

# January, 2010



## 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 12:28 P.M., Wednesday, January 13, 2010 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 (departed at 1:53 p.m.)  
Steve Cypen, Cypen & Cypen, Board Attorney  
Lynn Wenguer, Administrator  
Rachel Maldonado, Assistant Pension Administrator  
Laurie DeZayas, Pension Secretary

### ALSO PRESENT:

George Farrell, Jr., Retirees' Assoc.  
Bill Paton, Retirees' Assoc.  
Jack Chew, Retirees' Assoc.  
Fred Nesbitt, Director of Public Relations

Gregg Gurdak, Retirees' Assoc.  
Randy Trout, Retirees' Assoc.  
Fuzzy Larkin, Retirees' Assoc.  
Linda Solomon-Duffey, Retirees' Assoc.

### ASSET VALUE as of January 12, 2010: **\$421,298,427**

Chairman Dew called the meeting to order at 12:28 p.m.

**Election of Officers:** Chairman Dew called for the election of officers to take place first. Motion made by Mr. Naugle, seconded by Mr. Hole, to re-elect Michael Dew for the office of Chair. In a voice vote, the motion carried unanimously.

Motion made by Mr. Dew, seconded by Mr. Bayne, to elect Ken Rudominer for the office of Vice-Chair. In a voice vote, the motion carried unanimously.

Motion made by Mr. Hole, seconded by Mr. Bayne, to elect Richard Fortunato for the office of Secretary. In a voice vote, the motion carried unanimously.

The Administrator took a moment to introduce Marian Dollard to the Board. Ms. Dollard works for the finance department for the City of Fort Lauderdale. She was representing the department in the absence of a newly appointed director.

**MINUTES:** Motion made by Mr. Rudominer, seconded by Mr. Fortunato, to waive the reading of the minutes for Regular Meeting, December 9, 2009, and approve them as a whole. Mr. Hole thought that the language concerning the AON insurance needed correction. He also noted that the discussion about the booklets on the Sunshine Law was missing. With no further discussion, the motion carried unanimously.

### BENEFITS REVIEW:

#### POLICE DEPARTMENT:

Cristobal DeGracia      Retirement      January 24, 2010 100% J&S

Martin Trujillo	DROP Retirement	January 4, 2010	100% J&S
Chester J. Janik	Vested Retirement	January 2, 2010	Standard
Theresa M. Furrey	Vested Retirement	January 29, 2010	Standard
George Law	Refund Request	December 18, 2009	
Henry Lewandowski	Refund Request	December 2, 2009	
Angelica Valle	Refund Request	December 17, 2009	

**FIRE DEPARTMENT:**

Sandra Michaud-Damasio	DROP Retirement	January 2, 2010	Life Annuity
Alan C. Joseph	DROP Retirement	January 11, 2010	Life Annuity
Emory Boven	Retiree Death	December 10, 2009	No Survivor
Darlene Britt	Survivor Death	November 19, 2009	

Motion made by Mr. Rudominer, 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:

- Asset Consulting for professional services through 12/31/2009 in the amount of \$10,625.00.
- Dr. Goldschmidt for professional services through 12/8/2009 in the amount of \$4,455.00.
- Dr. Grossman for professional services through 12/1/2009 in the amount of \$1,000.00.

Motion made by Mr. Bayne, seconded by Mr. Hole, to waive the reading of the bills and approve them as a whole. There was a discussion about the bill from Dr. Goldschmidt because it was a high amount due to an unexpected 11-hour examination of the paperwork for Mr. Welyczko. The Board asked the Administrator to correspond with the doctor and see if there is anything that can be done about the total. They also thought a threshold should be established where if a doctor feels the work will go beyond a reasonable amount of time, he or she would contact the Administrator first. After deferring Dr. Goldschmidt's bill until February, the motion to pay the remaining bills carried unanimously.

**INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS:** Mr. Jack Chew addressed the Board about the elimination of the clause that penalizes surviving spouses that remarry. Chairman Dew said he would be presenting it, among other ordinance changes, to the City Commission on the 20th of January.

Retiree Randy Trout inquired of the Board regarding AIP payments that he does not receive but feels he is entitled to. Attorney Steve Cypen was not present in the room at the time of the discussion. The discussion was deferred until Mr. Cypen was available.

**ADMINISTRATOR'S REPORT – Newsletter Presentation:** Mr. Rudominer discussed the Web site and found that in most areas it is up to par with other such pension sites. There is an option to put up a "log in" for members to access their benefits. However, this is usually in place if the office administers the front-end and the back-end of payments. He acknowledged that it is not a necessary feature and can be addressed at a future date. They also talked about the possibility of allowing trustees to log in to a section set up just for them. For example, managers could submit information electronically that can be viewed by the Trustees in this section. Finally, the possibility of adding a benefits calculator was discussed.

In reference to the newsletter, Mr. Rudominer and Mr. Nesbitt agree that they want to keep the distribution of information primarily electronic. Currently, Mr. Rudominer hosts a free blog but he would like to expand it. The Board agreed that they would like to keep one person as the editor through which all submissions would filter. Mr. Nesbitt also emphasized having fillable forms available on-line. There was a discussion about possibly hiring a new Web designer/host.

**Education & Training Policy:** The Board reviewed the Education & Training Policy (formerly referred to as the Travel Policy.) There were a number of suggestions made. For example, Item I is a Travel Request form. It was agreed it was not necessary because trustees communicate directly to Laurie. The Board agreed that it does need to adopt an expense form for reimbursements.

On page 28, the 2nd paragraph, 4th line, it was suggested to remove the word "no." Also on page 28, Ms. Wenguer clarified that the "times" used to determine meal allowance refers to the conference start times. Mr. Cypen suggested that the words "per diem" are struck throughout the policy and replaced with "meal allowance."

On page 30, in reference to calculating mileage, it was suggested that the words "City's purchasing department" be removed and replaced with "a reliable source." The trustees often keep a record of their miles traveled via Mapquest or a GPS.

The Board also discussed the car insurance to clarify whether the trustees are covered in the cars when they travel. There is insurance under the state contract with Avis. However, if a trustee chooses to rent elsewhere, the Board has no additional car insurance coverage.

Going back to page 28, Chairman Dew asked if the start time on arrival day could be 4 p.m. instead of 6 p.m. because a lot of the conferences start at 5 p.m. He also suggested that the meal allowance increase by \$5 for each meal. Mr. Fortunato asked if Internet access fees are covered at hotels, assuming there is no computer to check email or otherwise communicate with the office. Mr. Cypen said Internet costs for Board business should be considered. The policy will be reviewed and discussed again in February.

**2010 Budget:** Motion made by Mr. Naugle, seconded by Mr. Bayne, to approve the proposed budget. In a voice vote, the motion carried unanimously.

**Investment Fees:** Chairman Dew pointed out the success of renegotiating NorthPointe's investment fees. He thought that the Board should take a look at a couple of other managers whose performances have not been great. For example, he suggested the Board look at K2 and Systematic. Mr. Burnam expressed a hesitation to change anyone's fees to performance-based. But especially, he thought if the idea is to review a few others, then the Board should consider it for every manager. Mr. Pulos will be informed that this is a concern so that he might address it when he attends the February meeting.

**Randy Trout:** Mr. Cypen reviewed Mr. Trout's request concerning the AIP. He informed Mr. Trout that it is not an issue that can be addressed by the Board. If an error exists, it comes from the City and must be resolved by the City. At which point, the Pension Board can apply AIP payments to the retiree at the direction of the City if they confirm he was entitled to it.

**Board Contracts:** The Board discussed the suggestion to periodically review the attorney, auditor, actuary, and investment consultant with possible intent to send out an RFP for each on a regular basis. Chairman Dew asked the Board to remove the attorney, Mr. Cypen, from this kind of review. Mr. Hole spoke against the practice for many reasons, including the lack of confidence it might create for the contracted professionals. No motion was made to pursue this practice.

Mr. Bayne left the meeting at 1:53 p.m.

**NEW BUSINESS – Social Security Numbers:** For forms that require a member's social security number, Mr. Cypen said that an explanation must be added as to the reason the number is requested and the applicants' right to privacy. As well, other forms where the social security is deemed non-essential should no longer request the number.

**Dow Jones Index:** The Board received an invitation to evaluate its benchmark to the Dow Jones Index. Mr. Burnam said it doesn't change the value of the fund just the way it's presented. Dow Jones competes with the S&P and Russell indices. The Board decided to defer the decision to Mr. Pulos when he next visits the Board.

**OLD BUSINESS – SSgA Contract Update:** Ms. Wenguer reported that Mr. Cypen's office had still not received a copy of SSgA's final contract. She was not pleased thus far with their response time.

**Survivor Benefits:** The Board discussed implementing a policy for verification of benefits for survivors. They discussed verifying not only that the survivor is alive, but also asking on the affidavit if he or she has remarried. This of course would only be relevant if the City Commission does not modify the survivor clause in 2010. Motion made by Mr. Hole, seconded by Mr. Naugle, to adopt a policy that no less frequently than annually, there will be a verification of entitlement to pension payments of members and spouses with a 60-day timeframe (two letters sent 30 days apart) before suspension of benefits. In a voice vote, the motion carried unanimously. The Administrator was also granted permission to run the PBI search of records once a quarter instead of twice a year.

**Policies for Review in February:** Mr. Hole suggested that the Board review the final credit card and public records policies at the next meeting.

**City Contributions:** No response has been received concerning the increase of City contributions to the Plan. Ms. Wenguer had communicated with Mr. Kinneer, the former Director of Finance, prior to his departure. Ms. Wenguer will communicate to the acting Director of Finance.

**P&F/GERS Meeting:** Both plans discussed the overall success of the Retirement Seminar in October and the shared responsibilities going forward. Chairman Dew said they would also look to combine on other efforts for the retirement systems.

**GTS Letter:** The Administrator had not yet received the letter documenting the \$55,000 savings on the Board's initial transaction with GTS.

**Sunshine Booklet:** The Administrator contacted the City Clerk's office and asked if they could provide the Board with some copies for the Trustees. Ms.Wenguer contacted the Attorney General's office and was told that they do not carry the free booklet.

**Special Tax Notice:** Mr. Cypen sent the new form to Ms. Wenguer on December 20th and instructed the office to ensure the new notices are being distributed.

**Bullet Points:** The Board had communicated the various pension legislation through the bullet points to the City Commission. Therefore, the Commission asked that they be briefed on the impact of each. Going forward, the bullet points discussing PPA, HEART, and Senate Bill 538 will be covered generally under the term "IRS qualifications".

**Corporate Governance:** Mr. Rudominer discussed his concern that all areas may not be covered by not having another smaller firm looking at recaptures.

**Large Cap:** Mr. Burnam noted that the fund has surpassed the large cap target maximum. This will be addressed with Mr. Pulos in February.

Chairman Dew excused Mr. Bayne who left the meeting earlier. As a member of a Federal response team, Mr. Bayne was deployed to Haiti for rescue efforts.

Motion made by Mr. Burnam, seconded by Mr. Hole, to adjourn the meeting at 3:00 P.M. With no further business brought before the Board, the motion carried unanimously.

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Chairman

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Secretary

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