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 – MARCH 17, 2011

The three hundred and eighty-seventh meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 4:15 p.m. by Vice Chairman Adam Cabeza.

1. Roll Call –

Fire Members	Police Members	City Members
Adam Cabeza	Carl Heim	Vicki Minnaugh
Frank Musumeci		Isadore Nachimson

Gary Arenson, Steve Dougherty, Kevin McCluskey and James Ryan are unable to attend and have requested excused absences. Motion by Vicki Minnaugh, second by Isadore Nachimson, to excuse Gary Arenson, Steve Dougherty, Kevin McCluskey and James Ryan for this meeting. The motion carried unanimously.

Others Present: Michael Harhai and John Swanson from Buckhead Capital Management; Larry Wilson from Gabriel, Roeder, Smith & Co.; Retired F/F Lee Golditch; Brenda Alfaro from Hansberger Global Investors; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. Approval of Minutes for February 17, 2011. Vice Chairman Cabeza presented minutes from the February 17, 2011 meeting for approval. Motion by Carl Heim, second by Isadore Nachimson, to approve as presented. The motion carried unanimously.

3. Approval of Warrant #509. Vice Chairman Cabeza presented Warrant #509 in the amount of $23,963.46 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 March, 2011	$3,250.00
Hampton Professional Center Condo No. 2 – Mo. Maint. (Suite #104) for April, 2011	$407.72
Karen Warner – Mo. Allowance for March, 2011 (Med/Dental/Life)	$375.00
James Fisher – Mo. Allowance for March, 2011, 2010 (Med/Dental/Life)	$308.00
LEAF – Xerox Copier Lease for March, 2011	$194.23
Twilight Industries, LLC – Office Maintenance for March, 2011	$152.00
Fiduciary Trust Company Intl. – Custody Fee Q/E 1/31/2011 (Special Assets)	$258.54
Fiduciary Trust Company Intl. – Custody Fee Q/E 1/31/2011 (Atlanta)	$3,172.37
Fiduciary Trust Company Intl. – Custody Fee Q/E 1/31/2011 (Inverness)	$15,734.36
FP&L – Service Dates 1/27/2011-2/25/2011	$111.24
TOTAL	**$23,963.46**

4. Approval of Buy-Back Calculation(s) – As the matter before the Board directly inures to the benefit of F/F Frank Musumeci, he 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. For this matter only, a conference call was placed to Trustee Gary Arenson.

Agenda packets included a copy of the Buy-Back request from F/F Frank Musumeci. Actuary Larry Wilson has determined the actuarial cost relative to the purchase of three (3) months of prior military service. Motion by Vicki Minnaugh, second by Gary Arenson (via telephone), to approve the buy-back calculation for Frank Musumeci as presented. The motion carried on a vote of 5 in favor, none opposed, and one abstention (Musumeci).

5. **Approval of DROP Benefit(s) – Ordinance 1669 (Police).** Since agenda packets were mailed out, the Pension Office has received the form of benefit election from Police Chief Daniel Giustino. Karen Warner asked that the Board consider adding his election to the agenda if meeting with their approval. Motion by Vicki Minnaugh, second by Carl Heim, to add the election of Police Chief Daniel Giustino to the agenda. 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 Humberto Chirino	7/01/2010	6/30/2015	Joint & 75% Contingent
Police Chief Daniel Giustino	3/01/2011	2/28/2016	Joint & 75% Contingent

6. **Request for DROP Account Distribution(s) –** Since agenda packets were mailed out for this meeting, additional DROP distribution requests have been received from P/O Peter Desmond and P/O William Jacob. Karen Warner asked that the Board consider adding these requests to the agenda, if meeting with their approval. Copies of the member requests and Actuary letters were distributed. Motion by Vicki Minnaugh, second by Isadore Nachimson, to add the distribution requests from P/O Peter Desmond and P/O William Jacob to the agenda. The motion carried unanimously.

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

- P/O Peter Desmond — Lump Sum ***
- F/F Joseph DeStefano — Lump Sum ***
- F/F Joseph DeStefano — Monthly ***
- P/O Vincent Falzone — Lump Sum ***
- P/O William Jacob — Lump Sum ***
- F/F Louis Nettina — Lump Sum ***
- P/O David Parsons — Lump Sum ***
- F/F Robert Ryan — 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 Vicki Minnaugh, second by Isadore Nachimson, to approve the distribution requests for Peter Desmond, Joseph DeStefano, Vincent Falzone, William Jacob, Louis Nettina, David Parsons and Robert Ryan as presented. The motion carried unanimously.

UNFINISHED BUSINESS

7. **Disposition of DROP Account – F/F Richard Crusoe –** Attorney Cypen updated the Board on his last conversation with the City, advising that they have no intention of changing their position in this matter and will not modify the ordinance to accommodate leaving the DROP account in the fund. As a result, the Board has no choice but to proceed with the disbursement. GRS has determined the amount payable is $527,041.46, and payment must be made prior to the end of March. No further interest will accrue on this amount. Following discussion, the Board agreed to allow Mrs. Crusoe an additional week (through March 24th) to submit the necessary forms to the Pension Office. Motion by Vicki Minnaugh, second by Isadore Nachimson, to instruct Fiduciary Trust Co. to initiate payment to Debbie D. Crusoe on Friday, March 25, 2011 in the amount of $527,041.46 (less Federal withholding, if applicable). The motion carried unanimously.

The Pension Office will immediately notify Mrs. Crusoe of the Board's action. It was also noted that a special warrant will be required, and the Trustees were asked to be available for signature.

NEW BUSINESS

8. **Request to Address Board – Buckhead Capital Management.** Michael Harhai and John Swanson represented the firm this date and distributed a copy of their presentation. Mr. Harhai expressed their surprise to learn that Dahab Associates has recommended replacing Buckhead and commencing a manager search. He stated that the firm has not changed since hired by this fund in 2004, noting that it is important to retain managers whose investment processes are consistently applied and time-tested.

Mr. Harhai reviewed a summary of the portfolio performance vs. the Russell 1000 Value. Buckhead has out-performed the benchmark for 3 years, 5 years and inception-to-date. In the short-term (1 year), they under-performed, but he added that it is most important to produce good returns over time.

Mr. Swanson reviewed market activity, portfolio characteristics and equity manager peer group comparisons. He reiterated Buckhead's commitment to remaining true to their value process. He also explained that Mr. Harhai will be retiring and selling his ownership interest back to the company over the next 5 years, but he will continue to be actively involved during the transition.

The business relationship with Pembroke Pines is a valued one, and they sincerely hope the Board will reconsider implementing a search at the present time.

Vice Chairman Cabeza recommended continuing further discussion at the April 21st meeting, as several Trustees are absent, and also addressing the matter further with Dahab Associates. Trustee Vicki Minnaugh noted her concern about Dahab's recommendation to immediately replace Buckhead, particularly when you review the quarterly grading system results reported by Dahab and which she read for everyone's benefit. In the past Dahab has exhibited a significant amount of patience with Sawgrass, Lee Munder and State Street; so the unexpected recommendation to replace Buckhead is confusing. Trustee Minnaugh suggested including a discussion at the April 21st meeting regarding the possibility of implementing a search for Consultant.

9. Review / Approve – Firefighters' COLA Effective 4/1/2011
Review / Approve – Warrant #510

Actuary Larry Wilson's office has provided Firefighter COLA calculations for review. Motion by Vicki Minnaugh, second by Carl Heim, to approve the 4/1/2011 Firefighter COLA calculation as presented. The motion carried unanimously.

Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the payment of Warrant #510 in the amount of $523,152.52. The motion carried unanimously, authorizing the payment of:

Crusoe, Debbie	***
DeSantis, Beverly	***
Durkin, Michael	***
Tritsch, Gena A.	***
Bishop, Darren	***
Larrain, Rodrigo G.	***
Nickerson, Joseph J.	***
Parsons, Mark	***
Ross, Stuart	***
Terry, Harlan D.	***
Thompson, George P.	***
White, John	***
Barnes, Morris	***
Bauman, Robert	***
Caprio, John	***
Christi, Gino P.	***
Colligan, Todd	***
Cozzati, Charles	***
Curtis, Anthony	***
Cuthbert, David	***
Dawson, William K.	***
Deegan, John	***
Dent, Thomas M.	***
DeSantis, Michael	***
DeStefano, Joseph A.	***
Donzella, David	***
Ericson, Neal P.	***

Frobel, James M.	***
Fuchs, James	***
Gilmartin, Olaf	***
Golditch, Lee	***
Gonzalez, Roger	***
Green, Michael A.	***
Haksel, Cornelius	***
Halpert, Samuel D.	***
Hart, Jr., J. Marvin	***
Hohl, Michael	***
Hooper, Mark A.	***
Kelly, Thomas A.	***
Kornprobst, Hal	***
Kowalak, Michael	***
Lanzi, Daniel J.	***
Lorenzo, Jose	***
Macak, Michael	***
Masiello, Jack P.	***
Mayhew, Bradford M.	***
Mehaffey, Billy	***
Messina, David D.	***
Mikell, Douglas	***
Montopoli, Joseph	***
Moss, Richard	***
Napolitano, Anthony	***
Nelson, Richard T.	***
Nelson, Todd	***
Nettina, Louis M.	***
Ortagus, Jr., Leslie	***
Owens, Wrenale D.	***
Paletz, Troy	***
Pariseau, Norman L.	***
Patterson, Van	***
Pester, Stuart	***
Picarello, John A.	***
Plucinski, Craig H.	***
Pompos, Gregory	***
Raines, David	***
Rosenthal, Philip L.	***
Ryan, Robert L.	***
Rynning, Donald	***
Sanchez, Jimmy	***
Scott, Jerry	***
Smith, Donald C.	***
Spreitzer, Rodney J.	***
Sumby, Stephen	***
Tola, Maurice	***
Torres, Ricardo J.	***
Troccoli, Joseph	***
Ultimo, Joseph	***
Verrusio, Robert	***
Villarreal, Ariel	***
Weaver, Robert	***
Weishaar, Steven P.	***
Young, Robert	***
Zitnick, Anthony J.	***

*** (See Attachment A) **TOTAL** ***

10. **Request to Discontinue Buy-Back – P/O Olayemi Okegbola**. P/O Okegbola has expressed a desire to discontinue the buy-back agreement currently in process. In line with prior precedent, GRS has determined that police service buy-back payments to date pay in full for an additional 1 year, 6 months and 8 days, modifying his normal retirement date to May 6, 2025. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve discontinuance of the prior police service buy-back for P/O Olayemi Okegbola. The motion carried unanimously.

11. **Review / Approve – Revised Budget (9/30/2011) and Proposed Budget (9/30/2012).** With the Fund's audit now complete, presented for Board consideration is a revised budget for the Y/E 9/30/2011 and proposed budget for Y/E 9/30/2012. Following discussion, motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the 2011 and 2012 budgets as presented. The motion carried unanimously.

12. **Reports**:

Actuary – Actuary Larry Wilson reported there is one retiree at this time whose DROP account is subject to the minimum distribution requirements because he has reached age 70-1/2. The calculation has been done. He added that there are two disbursements required during 2011 – the first, for 2010 and payable by 4/1/2011, has been satisfied by way of a lump sum DROP withdrawal in the month of February 2011. The second disbursement (for 2011) will need to be made no later than December 31, 2011. Mr. Wilson is requesting guidance on how to administer the minimum distributions under IRC 401(A)(9). Attorney Cypen recommended contacting Robert Friedman, Esq. to insure consistency with the document currently under IRS review for determination letter.

Mr. Wilson also revisited the quarterly DROP issue from a procedural standpoint. The Board recently approved the discontinuance of quarterly DROP statements for the members as a cost-saving measure, opting instead for annual statements as of September 30th. GRS recommends that they do the quarterly financial updates only, in order to provide the bookkeeper with current information. Mr. Wilson stated this would increase fees by an estimated $5,000 a year. Motion by Carl Heim, second by Frank Musumeci, authorizing GRS to perform quarterly DROP updates for bookkeeping purposes only (effective 10/1/2010) at a cost not to exceed an additional $5,000 annually. On a vote of 4 in favor and 1 opposed (Nachimson), the motion failed. Discussion will continue on this issue – and the issue of members reimbursing fees for multiple requests during a calendar year – at the April 21st meeting.

Attorney – Attorney Cypen updated the Board on the Fritz litigation, noting that agenda packets included a copy of the class action served on February 25th. He summarized F/F Fritz's attempts to date as well as this most recent action. Copies of Mr. Cypen's letter dated March 4th to Travelers Insurance were distributed, in which they have been put on notice regarding the class action filed against the Board. There is a $10,000 deductible and it will be their responsibility to assign legal counsel for defense. The class action suit is on behalf of everyone similarly situated, meaning everyone in this plan who suffered a benefit reduction because they were not married at the time of calculation.

The City acknowledges that the *corrections officer* language in the most recent ordinance can be rectified either by a Memo of Understanding with the union groups or by Ordinance.

A brief discussion followed regarding the ability to call special meetings for the purpose of approving DROP benefits, particularly when there is a question about timely Board approval.

Chairman / Vice Chairman – None.

Plan Administrator – Karen Warner reported that the Annual Report for year ended September 30, 2010 was timely filed with the State, so we will await their approval letter or correspondence regarding clarifications needed.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Vice Chairman Cabeza presented Warrant #511 for addition to the agenda and approval for payment. Motion by Vicki Minnaugh, second by Isadore Nachimson, to add Warrant #511 to the agenda. The motion carried unanimously. Motion by Vicki Minnaugh, second by Isadore Nachimson, to approve the payment of Warrant #511 as presented in the amount of $205,399.91. The motion carried unanimously, authorizing the payment of:

F/F Joseph DeStefano – Lump Sum DROP Withdrawal			***
F/F Joseph DeStefano – Monthly DROP Withdrawal Commencing 4/1/2011			***
P/O Vincent Falzone – Lump Sum DROP Withdrawal			***
F/F Louis Nettina – Lump Sum DROP Withdrawal			***
P/O David Parsons – Lump Sum DROP Withdrawal			***
F/F Robert Ryan – Lump Sum DROP Withdrawal			***
P/O Peter Desmond – Lump Sum DROP Withdrawal			***
P/O William Jacob – Lump Sum DROP Withdrawal			***
U.S. Treasury – FIT Withholding (DeStefano-Falzone-Nettina-Parsons-Ryan-Desmond-Jacob)			***
SunTrust Bank (Visa – Fisher)	Bd Mtg / Ofc Supplies	$107.31	
	Gasoline	40.00	
	DirecTV	98.45	
	Cbeyond (phones & internet)	435.25	
	Pest Control	35.00	
	Monthly Storage	104.00	
		$820.01	$820.01
SunTrust Bank (Visa – Warner)	Xerox (mo. Maintenance)	$23.32	
	Bd Mtg / Ofc Supplies	431.06	
		$454.38	$454.38
Ultimate Security – Security Monitoring 3/21/2011 – 6/21/2011			$75.00
The Press Room, Inc. – Printing Reorder			$114.52
Gabriel, Roeder, Smith & Co. – Prof. Services for February, 2011			$8,436.00
*** (See Attachment A)		**TOTAL**	**$205,399.91**

Extra copies of the 9/30/2010 Audit and 10/1/2010 Actuarial Valuation are available to anyone who is interested.

Jim Fisher reported on the following:

- 2011 COLA letters for Firefighters are ready to be mailed to the members.
- All but three members have returned their "Are You Alive" Affidavits in a timely manner. A second notice is scheduled to be sent immediately. Failure for these members to comply will warrant the interruption of benefits as of May 1st. The Board will be updated at the next meeting.

13. **Input from Retirees:** Retired F/F Lee Golditch stated he was not aware of the issue surrounding DROP balances that cannot be left in the fund upon a member's death, if benefits never commenced from that account. Attorney Cypen suggested it should be included in the Summary Plan Description booklets currently being updated by GRS.

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

15. **Adjournment –** Vice Chairman Cabeza announced that the next regular meeting would be held on Thursday, April 21, 2011 at 4:00 pm. There being no further business to come before the Board, motion by Vicki Minnaugh, second by Carl Heim, to adjourn the meeting at 6:25 pm. The motion carried unanimously.

Adam Cabeza – Vice Chairman

Frank Musumeci – Secretary

ATTACHMENT "A"
TO THE MINUTES OF
MARCH 17, 2011

Agenda Item #	Detail	Amount
6	P/O Peter Desmond – Lump Sum DROP Withdrawal	$500.00
6	F/F Joseph DeStefano – Lump Sum DROP Withdrawal	$30,000.00
6	F/F Joseph DeStefano – Monthly DROP Withdrawal	$2,000.00
6	P/O Vincent Falzone – Lump Sum DROP Withdrawal	$50,000.00
6	P/O William Jacob – Lump Sum DROP Withdrawal	$37,500.00
6	F/F Louis Nettina – Lump Sum DROP Withdrawal	$8,000.00
6	P/O David Parsons – Lump Sum DROP Withdrawal	$62,500.00
6	F/F Robert Ryan – Lump Sum DROP Withdrawal	$5,000.00
	Modified Monthly Benefits for Firefighters, Commencing 4/1/2011, To Reflect Cost-of-Living Increases:	
9	Crusoe, Debbie	$5,811.20
9	DeSantis, Beverly	1,003.69
9	Durkin, Michael	365.99
9	Tritsch, Gena A.	2,349.90
9	Bishop, Darren	2,622.05
9	Larrain, Rodrigo G.	4,024.93
9	Nickerson, Joseph J.	5,394.45
9	Parsons, Mark	4,245.80
9	Ross, Stuart	4,102.37
9	Terry, Harlan D.	2,870.12
9	Thompson, George P.	1,801.58
9	White, John	2,857.50
9	Barnes, Morris	7,562.63
9	Bauman, Robert	7,153.16
9	Caprio, John	9,043.54
9	Christi, Gino P.	6,851.49
9	Colligan, Todd	7,118.82
9	Cozzati, Charles	8,480.91
9	Curtis, Anthony	6,055.97
9	Cuthbert, David	6,062.33
9	Dawson, William K.	5,602.68
9	Deegan, John	10,360.17
9	Dent, Thomas M.	3,495.73
9	DeSantis, Michael	6,397.25
9	DeStefano, Joseph A.	7,506.58
9	Donzella, David	11,816.12
9	Ericson, Neal P.	6,182.43
9	Frobel, James M.	6,886.10
9	Fuchs, James	7,600.77
9	Gilmartin, Olaf	8,702.81
9	Golditch, Lee	8,222.36
9	Gonzalez, Roger	6,161.65
9	Green, Michael A.	8,220.08
9	Haksel, Cornelius	1,513.21
9	Halpert, Samuel D.	7,714.35

9	Hart, Jr., J. Marvin	4,312.46
9	Hohl, Michael	9,664.81
9	Hooper, Mark A.	5,360.80
9	Kelly, Thomas A.	6,064.48
9	Kornprobst, Hal	5,618.27
9	Kowalak, Michael	5,779.90
9	Lanzi, Daniel J.	4,542.86
9	Lorenzo, Jose	6,622.51
9	Macak, Michael	7,259.81
9	Masiello, Jack P.	7,937.84
9	Mayhew, Bradford M.	4,893.11
9	Mehaffey, Billy	7,905.23
9	Messina, David D.	1,752.71
9	Mikell, Douglas	5,957.49
9	Montopoli, Joseph	10,264.58
9	Moss, Richard	13,154.93
9	Napolitano, Anthony	7,313.17
9	Nelson, Richard T.	8,007.65
9	Nelson, Todd	7,154.30
9	Nettina, Louis M.	8,098.13
9	Ortagus, Jr., Leslie	7,864.43
9	Owens, Wrenale D.	3,068.45
9	Paletz, Troy	6,211.43
9	Pariseau, Norman L.	3,569.03
9	Patterson, Van	7,969.13
9	Pester, Stuart	9,142.36
9	Picarello, John A.	10,889.51
9	Plucinski, Craig H.	7,659.90
9	Pompos, Gregory	7,236.35
9	Raines, David	9,983.06
9	Rosenthal, Philip L.	3,431.18
9	Ryan, Robert L.	6,957.66
9	Rynning, Donald	8,367.96
9	Sanchez, Jimmy	9,391.52
9	Scott, Jerry	4,164.88
9	Smith, Donald C.	1,628.81
9	Spreitzer, Rodney J.	6,960.46
9	Sumby, Stephen	7,977.37
9	Tola, Maurice	6,042.46
9	Torres, Ricardo J.	6,831.87
9	Troccoli, Joseph	6,226.29
9	Ultimo, Joseph	10,198.32
9	Verrusio, Robert	5,823.58
9	Villarreal, Ariel	8,174.29
9	Weaver, Robert	8,164.69
9	Weishaar, Steven P.	4,909.88
9	Young, Robert	1,361.06
9	Zitnick, Anthony J.	3,120.83

12	P/O Peter Desmond – Lump Sum DROP Withdrawal $500 less FIT $100	$400.00
12	F/F Joseph DeStefano – Lump Sum DROP Withdrawal $30,000 less FIT $6,000	$24,000.00
12	F/F Joseph DeStefano – Monthly DROP Withdrawal Commencing 4/1/2011	$2,000.00
12	P/O Vincent Falzone – Lump Sum DROP Withdrawal $50,000 less FIT $10,000	$40,000.00
12	P/O William Jacob – Lump Sum DROP Withdrawal $37,500 less FIT $7,500	$30,000.00
12	F/F Louis Nettina – Lump Sum DROP Withdrawal $8,000 less FIT $1,600	$6,400.00
12	P/O David Parsons – Lump Sum DROP Withdrawal $62,500 less FIT $12,500	$50,000.00
12	F/F Robert Ryan – Lump Sum DROP Withdrawal $5,000 less FIT $1,000	$4,000.00
12	U.S. Treasury – FIT Withholding (DeStefano-Falzone-Nettina-Parsons-Ryan-Desmond-Jacob)	$38,700.00