

January 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, January 14, 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 (Departed 1:20 p.m.)
 Dennis Hole, Secretary
 John San Angelo, Trustee
 Ken Rudominer, Trustee (Arrived 12:37 p.m.)
 Richard Fortunato, Trustee
 Steve Cypen, Board Attorney
 Lynn Wenguer, Administrator
 Rachel Maldonado, Assistant Pension Administrator
 Laurie DeZayas, Pension Secretary
 Michael Kinneer, Ex-Officio

ALSO PRESENT:

Jack Chew, Retirees' Assoc.
 Bill Paton, Retirees' Assoc.
 Fuzzy Larkin, Retirees' Assoc.
 Frank Collieran, Retirees' Assoc.
 Don Muller, Retirees' Assoc.
 Gregg Gurdak, President, Retirees' Assoc.
 Linda Soloman-Duffey, Retirees' Assoc.
 J. Scott Bayne, Union President, IAFF Local 765
 Wayne Owen, Rhumblin
 Denise D'Entrement, Rhumblin
 Rick Schulze, Retirees' Assoc.

ASSET VALUE as of January 12, 2009: \$374,384,700

Chairman Dew called the meeting to order at 12:30 p.m.

MINUTES: Regular Meeting, December 10, 2008. Mr. San Angelo made a motion to waive the reading of and approve the minutes, with Mr. Hole seconding the motion. The Board approved the motion UNANIMOUSLY.

BENEFITS REVIEW:

Mr. Hole made a motion to waive the reading of and approve the benefits. Mr. Burnam seconded the motion.

POLICE DEPARTMENT	BENEFIT TYPE	RETIREMENT DATE	TERM DATE	FORM OF BENEFIT
Mary L. Gillis	DROP Retirement	Dec. 28, 2008	Dec. 27, 2013	100% J&S
Richard W. Love	DROP Retirement	Dec. 27, 2008	Dec. 26, 2013	Standard
Nicholas Malone	Refund		Dec. 30, 2008	Lump-Sum Refund
Jorge L. Reyes	Refund		Dec. 22, 2008	Lump-Sum Refund
Michael Sodano	Refund		Dec. 30, 2008	Lump-Sum Refund
Kenneth Warr	Refund		Dec. 23, 2008	Lump-Sum Refund
John W. Deaton	Retiree Death	May 1, 1983	Dec. 2, 2008 (DOD)	Benefits Payable to Spouse
Thomas C. Janson	Retiree Death	Feb. 1, 1979	Dec. 30, 2008(DOD)	Benefits Payable to Spouse

Mr. Fortunato questioned whether Detective Richard Love's benefits took his longevity and detective pay into account. The Administrator agreed to check on the pay data. With no further discussion, the Board approved the motion UNANIMOUSLY.

BILLS:

Systematic submitted a bill for management fees through the period ending 12/31/08 in the amount of \$37,205.51.

Asset Consulting Group submitted a bill for professional services rendered through the period ending 12/31/08 in the amount of \$10,625.00.

Cypen & Cypen submitted a bill for professional services rendered through 11/30/08 in the amount of \$250.89.

Mr. Fortunato made a motion to waive the reading of and approve all the bills. Mr. San Angelo seconded the motion. The Board approved the motion UNANIMOUSLY.

PORTFOLIO REVIEW – Rhumblin: Wayne Owen and Denise D'Entremont reviewed the portfolio review that was sent under separate cover for the Board's review. Mr. Owen discussed Tab I of the review, which detailed items such as: initial funding, history of contributions, and current long-term positive tracking above fees and investments.

Mr. Cypen asked about verifying certification of assets with State Street, which is Rhumblin's custodian. Mr. Owen said that the plan has the authority to request verification at any time directly from State Street. In addition, there is an internal control report that is issued periodically.

Chairman Dew asked for Mr. Owen's professional opinion on the direction of the market and what could be expected for the coming year. Mr. Owen reported that in the last 30-45 days, money has started to flow back into the equities market. He expects a good turnaround in approximately 12 months, due to increasing confidence of investors.

Mr. Hole asked about SPIVA. Ms. D'Entremont explained that it was a report that measured 2000 actively managed mutual funds against the index. The S&P stopped issuing the report briefly but have recently gotten back to producing and distributing the report.

Chairman Dew thanked Mr. Owen and Ms. D'Entremont for their attendance and report.

Chairman Dew took a moment to recognize the presence of Scott Bayne and introduced him to the Board. Mr. Bayne was newly selected as the Union President of the IAFF Local 756.

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS AND FIREFIGHTERS: Association President Gregg Gurdak inquired whether the response letters for the "Everybody But Me" group were ready for distribution. Chairman Dew responded that they were and a copy was handed out at the meeting.

ADMINISTRATOR'S REPORT – Selection of Trustee Officers: The Administrator informed the Board that the City had not yet appointed a replacement for Romney Rogers. She also informed them that the Trustee officers are usually selected in January.

The Administrator gave them the option of waiting to select officers until Mr. Rogers' replacement was chosen. Mr. San Angelo felt it was not appropriate to wait and the selections should be made.

For the position of Chairperson, Mr. San Angelo nominated Michael Dew. No further nominations were made. Mr. San Angelo moved to close nominations. Mr. Rudominer seconded the motion. The Board approved the motion UNANIMOUSLY and Michael Dew was selected as the Chair for 2009.

For the position of Vice Chairperson, Mr. Rudominer nominated Mark Burnam. No further nominations were made. Mr. Rudominer moved to close nominations. Mr. Fortunato seconded the motion. The Board approved the motion UNANIMOUSLY and Mark Burnam was selected as the Vice-Chair for 2009.

For the position of Secretary, Mr. Rudominer nominated Dennis Hole. Mr. Dew nominated Ken Rudominer, but Mr. Rudominer declined the nomination. No further nominations were made. Mr. San Angelo moved to close nominations. Mr. Fortunato seconded the motion. The Board approved the motion UNANIMOUSLY and Dennis Hole was selected as the Secretary for 2009.

2009 Board Meeting Dates: After reviewing the proposed calendar dates, there was discussion on changing a number of the meeting dates. Mr. San Angelo noted that he could not make the February meeting. Due to other scheduling conflicts, this meeting could not be re-scheduled, so it remained set for February 11.

Mr. Fortunato noted that he would be unavailable for the May meeting date. It was proposed to change the date of the meeting that month from Wednesday, May 13th, to Tuesday, May 12th. All parties involved confirmed that their calendar was free. The meeting date was changed.

Due to the International Foundation conference, it was suggested that the November meeting date be changed to the week before. All parties involved agreed that Nov. 4th was an acceptable date for the meeting and that meeting date was changed

Budget Discussion: The 2009 proposed budget was discussed. Ms. Wenguer noted that Prototype, which was hired to assume responsibility of the meeting minutes, could not attend meetings for the second Wednesday of the month. Therefore, the Assistant Administrator would continue to prepare the minutes. The office would then have to revisit the purchase of digital equipment. Ms. Wenguer indicated that she would reallocate \$2500 for the purchase of that equipment under the heading "Supplies". That amount was under "Clerical Services" for the purpose of paying Prototype.

Mr. San Angelo made a motion to accept the budget with \$2500 allocation for digital recording equipment and Mr. Fortunato seconded the motion. The Board approved the motion UNANIMOUSLY.

Reducing Agenda Content: Ms. Wenguer proposed to the Board the possibility of reducing agenda content to make the packets less cumbersome. She suggested removing the Trades summary, currently under the heading "For Your Information", and making it available upon request. Also, the Administrator currently attaches the weekly Cypen Newsletters. These could be emailed to the Trustees. Mr. San Angelo moved to remove the aforementioned items from the agenda packets. Mr. Fortunato seconded the motion. The Board approved the motion UNANIMOUSLY.

Administrator Evaluation: Chairman Dew submitted a draft of the Administrator Evaluation for the Board's review. The draft included one review for each of the Trustees to fill out. In addition, there was one review that would be given from the Chair to the Administrator

incorporating the other Trustees' comments. There was a discussion about the number of items rated and how they would be weighted.

Chairman Dew asked that any comments or suggestions be submitted to the Administrator. The final format of the evaluation must be completed by May, as the review will be administered to Ms. Wenguer in July.

Mr. Burnam left the meeting at 1:20 p.m.

Me Too II Payments: The Administrator took the opportunity to thank the Finance Director Michael Kinneer for ensuring that the Me Too II payments were processed for January 1st, 2009 as promised.

Academic Incentive Pay Distributions: The Administrator informed the Board that the AIP checks would be ready for February 1, 2009. There were extra steps taken for the 2008 cycle since Me Too II affected parties were also given an adjustment to their AIP payments.

Retirement Seminar: The Assistant Administrator reviewed dates in May for the meeting. There was a problem with most of the dates discussed either because of location or timing. Ms. Maldonado will try to explore dates in late April or in early June.

Emcore Class Action: Mr. Cypen reported that the Plan had a position with Emcore and has subsequently lost \$400,000. Mr. San Angelo moved to proceed as lead plaintiff with Pomerantz in the case against Emcore. Mr. Rudominer seconded the motion. The Board approved the motion UNANIMOUSLY.

Northern Trust Letter: Northern Trust sent a letter to the Plan related to Lehman activity. Mr. Cypen advised the Administrator to forward the letter to Maya Saxena of Saxena White. There is a due date of 6/30/09 to file a bankruptcy claim. However, a claim under the Securities Investment Protection Act (SIPA) must be filed by 1/30/09. Ms. Saxena is reviewing to see if the Plan has any claims under SIPA. The Administrator was asked to follow-up on the status of that review by close of business on 1/15/09.

Summary Plan Description (SPD): The Assistant Administrator presented a draft of the SPD to the Board. The updated version was scheduled for distribution in January 2009. However, the Administrator reported that the 2008 financial information would not be available until April 2009. The Board agreed that the office should wait until the latest financial reports are available before printing and distributing the SPD.

Mr. Hole also suggested the addition of the second tier of benefits, referring to those who receive other than 3 3/8 percent upon retirement. Mr. Cypen asked Ms. Maldonado to send a blackline draft to Alison Bieler, Esq. at Cypen & Cypen.

ADEA Lawsuit: Mr. Cypen reported on a lawsuit of 14 members of the Plan claiming age discrimination. The court dismissed the case, saying that 13 of the 14 members had signed a waiver and thereby released their claim. In any event, the Plan provision is not illegal.

Communication With Rachlin: In reference to the audit, Mr. Hole asked if Ms. Wenguer had heard from Rachlin in order to meet the Division of Retirement March 15th deadline. The Administrator reported that she emailed them twice and had not yet received a response.

Cammarota Settlement: Mr. Hole asked if the Administrator had checked to see if Mr. Cammarota had received a Workers' Compensation settlement and whether his disability would be offset because of it. Ms. Wenguer reported that she had checked and that Mr. Cammarota's settlement did not permit an offset of his disability payments.

Non-Service Incurred Disabilities: Mr. Hole asked if the office had checked the financial statements of the three members receiving a non-service incurred disability retirement to determine if they would receive an offset. Ms. Wenguer assured the Board that she had checked and was currently drafting communication to the affected members. Mr. Hole also suggested that the office go back and check those who had received the benefit previously.

NEW BUSINESS – Comparing Plans: Chairman Dew reported to the Board that he asked Ms. Wenguer to collect information on the performance and strategies of other pension plans based on their size. The purpose is to see if our Plan is going in the same direction as others and to also provide an informal evaluation of Jason Pulos of Asset Consulting Group.

Public Funds Board Forum: Mr. Rudominer reported on the Forum he attended, praising the experience. Two invited speakers were economists who advised plans to “stay the course”. He also had the opportunity to meet Trustees from multi-billion dollar plans and learn about some of the different ways they operate. Mr. Rudominer brought back literature from the conference for the Board’s review.

OLD BUSINESS - 175 Database & New Construction: Mr. Hole asked Mr. Kinneer about the status of the City database and the recognition of new construction. Mr. Kinneer reported that due to the crunch to distribute the Me Too II checks, he had not yet been able to research that.

Market Rate of Interest on DROP Money: Based on information provided in Mr. Cypen’s newsletters, Mr. Hole asked if the plan could continue to pay the assumed rate of return on DROP distributions. Mr. Cypen assured the Board that due to recent legislation, such payment was permitted.

There being no further business brought before the Board, Mr. San Angelo made a motion to adjourn the meeting at 2:25 P.M. Mr. Rudominer seconded the motion. The Board approved the motion UNANIMOUSLY.

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