

# December 2009



## 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 12:30 P.M., Wednesday, December 9, 2009 in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

### PRESENT:

Michael Dew, Chairman  
Mark Burnam, Vice Chairman  
Dennis Hole, Secretary  
Ken Rudominer, Trustee  
Richard Fortunato, Trustee  
Jim Naugle, Trustee  
J. Scott Bayne, Trustee  
Steve Cypen, Cypen & Cypen, Board Attorney  
Lynn Wenguer, Administrator  
Rachel Maldonado, Assistant Pension Administrator  
Laurie DeZayas, Pension Secretary

### ALSO PRESENT:

Michael Kinneer, Ex-Officio Member  
David Bergman, GTS  
Steve Malinowski, GTS  
George Farrell, Jr., Retirees' Assoc.  
Bill Paton, Retirees' Assoc.  
Jack Chew, Retirees' Assoc.  
Fred Nesbitt, Director of Public Relations  
Marisa DeMato, Coughlin Stoia  
Mario Alba, Jr., Coughlin Stoia  
Darren Check, Barroway Topaz  
Kevin Cauley, Barroway Topaz  
Jack Lokeinsky, FOP  
Lesley Weaver, Grant and Eisenhofer  
Marc Weinberg, Grant and Eisenhofer  
Nico Minerva, Grant and Eisenhofer  
Linda Solomon-Duffey, Retirees' Assoc.  
Rick Schulze, Retirees' Assoc.

### ASSET VALUE as of December 8, 2009: \$411,847,083

Chairman Dew called the meeting to order at 12:30 p.m. Chairman Dew extended congratulations and farewell to Michael Kinneer as he begins a new position in another county and will be leaving the City as the Director of Finance.

### Communications to City Commission

- Rebalancing with newly hired GTS saved the Plan \$55,000.
- Investment Seminar held on Dec. 3 & 4 was a success. Managers hired for the Plan compliment each other very well.
- Chairman Dew has addressed the Commission/Mayor on Pension Ordinance amendments including: reinstatement of COLA clause, removing remarriage penalty for widows, refining language for Police O/T, extending trustee term to 4 years.
- The Board would like the Commission to review the Pension Protection Act of 2006 (PPA) and the Heroes Earning Assistance & Relief Tax Act of 2008 (HEART) to ensure that the City is in compliance with its provisions.
- The Board would like the Commission to review Senate Bill 538 to ensure that the City is in compliance with its provisions.

**MINUTES: Motion** made by Mr. Naugle, seconded by Mr. Hole, to waive the reading of the minutes for Regular Meeting, November 4, 2009, and approve them as a whole. Mr. Hole suggested some corrections/improvements in the minutes. On page 3, Mr. Hole suggested listing State Street as "State Street Aggregate Bond Index." Also on page 3, under the discussion

about trustees' fiduciary insurance, the question was in reference to the California office, not private investors. Finally, Mr. Hole wanted the discussion on page 4 about the Retirement Seminar to reflect that the Board asked for the Chairpersons of GERS and P&F to meet to discuss strengths and opportunities of the partnership of the Boards in regards to the seminar. With no further discussion, the **motion** carried unanimously.

#### **BENEFITS REVIEW:**

##### **POLICE DEPARTMENT BENEFIT TYPE RETIREMENT DATE TERM DATE FORM OF BENEFIT**

John Labandera DROP Retirement 11/28/2009 Standard  
Joseph J. Ryan Refund Request 11/17/2009 Lump-Sum Refund  
Daniel Zavadil Refund Request 11/24/2009 Lump-Sum Refund

##### **FIRE DEPARTMENT BENEFIT TYPE RETIREMENT DATE TERM DATE FORM OF BENEFIT**

Jeffrey G. Pereny DROP Retirement 11/29/2009 Standard

**Motion** made by Mr. Bayne, seconded by Mr. Fortunato, to waive the reading of the benefits and approve them as a whole. In a voice vote, the **motion** carried unanimously.

**BILLS:** The following bills were submitted:

- Lee Munder for management fees through 9/30/2009 in the amount of \$41,280.76.
- Agincourt for management fees through 9/30/2009 in the amount of \$36,397.10.
- Prudential for management fees through 9/30/2009 in the amount of \$25,204.55.
- Artio Global for management fees through 9/30/2009 in the amount of \$21,994.04.
- BNY Mellon for professional services through 9/30/2009 in the amount of \$5,188.96.
- Ellen Schaffer for professional services through 11/19/2009 in the amount of \$498.75.
- Holland & Knight for professional services through 9/24/2009 in the amount of \$100.00.
- Holland & Knight for professional services through 11/11/2009 in the amount of \$525.00.

**Motion** made by Mr. Hole, seconded by Mr. Fortunato, to waive the reading of the bills and approve them as a whole. In a voice vote, the **motion** carried unanimously.

**SECURITIES FIRMS INTERVIEWS:** Mr. Hole reviewed the process by which he and the Administrator arrived at the three candidates up for review. The Board also discussed the pros and cons of the custodian filing before assessing the candidates.

The Board then heard the presentation of the following 3 firms: Coughlin Stoia, Barroway Topaz, and Grant & Eisenhofer. They each discussed their background and how they felt they could assist the Plan. Each identified what they believed was their firm's distinguishing factors. They discussed their relationship with the Board's current monitoring firms. Mr. Cypen also asked each presenter a few questions concerning their trial-to-jury history, filing practices, and other such standard concerns.

After the interviews and a Board discussion of the options available, Mr. Naugle made a **motion** seconded by Mr. Hole, to hire Coughlin Stoia as the Board's third securities monitoring firm. In a voice vote, the **motion** carried unanimously.

**GTS, Transition Update:** GTS detailed the movements of the assets as dictated during the October meeting. The monies that were liquidated to the fund came from various commingled managers making this first fairly large transaction that they oversaw atypical from a buy/sell perspective. This was purely on the "sell" side. Most transactions will not look like this one. Overall, GTS reported that their process saved the Fund \$55,000.

For the first quarter, GTS will work with Ms. Wenguer to establish process and schedule their next visit. Mr. Cypen asked that GTS document the savings to the Plan from this transaction.

**INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS:** Mr. Jack Chew addressed the Board on a status update on the elimination of the clause that stops the benefits of a surviving spouse that remarries. While no decision has yet been made by the City Commission since negotiations continue, the Commission has asked the Board what the cost is to eliminate the clause.

Mr. Chew felt that it is cost neutral because most widows do not remarry knowing that their benefits will cease. Only one widow in more than three decades has forfeited the right to their pension in order to remarry. Ms. Solomon-Duffey also stated that the Retiree Association submitted a cost study to the City and it should not need to be redone.

Chairman Dew asked that Ms. Wenguer follow up with the actuary to see if he needs any information should an additional study be required.

**ADMINISTRATOR'S REPORT – 2010 Board Meeting Dates:** The Administrator presented the calendar of meeting dates for 2010. She pointed out that the February FPPTA School coincides with the date of the February meeting. The Board agreed to move it to Wednesday, February 3rd. The Board also agreed to move the October meeting to Wednesday, October 6th due to the Fort Lauderdale Boat Show and the need for coverage by the trustees.

**IRS Special Tax Notice:** Mr. Cypen told the Board that they should continue to use the original notice until December 31, 2009. He needed to fix the new notice in the area that discussed QDRO exception.

**Investment Workshop:** With a few exceptions in regards to the amenities, the seminar was an overall success. The location was the best relative to office, trustees, and proximity to airport for the speakers. Mr. Hole suggested that there be more signage at the location to identify the event. Chairman Dew would like to hear less about company promotion and more about the strategies and decisions the firms make on behalf of the Plan. Mr. Burnam felt that the room size could be cut in half to make the environment more intimate for the small group of attendees.

**Pension Newsletter:** The Board reviewed the proposal by Dave Williams but decided that they would prefer to produce a newsletter "in-house" to save on cost and to better control content. Mr. Rudominer and Mr. Nesbitt will brainstorm some options and present to the Board in January.

**Credit Card Policy:** The City's policy that was presented simultaneously did not apply to the discussion because their rules are for a purchasing card. The Board then decided to move forward with the Credit Card policy that Ms. Wenguer presented to the Board. There were two specific changes on the language removing reference to a "Schedule of Delegations" and in Item 2, the Board asked to strike the wording "senior employee." **Motion** made by Mr. Rudominer, seconded by Mr. Hole to accept the policy as amended. In a voice vote, the **motion** carried unanimously.

**Travel Policy:** Mr. Hole questioned the validity of the travel policy put in place because he felt sure he had submitted that draft in the past but the Board did not adopt it. The office will research that point. It was also noted that on vehicle rental, the policy states that the traveler should not take automobile insurance because they are "covered by the Plan." However, it was clarified that the Board does not have collision coverage so that statement should be removed. The Board asked to review the Travel Policy in January for approval. Mr. Bayne also asked to see the City's meal allowance.

**Public Records Policy:** Mr. Cypen suggested removing the list of exempt records because the list is so extensive, it is impossible to capture all exemptions on one page. Therefore he suggested adding this line: "All retirement records are available pursuant to public records law with the exception of those exempted by law or made confidential." This would make the policy inclusive of all possible options.

**Retiree Frank Colleran:** Due to his absence again, the Board decided to remove Mr. Colleran from the upcoming agendas until he returns to the meeting.

**Outstanding Survivor Letters:** There is no current policy in place for survivors who do not provide verification that they are the correct person receiving the benefits. **Motion** made by Mr. Rudominer, seconded by Mr. Hole, to stop the benefit payments of the two outstanding survivors until proof of entitlement provided. In a voice vote, the **motion** carried unanimously. The Board agreed to discuss a formal policy in January should this occur again.

**Peney Overpayment Payback:** At Mr. Hole's request, Ms. Wenguer confirmed that she received the 2009 payment due from the Peney family in the timeframe and amount agreed upon last year.

**Administrator's Review:** Chairman Dew asked that the Board discuss a possible raise for Ms. Wenguer based on her performance, which was rated "above average." The Board discussed the parameters used to classify her position. For example, the Board used Manager 4 as a guideline but not necessarily the "model". The Board asked if the Chair had a recommendation. He recommended a 2% increase. The Board discussed the lack of Job Descriptions and benefits reference for the office staff.

**Motion** made by Mr. Hole, seconded by Mr. Fortunato to increase Ms. Wenguer's salary by 2%, retroactive to the anniversary date in July 2009. There was discussion about Ms. Wenguer's sick time and whether or not she could convert her excess days before the 2010 anniversary. The Board agreed to address it some time in May before the next evaluation. With no further discussion, **motion** passed unanimously.

**OLD BUSINESS – Roberts Rules of Order:** Ms. Wenguer confirmed that there is a copy available in the office for any trustee interested in reviewing it.

**Sunshine Law Pamphlet:** Ms. Wenguer inquired about the pamphlet for the Trustees. The pamphlet in question is free of charge but when Ms. Wenguer called the office that produced it, she was told that they only had a much more comprehensive book available for a fee. Ms. Wenguer is trying to find another organization that offers the original free pamphlet.

**Additional City Contributions:** Ms. Wenguer reported on the money that the City must give the Plan as a result of the increase in contributions that took place in 2009. She said it had not yet been received, but communication is current.

**Status on Disabilities:** Ms. Wenguer gave an update on the disability applications that have been submitted to the office. Chairman Dew asked that no disability hearings be scheduled for the month of February since it is the meeting for our scheduled Quarterly Investment Update.

**NEW BUSINESS – Performance Spreadsheets:** Ms. Wenguer advised the Board that she supplied two additional views of the Plan's investment performance in addition to the one that is usually distributed every month.

**Periodic RFPs for Attorney, Consultant, Actuary:** Mr. Bayne suggested considering an RFP for the Plan's partners as a Best Practice to ensure we contract with the best professionals on a cyclical basis. The Board agreed to discuss it at the next meeting.

Motion made by Mr. Rudominer, seconded by Mr. Fortunato, to adjourn the meeting at 3:47 P.M.

[Close Window](#)