

March, 2010**POLICE AND FIRE PENSION BOARD****REGULAR MEETING****WEDNESDAY, MARCH 10, 2010 AT 12:30 P.M.****Present:**

Michael Dew
Ken Rudominer
Mark Burnam
Dennis Hole
Richard Fortunato
Jim Naugle
J. Scott Bayne

Steve Cypen, Cypen & Cypen, Board Attorney
Lynn Wenguer, Administrator
Laurie DeZayas, Pension Secretary
Liz Davila, Recording Secretary, Prototype, Inc.

Also present:

John Abrams, Retirees' Association
Robert Grimm, Retirees' Association
Mike O'Conner, Retirees' Association
Tim Bronson, Retirees' Association
Lieutenant Glenn Galt, Active Police Officer
Gary Michael, Active Police Officer/Disability Applicant
Jessica Pray, Accompanying Gary Michael
Bill Paton, Retirees' Association
Fuzzy Larkin, Retirees' Association
Jack Chew, Retirees' Association
Fred Nesbitt, Public Relations Liaison
Linda Soloman-Duffy, Retirees' Association
Gregg Gurdak, Retirees' Association President
Rick Schulze, Retirees' Association
Varion Harris, Retirees' Association
Michael Grady, Retirees' Association

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, March 10, 2010 in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

Motion made by Mr. Bayne, seconded by Mr. Burnam, to waive the reading of the minutes for Regular Meeting, February 3, 2010, and approve them as a whole.

Mr. Bayne asked the retirees for Police and Fire be swapped. Donald Jobin should be listed for Fire and Stanley Ragin for Police. Mr. Bayne also said on page 3 there should be a comma on the first line after the word, "year," but after further discussion, Mr. Cypen concluded that the word "they" should be stricken.

Mr. Hole suggested that on page 2, the motion to approve the bills be placed after the listing and discussion of the bills. On page 4, there were two items that the Asset Consulting Group said they would get back to the Board

with; the one item not noted in the minutes is the directive the Board gave asking ACG to make sure the Fund's assumed rates of return are in line with the Board's recent changes to the investment policy. On page 5, under the Administrator's Report, Assistant Pension Administrator, the Board agreed to keep the current title. Mr. Gurdak's first name needs to be changed to Gregg. With no further discussion, in a voice vote, the **motion** carried unanimously.

BENEFITS REVIEW: FIRE DEPARTMENT

DROP Retiree: Bradley A. Whidden
Lump Sum Refund: Juan C. Gomez

POLICE DEPARTMENT

New Retiree: Jeffrey L. Brooks
DROP Retiree: Russell D. Sanders (termination of DROP)
New Beneficiary: Peggy Krudup
 Patricia Treutle
 Catherine Vetro
Lump Sum Refund: Reyko Del Pino
 Sean T. Lenz

Motion made by Mr. Hole, seconded by Mr. Naugle, to accept the benefits of the Police and Fire as documented. In a voice vote, the **motion** carried unanimously.

Bills:

Agincourt	\$36,755.54
Prudential	\$17,786.51
Stanley, Holcombe	\$8,208.00
Cornel J. Lupu, MD	\$1,200.00
Ilan Melnick, MD	\$1,000.00
Holland & Knight	\$529.00

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

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS:

Chair Dew said he thought the Retiree's Meeting last month went well. Mr. Gurdack agreed and introduced Varion Harris and Mike Grady. Chair Dew said that a couple members did bring up the issue of survivor's benefits. Ms. Wenguer indicated she believed the issue was that they want the benefit increased to 100% instead of 60%. Mr. Cypen said that is a legislative issues, so Chair Dew encouraged Mr. Gurdack to meet with their attorney for further discussion.

Service-Incurred Informal Disability Hearing: Gary Michael

Copies of the 90 page index and the supplement entitled, "Medical Examination Appointment," were provided to each Board member.

Mr. Cypen called attention to page 37 of the packet, reading aloud Florida Statute 185.34.

The following parties wishing to speak on the following items were sworn in by Mr. Cypen:

- Gary Michael
- Lieutenant Glenn Galt
- Jessica Pray

Mr. Cypen asked Lieutenant Glenn Galt if Mr. Michael is able to perform any of the duties of a police officer, or if there are any other duties available to Mr. Michael through the Police Department that he could perform. Lieutenant Glenn Galt testified that Mr. Gary Michael is unable to perform any of the duties offered at the Fort Lauderdale Police Department.

Mr. Hole asked Mr. Michael who transported him to the hospital as on page 29, it says "sister/girlfriend" and on page 14 it says "medics." Mr. Michael and Ms. Pray answered that Broward Fire Rescue had transported him. Mr. Hole asked Mr. Michael if his marital status had changed because there is reference to a girlfriend in some reports and a wife in other reports. Mr. Michael stated that sometimes he refers to her as his girlfriend and sometimes as his wife, but it is always the same person. Mr. Hole also noted that on page 13 it says there is no pertinent family history, but on pages 39 and 50 it says there is a history of high blood pressure and heart disease in Mr. Michael's marital uncle and his grandmother had strokes.

Motion made by Mr. Hole, seconded by Mr. Bayne, to grant Mr. Gary Michael's disability based on it being total, permanent, and service-incurred having commenced 91 days prior to today. In a roll call vote, the **motion** carried unanimously.

Mr. Hole asked Ms. Wenguer if she conducts a Florida search for Workers' Compensation online. Ms. Wenguer said she has done it in the past. Mr. Hole suggested adding that search as a standard operating procedure whenever someone fills out an application for disability benefits.

Mr. Hole stated he felt the disability application was very confusing. On pages 3 - 7 the applicant is asked to fill out questions about injury, while pages 8-10 refer to illness. Mr. Hole said he feels it would be confusing as individuals will always attempt to fill out the entire form and not leave any blanks, but sometimes there are conflicting answers for the same question because they are under different headings. Mr. Hole suggested adding a cover letter that breaks up the two headings and directs the applicant to fill out the section under the appropriate heading.

Mr. Burnam asked if the Board is to infer every stroke may be service-related. Mr. Cypen responded that not every stroke is caused by hypertension.

Mr. Rudominer asked if the report from Dr. Lupu should be given more weight than the other doctors. It was determined that Dr. Lupu's report should be given more weight because he conducted a physical examination, as well as reviewed the three other doctors' reports.

ADMINISTRATOR'S REPORT

3E Tech Corporation:

Ms. Wenguer received a quote from 3E Tech. Mr. Rudominer and Ms. Wenguer met with the principal owner of 3E Tech to discuss improvements that could be made to the Board's current website. He conducted a review of the website and operating functions and wrote up a proposal to update the system and make the site more user-friendly. The proposal included the following four phases:

- Phase One: Benefit Calculation System
- Phase Two: DROP Calculation System
- Phase Three: Share Plan
- Phase Four: Minutes and Agendas

Mr. Cypen asked if this program was in line with the goals of the Board. Mr. Rudominer responded that in order to meet the goals of the Board the entire website needs to be updated and the Board would have to purchase pension administrative software. The proposal from 3E Tech. is for a pension administrator suite which includes document keeping, benefit calculations, telecom, notes, copier, fax control, etc. Mr. Rudominer explained the way Ms. Wenguer is currently distributing benefits may not be ideal in the future. Currently, only one or two individuals are aware of how to administer benefits and Mr. Rudominer stressed the importance of a standard system for this function.

There was discussion regarding different companies who offer similar products. The Board then decided to issue an RFQ for 90 days, specifically for companies Mr. Rudominer and Ms. Wenguer have met with informally. The RFQs will be sent to the Pension Office and Mr. Rudominer will coordinate with Ms. Wenguer when they are received.

Investment Plan Review:

The Board had a discussion regarding the consistent underperformance of the Fund.

Mr. Hole asked if the two items that were requested from Asset Consulting Group at the last meeting had been received; Ms. Wenguer indicated they have not.

The Board came to a consensus that there is a need for the asset consultant to be more proactive in their approach to the Fund.

Motion made by Mr. Bayne, seconded by Mr. Rudominer, to send out an RFP for an asset consultant, to include the current asset consultant, for 90 days. In a voice vote, the **motion** carried unanimously.

Ms. Wenguer stated she will take recommendations from the Board of who they want the RFP sent to, as well as advertise in Pensions & Investments.

Chair Dew asked that the discussion on this RFP be followed up on in the next couple months to determine which trustees will be responsible for the RFP and post a meeting, if necessary.

Administration Plan Costs:

Ms. Wenguer stated that the new contracts for the DROP involve the determination of administrative claim costs. Ms. Wenguer asked for clarification as to how the administrative claim costs will be determined for the contracts. Chair Dew asked the amount of the fee. Ms. Wenguer indicated that the entire administrative and investment fee combined is 90 basis points.

Mr. Cypen suggested that Ms. Wenguer bring her recommendation for this cost and show the Board the items that administratively pertain to the DROP, similar to the process she executes with the SHARE program.

Ms. Wenguer said she takes cost directly associated with the SHARE plan and then a small percentage of the overall office. Chair Dew asked how much the administrative cost is for the Share plan. Ms. Wenguer said she is not certain, but the percentage is very small, close to 1%.

Ms. Wenguer will bring before the Board the methodology she uses to arrive at the administrative claim cost for the Share program to assist the Board in determining the appropriate administrative claim costs for the DROP program.

Office Rent:

Ms. Wenguer asked the Board if they are interested in looking for a new office.

Chair Dew said that when he was conducting interviews for a new assistant's position, he recognized the drawbacks of staying in the current office space. The current lease is up February 2012. Chair Dew asked the Board if it is the proper time, with the current market conditions and availability of space, to start to look at possibly purchasing a building, or find another office space.

Mr. Cypen said there are nuances with owning a property and whether it is seen as an expense, or an investment.

Mr. Bayne mentioned that the City Auditor performed an audit of properties that the City owns and determined they have an excess of buildings they are looking to off-load.

Mr. Naugle agreed to take on the task of looking into potential office spaces

Office Internet Connection:

Ms. Wenguer said that the internet connection in the office, which is from the City, is "ridiculously" slow and there is no wireless capability. Ms. Wenguer put in a request to upgrade the internet connection so it will be faster, but she has not heard back from the City. Mr. Rudominer suggested obtaining a proposal from Comcast. Mr. Naugle asked Ms. Wenguer if the City charges a fee for their internet connection and she indicated that it costs \$3,000.00 a year. Mr. Naugle suggested obtaining proposals from AT&T & Comcast.

Ms. Wenguer asked if she would still be able to obtain access to the City's server if she used another internet provider. Both Mr. Bayne and Mr. Rudominer indicated that she would be able to access the City's server.

Assistant Pension Administrator:

Ms. Wenguer and Chair Dew have conducted interviews for the Assistant Pension Administrator position. There are two individuals currently under consideration. Background checks have been ordered on both individuals.

Chair Dew told Ms. Wenguer they are short-staffed at the Police Department and there may be a three-week turnaround with the background checks, as opposed to one or two weeks.

There is one more individual coming in for an interview tomorrow afternoon who was missed during the first round of interviewing.

Education & Training Policy:

- **Meals.** Mr. Hole said that on page 46, he still needs clarification for the "Prior to" and "After" times. After discussion from Mr. Hole and Mr. Cypen, Ms. Wenguer indicated she would add, "relates to conference start time."
- **Mileage Reimbursement.** Mr. Hole asked for clarification on page 48 in regard to calculating mileage. After discussion it was determined that the calculation for mileage will be from the Pension Office to the destination.
- **Rental Car.** Mr. Hole asked Mr. Cypen if the line, "as you are already covered by the plan," is correct. Mr. Cypen said he had asked that it be checked, so he assumes it has been.

Motion made by Mr. Rudominer, seconded by Mr. Hole, to accept the Education and Training Policy with corrections. In a voice vote, the **motion** carried unanimously.

Credit Card Policy.

Closed item.

Public Records Policy.

Ms. Wenguer said there were a few changes she made to the Public Records Policy. On pages 6 & 7, she italicized her corrections and submitted to the Board for their review.

Motion made by Mr. Bayne, seconded by Mr. Fortunato, to approve the Public Records Policy as advised. In a voice vote, the **motion** carried unanimously.

Miscellaneous

Mr. Hole asked Ms. Wenguer if she had received the payment from the City in regard to the November letter from Randall Stanley. Ms. Wenguer said she had not received payment. There is a request from the City for additional funds. The actuary sent a letter that stating the Board needs an additional City contribution.

Mr. Hole asked for an update on the annual state report progress. Ms. Wenguer responded that the audit is in progress, but the State is still waiting on the October - December journal entries to be posted. The State will receive those next week. The auditors have been to the Pension Office, but they have not reviewed the financial statements. The State will be notified on Friday that they will not be there by the 15th.

Mr. Hole mentioned that Ms. Wenguer was asked to correct the budget at the last meeting, moving \$ 5,000.00 from "salaries" to "clerical."

Mr. Hole brought up the timeline in which rent is due. Approximately 6 months ago, Mr. Hole had requested six items be added to the list.

- Member's Survey (2011)
- The Office Lease (2012)
- Form One (July 2010)
- Administrator's Contract (2011)
- 185 Monies (August of 2010)
- 187 Monies (August and October 2010)

Chairman Dew said the assignment of adding these items to the calendar was designated to Rachel. All of that information is probably in cyber-storage. Reminders do need to be set for these items so that they are brought before the Board in a timely fashion.

PENDING ITEMS:

None.

NEW BUSINESS:

Chairman Dew asked Mr. Cypen about the new legislative bills presented on the floor. Mr. Cypen indicated that he is going to provide a memorandum that will summarize every one of the bills in the next week or so. Mr. Cypen encouraged the trustees to get together with their respective groups and take positions on the proposed legislation. Mr. Cypen stated it is the, "biggest onslaught I've ever seen in 42 years."

Chair Dew addressed Mr. Gurdack and encouraged him to assemble a committee, hire a lobbying group, and take an aggressive stance against these proposed bills, showing how these changes are not in the best interest of those involved. He felt this was a "knee jerk reaction from the League of Cities because they are trying to do something with the defined benefit plans."

Mr. Cypen clarified that although the proposed legislation does not directly affect the retirees, there are significant changes to the Florida Retirement System that shows a trend.

Mr. Bayne stressed the importance of addressing this as quickly as possible because the process has already started.

OLD BUSINESS:

Ms. Wenguer brought up the disability application and indicated there has been discussion as to the order in which these applications are presented to the Board. After a brief discussion, it was determined that the applications should be presented to the Board once they are completed, with the individual who applied earliest being presented first.

Chair Dew said that because of a miscommunication with the City Clerk's office, he was unable to make the consent agenda last Tuesday. Chair Dew indicated he will be presenting at next Tuesday's City Commission meeting regarding the following items, asking that changes be made to the ordinance:

- The Four Year Term
- The Changing of Beneficiaries
- Repeal of the Marriage Penalty
- Police Overtime

Once the presentation has been made, the City Commission will make a decision as to whether or not it will go through. At that point, the City Attorney will prepare the ordinance revisions and then the ordinance will go through the readings.

The City Attorney also strongly suggested that the trustees formally authorize Chairman Dew to speak on their behalf to the appropriate agencies, including the City Commission and City Staff, to make the Board's position known to them.

Mr. Cypen also indicated that the ordinance is confusing and in his conversations with the City Attorney, they would not oppose just cleaning up the ordinance, without making any substantive changes. Chairman Dew asked who would be involved in that process. Mr. Cypen indicated that would be between the Board and the Board Attorney. Mr. Cypen re-clarified that if the Board chooses to proceed, they would be restating the ordinance to make it readable, not changing the substantive provisions.

Chairman Dew asked the Board if anyone was opposed to him representing the Board in conveying the opinion of the Board in favor of those items. The Board gave unanimous consent.

Mr. Chew asked the Board to refer to page 13-15 of the Agenda and asked if the Board would, because of the lack of a cost-of-living adjustment, entertain the idea of a one-time check of possibly \$1,000 for retirees prior to 1985. Mr. Cypen said that can only happen if the ordinance is changed.

Chairman Dew asked Mr. Nesbitt about the quarterly review letter. Mr. Nesbitt responded he has been preoccupied with the website, but should be wrapping it up soon.

Mr. Burnam brought to the Board's attention that for the second month in a row they are over/under policy maximum for total equity and over policy maximum for large cap.

Mr. Rudominer asked when the fund will be balanced. Ms. Wenguer said they have been re-balancing around the 20th of each month Ms. Wenguer also advised the Board that the SSGA has been funded.

Mr. Hole asked that the minutes reflect the State Street report has been signed.

Adjournment

With no further business to conduct, the meeting was concluded at 2:17 P.M.

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