O Christian Hemingway - DROP Loan Less Documentary Stamp	***
P/O Michael Banks – DROP Loan Less Documentary Stamp	***
F/F David Whitworth – DROP Loan Less Documentary Stamp	***
Documentary Stamp for DROP Loans:	
Florida Department of Revenue – Documentary Stamp (Hemingway)	***
Florida Department of Revenue – Documentary Stamp (Banks)	***
Florida Department of Revenue – Documentary Stamp (Whitworth)	***
TOTAL	**$292,248.11**

**** Schedule A is available upon request. Please contact the Pension Office if you wish to view it.*

NEW BUSINESS

12. **DROP Loan Interest Rate for Q/E 12/31/16:** Agenda packets included information that the Wall Street Journal prime rate for the quarter ending 12/31/16 remained at 3.50%. 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 Robert Johnson, to approve a 4.50% DROP Loan interest rate for loans approved by the Board during October, November and December of 2016. The motion carried unanimously.

13. **Office Staff Leave Accruals:** Agenda packets included a report on the leave usage by the office staff for the months of August, September, and October of 2016 and the corresponding time available for the remainder of the employment year. Motion by Vicki Minnaugh, second by Adam Feiner, to approve the leave report. The motion carried unanimously.

UNFINISHED BUSINESS

None.

14. **Reports:**

Actuary – Larry Wilson mentioned a new secure website that the administrators will be using to upload data in preparation for this year's valuation report. He also noted that the 415 maximum has been raised from $210,000 to $215,000 for 2017.

Attorney – No additional report.

Chairman – No additional report.

Plan Administrator – Asst. Administrator Maldonado addressed a number of items under the report.

- With so many relatively new elected trustees on the Board, she encouraged each one to schedule an appointment with the administrators to review standard procedures and expectations.
- Regarding the new tablets that the Trustees are using, she addressed a concern some trustees had about carrying cases. A mass order will not be placed at the office. Instead each trustee may purchase his or her own with either a Board credit card or may request a reimbursement. The Board agreed that the price of each case would be a reasonable amount.
- Marco Consulting was recently acquired by Segal Advisors and is requiring each of their clients

to confirm the transition through the Chairman's signature. The Board tabled the discussion for the following month to discuss with consultant.

15. **Input from Retirees:** None.

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

17. **Input from Trustees:** None.

18. **Public Comment:** None.

19. **Adjournment** – Chairman Anderson announced that the next regular meeting would be held on **Thursday, November 17, 2016 at 1:00 PM.** There being no further business, motion by Gary Arenson, second by Vicki Minnaugh to adjourn the meeting at 4:47 PM. The motion carried unanimously.

Timothy Anderson – Chairman

Sean Wollard – Secretary