

July, 2008

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, July 9, 2008** in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

PRESENT: Michael Dew, Chairman
Mark Burnam, Vice Chairman
Romney Rogers, Secretary
John San Angelo, Trustee
Richard Fortunato, Trustee
Dennis Hole, Trustee
Steve Cypen, Attorney
Alison Bieler, Attorney (Cypen & Cypen)
Lynn Wenguer, Administrator
Rachel Maldonado, Assistant Pension Administrator
Laurie DeZayas, Pension Aide

ALSO PRESENT: Gregg Gurdak, President, Retirees' Assoc.

Fuzzy Larkin, Retirees' Assoc.
Jack Chew, Retirees' Assoc.
Rick Schulze, Retirees Assoc.
Bill Paton, Retirees' Assoc.
Linda Soloman-Duffey, Retirees' Assoc.
Frank Colleran, Retirees' Assoc.

ASSET VALUE as of June 9, 2008: **\$465,177,083.**

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

MINUTES: Regular Meeting, June 9, 2008. Mr. San Angelo made a motion to waive and approve the reading of the minutes with Mr. Fortunato seconding the motion. Mr. Hole noted that a few items he had discussed at the June meeting were missing. For example, he inquired about Forfeiture Forms and the Department of Revenue Database for purposes of giving proper credit. As well, Chairman Dew found two typographical errors on Page 1 and on Exhibit II. Mr. Dew also made suggested changes on the "Action Items" list. The Board approved the motion, with the noted changes, **UNANIMOUSLY.**

BENEFIT REVIEW:

FIRE DEPARTMENT	BENEFIT TYPE	RETIREMENT DATE	TERMINATION DATE	FORM OF BENEFIT
Riley T. Paine	Retirement	November 4, 2003	June 27, 2008	Standard
Susan E. Doddo	Refund		March 19, 2005	Lump-Sum

POLICE DEPARTMENT	BENEFIT TYPE	RETIREMENT DATE	TERMINATION DATE	FORM OF BENEFIT
Dean P. Monti	Retirement	August 1, 2008	June 27, 1992	Vested

Mr. San Angelo made a motion to waive and approve the reading of the benefits. Mr. Hole seconded the motion. The Board approved the motion **UNANIMOUSLY**.

BILLS:

Systematic submitted a bill for investment management fees for the period ending 6/30/08 in the amount of \$42,927.52.

Asset Consulting Group submitted a bill for professional fees for investment consulting services for the period ending 6/30/08 in the amount of \$10,625.00.

Atkinson, Diner et al submitted a bill for professional services rendered through the period ending 5/25/08 in the amount of \$5,105.00.

Cypen & Cypen submitted a bill for professional service from 5/1/08 to 5/31/08 in the amount of \$1,376.05.

Ellen Schaeffer submitted a bill for software support contract fee for the period from 7/5/08 to 7/4/09 in the amount of \$743.00.

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

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS: Retiree Jack Chew raised inquiry about the result of Me Too II. Mr. Cypen confirmed that the ruling was in favor of the Board and the Unions, and that it was final and cannot be reviewed further.

ADMINISTRATOR'S REPORT:**Old Business**

Me Too II: Ms. Wenguer proposed contracting the Board actuary to perform any calculations of Me Too II payments for the approximately 100 affected Members. Mr. Hole moved to authorize the actuary to prepare documentation, calculations and

conclusions at a cost not to exceed \$15,000. Mr. Rudominer seconded the motion. The Board approved the motion **UNANIMOUSLY**.

Mr. Hole asked if the Board was able to receive the percent of payroll for the original Me Too case as well as the current Me Too II, so that the Board can articulate the impact of the cases on City funding. Mr. Rogers made a motion to request the documentation on the percent of payroll for both cases, and that the cost of calculations should be included in the same fee not to exceed \$15,000. Mr. Hole seconded the motion. The Board approved the motion **UNANIMOUSLY**.

Auditor RFP's: We received two responses: one from our current auditor Goldstein Schecter Koch, and the other from Rachlin Cohen. Chairman Dew asked if there was a significant difference between the two responses. Mr. Rogers asked if the Trustees could have a side-by-side comparison with the Administrator's comments on what seems to be the most beneficial at the August meeting. After reviewing the summary, the Board would invite Rachlin Cohen to an interview. Ms. Wenguer thought a final decision should be made no later than September 30, 2008.

Pension Administrator's Evaluation: Mr. Rudominer submitted an itemization to use at the time of the Administrator's evaluation. Chairman Dew asked Mr. Hole to format the submission and send out to the Board prior to the August meeting for discussion. There was a lengthy discussion about the way in which the evaluation should reflect input from each Trustee. However, it was decided that ultimately the evaluation would be made directly by the Chairman.

Pension Administrator's Contract: Chairman Dew asked for a motion to accept the contract with the addition of dental plan. Ms. Bieler elaborated on the changes in the contract since the initial draft. She also explained the significance of using the City management categories to frame Ms. Wenguer's benefits. However, Ms. Bieler emphasized that the Administrator's contract reflects what benefits she already has in place, but that the Board is not bound by any policy to mirror benefit changes the City may implement for City employees in the same management category.

The Trustees had concerns about the breakout of some of the tasks in the job description, as some seemed out of the Administrator's scope. Other concerns were voiced over conversion of sick and personal time upon a hypothetical departure of the Administrator. Mr. Rogers made a motion to accept the contract with the addition of the dental plan and the stated revisions to the job description, providing for the Chairman to follow-up with Ms. Bieler on any redundancy and final verbiage. Mr. San Angelo seconded the motion. The Board approved the motion **UNANIMOUSLY**.

Overtime Pension Ordinance: Ms. Wenguer was waiting on feedback from attorney Bob Klausner (who was involved in the original negotiations), which was supposed to have been received by July 4, 2008. Mr. Klausner is in communication with Patricia Shoemaker at the Division of Retirement on the amendment. Ms. Wenguer will follow up and continue to work to get the ordinance to reflect the change whereby 40 hrs overtime is included in the definition of "pensionable earnings."

IRS Determination Letter: Mr. Cypen suggested that the Board hire Holland & Knight. Mr. Cypen is working with them on qualifying other Pension Plans as well. He assured that Board that Holland & Knight offered a very low price of \$250 an hour, not to exceed a sum of \$25,000 for the entire project, in order to get the plan ready for Qualification. Mr. Hole made a motion to retain Holland & Knight. Mr. Rudominer seconded the motion. The Board approved the motion **UNANIMOUSLY**.

Trizetto Case: As co-leads, the Fort Lauderdale and Detroit Police & Fire Funds did get the injunction and were able to successfully stop the merger. The defendant is now considering settlements.

Peney Pension Overpayment: Mr. Cypen said that in communication with the Peney's lawyer, it was agreed that the repayment would be at an interest rate of 7.75%, based on the actuarial assumption, in the form of monthly payments over 5 years. Mr. Fortunato made a motion to waive any interest being charged since the family was not responsible for the original error. Mr. Hole seconded the motion and it failed to pass with following votes:

-Mr. San Angelo, Mr. Dew, Mr. Burnam, Mr. Hole, and Mr. Rogers opposing.

-Mr. Fortunato and Mr. Rudominer affirming.

Mr. Hole then proposed a motion to reduce the interest rate to 3%, equivalent to the interest rate applied to a lump-sum refund of contributions. Mr. Rudominer seconded the motion. The Board approved the motion **UNANIMOUSLY**.

Lease Agreement: Ms. Wenguer presented the response of the landlord, Coon Holdings, to the Board. The Board felt the lease extension options were fair but asked that a number of items be brought back to the landlord for correction, including: an extra parking space, a sound barrier between the Boardroom and the bathroom, among other things.

Annual Report Corrections: Mr. Hole asked if the corrections were addressed as specified by the Division of Retirement. Ms. Wenguer responded that two questions remained of the original twenty.

Non-Service Incurred Disability Forms: Mr. Hole asked if these forms had yet been created. Ms. Maldonado responded that she did receive another plan's form as an example from Ms. Bieler. After tailoring it for our Plan, the final draft is awaiting Administrator approval.

CAFR Mistakes: Mr. Hole inquired about the mistakes that were on the CAFR. Ms. Wenguer reported that she had just received a call the Monday before the meeting. The errors were acknowledged with a promise to the Administrator to have them corrected.

New Business

Retirement System Investment Workshop: Chairman Dew proposed setting up a two-day retreat with the current Money Managers and the Asset Consultant, Jason Pulos. The public event will include "meet & greet", panel discussion on economic outlook, and a presentation on each manager's performance. The Board agreed to tentatively schedule it for November 6th and 7th. The Administrator should contact Mr. Pulos by the week of July 14th in order to begin preparations for the event.

COLA Sunset: Retirees' Association President Gregg Gurdak inquired about the Cost Of Living Adjustment (COLA) sunset, a provision in the Ordinance that was due to sunset on July 15, 2008. When renewed, this provision allows for the City to approve a COLA when the returns on the Fund allow for such a request. Ms. Wenguer said that she would reach out to the City Commission to add it to the next meeting's agenda.

Press Policy: Mr. Hole asked the Board to consider creating a policy about the Administrator speaking to the press. He proposed that any press calls should be referred to the Chairman, or the Vice-Chair in his absence. Mr. Fortunato made a motion to implement the proposed policy. Mr. San Angelo seconded the motion. The Board approved the motion UNANIMOUSLY.

Board Meeting Dates Changed: Due to upcoming Trustee schools, the dates for the September and October meetings had been shifted one week. The new meeting dates are: **September 3rd, October 1st.**

There being no further business to be brought before the Board, Mr. Burnam made a motion to adjourn the meeting at 3:05 P.M. Mr. San Angelo seconded the motion. The Board approved the motion UNANIMOUSLY.

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