

December, 2007



POLICE & FIREFIGHTERS' PENSION BOARD REGULAR MEETING

Pursuant to authority of Ordinance C-00-34, Article II, this regular meeting of the Police & Firefighters' Pension Board convened at 12:35 P.M., **Wednesday, December 12, 2007** in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

PRESENT:

- Allan Curry, Chairman
- Michael Dew, Vice Chairman
- Romney Rogers, Secretary
- Mark Burnam, Trustee
- Ian Kemp, Trustee
- Richard Fortunato, Trustee
- Dennis Hole, Trustee
- Betty Burrell, Ex-officio
- Steve Cypen, Board Attorney
- Lynn Wenguer, Administrator
- Laurie DeZayas, Pension Aide
- Renee Lipton, Recording Secretary

ALSO PRESENT:

- Fuzzy Larkin, President, Retirees' Assoc.
- Bill Paton, Vice President, Retirees' Assoc.
- Jack Chew, Director, Retirees' Assoc.
- Rick Schulze, Director, Retirees' Assoc.
- Nancy Cone, Treas., Retirees' Assoc.
- Alan Summersgill, Retirees' Assoc.
- Linda Soloman-Duffey, Retirees' Assoc.
- John San Angelo, Fire Dept.
- William Humphrey, President, Local 765
- John Herbst, City of Fort Lauderdale, Auditor
- Jason Pulos, Asset Consulting

ASSET VALUE as of December 11, 2007: \$503,853,475.

Chairman Curry called the meeting to order at 12:35 P.M. He then presented a plaque to Mr. Kemp for his years of service. Mr. Kemp thanked the Board and stated he enjoyed his time as a Board Trustee.

Mr. Humphrey, Local 765, presented Mr. Kemp with a plaque from the Firefighters Union.

MINUTES: Regular Meeting, November 14, 2007. Mr. Hole made a motion to approve the minutes as submitted. Mr. Dew seconded the motion. Mr. Hole then made a correction to change Mr. Kemp's title from Secretary to Trustee and Mr. Roger's title from Trustee to Secretary. Mr. Hole then made a change to the sentence on page 7 to read as follows: The administrator is to look into....". Mr. Curry noted that his first name was misspelled and should be spelled as follows: Allan. The motion to approve the corrected minutes was approved **UNANIMOUSLY** by the Board.

BENEFIT REVIEW: POLICE DEPARTMENT – New Retirees (Termination of DROP Retirement):
Dominic C. Angioillo, Police Officer. Date of DROP retirement December 21, 2003, with 21.04 credited pension service and 25.00 total years of service. Termination date December 5, 2007. Monthly pension benefit \$3,924.22. DROP account total \$215,638.45.

Mario Diaz, Police Officer. Date of DROP retirement September 23, 2004 with 22.00 years of credited pension service and 25.28 total years of service. Termination date January 1, 2008. Monthly pension benefit \$3,938.68 (100% Joint & Survivor). DROP account total \$174,926.19.

Edward K. Harmon, Police Officer. Date of DROP retirement October 1, 2004 with 20.53 years of credited pension service and 23.71 total years of service. Termination date: December 7, 2007. Monthly pension benefit \$3,800.97. DROP account total \$163,701.11.

Mark A. Spencer, Sergeant. Date of DROP retirement December 21, 2003 with 20.97 credited years of pension service and 25.00 total years of service. Monthly pension benefit \$4,828.90. DROP account total \$270,860.69.

Request for Lump Sum Refund: Tarik Sheppard, Police Officer. Date of separation November 16, 2007 with .783 years of creditable service. Lump sum payment due \$2,884.50.

FIRE DEPARTMENT - New Retiree (Termination of DROP Retirement): Dennis M. Sheehan, Firefighter. Date of DROP retirement March 30, 2003 with 23.76 years of credited pension service and 28.514 total years of service. DROP account total \$528,853.37.

Vesting: Ian Kemp, Battalion Chief. Last day worked November 3, 2007 with 14.067 years of service. Monthly pension benefit of \$3,736.18 to commence October 11, 2013. Motion was made by Mr. Hole to approve the Benefit Review with the exception of the Vesting Benefit of Mr. Kemp. Mr. Fortunato seconded the motion. The motion was approved **UNANIMOUSLY** by the Board. Motion was made by Mr. Rogers seconded by Mr. Dew to approve the vesting benefit of Mr. Kemp. The motion was approved by a majority of the Board with Mr. Kemp abstaining

BILLS: Stanley Holcombe & Assoc. Mr. Holcombe's bill included the Experience Study for 2002-2006, Miscellaneous Active and the Special Cost Studies in the total amount of \$27,793. Ms. Wenguer advised that this bill should be less \$2,796. which had previously been paid. The bill of \$17,000. for Special Cost Studies had been approved for up to \$15,000 only, therefore, the total for this bill should be \$24,997.

AON Private Risk Management Insurance Agency bill for Fiduciary Liability Insurance in the amount of \$13,054.25.

Cypen & Cypen's interim invoice for professional services rendered from 09/01/07 through 10/31/07 in the amount of \$351.55.

Mr. Rogers made a motion to approve payment of these bills with Mr. Hole seconding the motion. The motion was approved **UNANIMOUSLY** by the Board.

PORTFOLIO REVIEW: Systematic Financial. Postponed for a later date.

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS: None.

ADMINISTRATOR'S REPORT: Me Too II: Update by Mr. Cypen. Appeal is moving along. **City Contribution Overpayment:** The plan was overpaid \$482,000. by the City on October 15, 2007 due to interest from July 1 to October 15, 2007 being included twice. A request was made by the Finance Department to Northern Trust to reimburse overpayment; however, according to our attorney, no funds can be withdrawn from this account. The City will receive credit for the overpayment and will receive 7 ¾ interest on October 15, 2008 when the next contribution from the City is due. **Pension Overpayment (Peney):** Schedule of payback amounts presented for approval. Mr. Cypen to formulate a Promissory Note to be signed by Mr. & Mrs. Peney. Mr. Dew made a motion to accept this repayment arrangement. Mr. Fortunato seconded the motion. The motion was approved **UNANIMOUSLY** by the Board. **NCPERS Proxy Voting Guidelines:** Mr. Cypen reviewed proxy voting in the past. He suggested that we request a yearly report from each manager to track their proxy voting. Ms. Wenguer will request this information from each manager. **Firefighter's Retirement Date:** Ms. Wenguer advised the Board that according to City policy, if your shift ends after midnight, you are paid for that day and your date of retirement would be the following day. **Firefighter Trustee Election:** Election ballots are due in the office on December 28, 2007. Ballots will be counted on January 2, 2008 at 10:00 am. **Pension Administrator's Review:** Mr. Curry will distribute a review form to each member of the Board to complete and Ms. Wenguer's review will be done next month. **Assistant Pension Administrator:** Discussion concerning additional resumes received. The Committee to follow up with the person who was previously interviewed.

2008 Budget: Ms. Wenguer distributed a draft of the upcoming budget and it will be placed on next month's agenda.

Investment Policy Review: Mr. Pulos was requested by the Board to put language in the Investment guidelines for the manager's for their quarterly reports.

A motion was made by Mr. Rogers to accept the changes with corrections that at no time are plan investments in foreign securities to exceed 10% the fund at cost. Mr. Burnam seconded this motion. The motion was approved **UNANIMOUSLY** by the Board.

Mr. Cypen left the meeting at 2:50 pm.

EQUITY LONG/SHORT PRESENTATIONS – Grosvenor Capital Management: Thomas Meagher, Jr. and Jeremy E. Joseph presented this portfolio.

K2 Advisors: Dan Elsberry and Kelsey Biggers presented this portfolio.

Private Advisors, LLC: Craig D. Truitt, Laura E. Baird and Charles M. Johnson, III presented this portfolio.

Decision concerning which of the presenters would be hired was postponed until legal questions were reviewed by the Mr. Cypen, the Board Attorney. Mr. Pulos will forward these additional questions to the presenters and report back to the Board. Mr. Burnam left the meeting at 3:45 pm. **OLD BUSINESS:** Mr. Hole requested an update on several items: Auditor Request for Proposals Disaster Policy Governance Policy

Ms. Wenguer advised she had spoken with the General Employees Retirement System concerning their auditor. She had discussed this with David Desmond and was advised that their RFPs had been sent out by one of their Trustees and they did not have a copy, but would try to obtain one for her.

The City is currently working on a Disaster policy.

Chairman Curry will follow up regarding a Governance Policy.

NEW BUSINESS:

Mr. Kemp made a motion that the Administrator tender her resignation effective today with a thirty-day severance pay. Mr. Hole seconded the motion. A vote was taken with the motion passing five to one with Mr. Rogers opposing. The Administrator declined to tender her resignation. After a lengthy discussion, Mr. Rogers expressed his concern about several issues and made a motion that a Special Meeting be held after December 26, but before the next regular Board meeting on January 9, 2008, to go through the review process with the Administrator with input from both the Administrator and the Board. If the Board cannot meet prior to the January 9, 2008 regular meeting this item will be included on the January 9th agenda. Mr. Dew seconded the motion. A vote was taken with the motion failing with Mr. Dew and Mr. Rogers in favor and Mr. Curry, Mr. Kemp, Mr. Fortunato and Mr. Hole opposed.

Mr. Hole made a motion to give a 72-hour notice for a Special Meeting to be held as soon as possible to discuss the Administrator's continued relationship with the Board. Mr. Fortunato seconded the motion. A vote was taken with the motion failing with Mr. Hole in favor and Mr. Rogers, Mr. Kemp, Mr. Fortunato, Mr. Curry and Mr. Dew opposed. Mr. Curry set the Special Meeting for December 28, 2007 at 10:00 am.

FOR YOUR INFORMATION: No action.

There being no further business to be brought before the Board, Mr. Dew made a motion to adjourn the meeting at 5:30 P.M. Mr. Rogers seconded the motion. The motion was approved **UNANIMOUSLY** by the Board.

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