

# July 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 12:05 P.M., Wednesday, July 15, 2009 in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

### PRESENT:

Michael Dew, Chairman  
 Dennis Hole, Secretary  
 J. Scott Bayne, Trustee  
 Jim Naugle, Trustee  
 Ken Rudominer, Trustee  
 Richard Fortunato, Trustee  
 Alison Bieler, Cypen & Cypen, Board Attorney  
 Lynn Wenguer, Administrator  
 Rachel Maldonado, Assistant Pension Administrator  
 Laurie DeZayas, Pension Secretary  
 Michael Kinneer, Ex-Officio Trustee

### ABSENT:

Mark Burnam, Vice Chairman

### ALSO PRESENT:

Fred Nesbitt, Director of Public Relations  
 David Bergman, GTS Advisors  
 Steve Malinowski, GTS Advisors  
 Frank Colleran, Retirees' Assoc.  
 Bill Paton, Retirees' Assoc.  
 Jack Chew, Retirees' Assoc.  
 Fuzzy Larkin, Retirees' Assoc.  
 Gregg Gurdak, President, Retirees' Assoc.  
 Linda Solomon-Duffey, Retirees' Assoc.

**ASSET VALUE as of July 15, 2009: \$361,864,623**

Chairman Dew called the meeting to order at 12:05 p.m.

**MINUTES: Motion** made by Mr. Bayne, seconded by Mr. Hole, to waive the reading of the minutes for Regular Meeting, June 10, 2009, and approve them as a whole. Ms. Wenguer noted that on the cover sheet of the minutes, the SPD and SOP progress were confused. Mr. Hole also found a typo in the amount due to Mr. Cypen in the Bills section. In a voice vote, the **motion** carried unanimously.

### BENEFITS REVIEW:

FIRE DEPARTMENT	BENEFIT TYPE	RETIREMENT DATE	TERM DATE	FORM OF BENEFIT
Cynthia Rankine	Death of Survivor		June 14, 2009 (DOD)	No further benefits.

**Motion made by Mr. Rudominer, seconded by Mr. Naugle, 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 for approval:

- Lee Munder for management fees through 6/30/09 in the amount of \$35,125.03.
- Asset Consulting for services rendered through 6/30/09 in the amount of \$10,625.00.
- Ellen Schaffer for 2009-2010 contract fee in the amount of \$743.00.
- Holland & Knight for professional services rendered through 5/28/09 in the amount of \$675.00.

**Motion** made by Mr. Bayne, seconded by Mr. Fortunato, to waive the reading of the bills and approve them as a whole. Mr. Hole noted that the Administrator had not initialed a few bills. Ms. Wenguer also mentioned the outstanding balances on the Holland & Knight invoice were being addressed. Chairman Dew asked that there be a status report on these balances at the August meeting. In a voice vote, the **motion** carried unanimously.

**INPUT FROM ACTIVE & RETIRED POLICE OFFICERS AND FIREFIGHTERS:** Frank Collieran addressed the Board regarding a letter he sent to Cypen & Cypen in April on his exclusion from a Me Too II related pension adjustment. He was last told that Stanley Holcombe would review the formula to ensure he is not owed monies. Ms. Wenguer will communicate with Mr. Stanley, and Ms. Wenguer or Mr. Cypen will report back at the August meeting.

Mr. Gurdak discussed the FPPTA Legislative Committee with the Board. The Retirees' Association has chosen its participants. Mr. Gurdak spoke to the FPPTA Board at the Boca conference but was told that the program specifics are not yet defined. Fort Lauderdale has registered its interest.

**GTS PRESENTATION:** GTS Managing Directors David Bergman and Steve Malinowski made a presentation to the Board regarding monitoring broker performance. Mr. Bergman will send a list of references to Ms. Wenguer. The Administrator will then speak to Jason Pulos regarding the service provided by GTS and if it is in the best interest of the Board to pursue this kind of service.

**ADMINISTRATOR'S REPORT – August Meeting Invitees:** The Administrator reported Jason Pulos' scheduled attendance at the August meeting. She also reminded the Board of the August disability hearing. The Board expressed interest in meeting the new Intech contact, as well as talking with Artio Global and Thornburg about the increased threshold for international investing.

**Disability Non-Service Incurred Forms:** Mr. Hole believed that the form used for the upcoming disability was not the current form. Ms. Bieler assured the Board that it would not affect the hearing. The office will ensure any older forms are discarded.

**Draft Standard Operating Procedures (SOP):** The Administrator presented the draft SOP created by the Assistant Administrator. Chairman Dew commended Ms. Maldonado on a very good start. He encouraged the trustees to email any suggestions to Ms. Maldonado over the next month.

**K2 Advisors Letter:** Mr. Pulos reported to Ms. Wenguer that the fees for one of K2's clients were reduced. Under the Most Favored Nations clause, the Plan would also benefit from a reduction. Mr. Hole asked if this could be a result of locking up illiquid assets by establishing a different share class. Chairman Dew asked Mr. Hole to follow-up with Mr. Pulos before the next meeting.

**Pension Verification:** The Administrator numbered the participants that live outside of Florida. The Board agreed with her suggestion to only send letters to out-of-state survivors.

**Placement Agents Disclosure:** Ms. Bieler explained that Placement Agents operate in a "pay to play" fashion, approaching consultants or lobbyists to put them in front of the right people. This disclosure came about via CALPERS and adoption suggested by NCPERS. Motion made by Mr. Hole, seconded by Mr. Fortunato, to send a copy of the disclosure to all money managers and consultants. In a voice vote, the motion carried unanimously.

**Budget Review:** The Administrator presented a 6-month view of the 2009 budget. She noted that the managers' fees are not correct due to the normal lag in the payment of fees. It was noted that the Miscellaneous Operating expenses had already surpassed the year's allotment. She said that she had simply estimated incorrectly and the original amount was too low.

**Letter to Marcum Rachlin:** Ms. Wenguer sent a letter to the partner-in-charge expressing satisfaction with the overall result of the audit, but dissatisfaction with the process. It was forwarded to Jerry Chiocca, who responded with a promise to improve next year. At the Board's inquiry, the Administrator confirmed that the final report was accurate with issues identified at the previous meeting all addressed. Chairman Dew asked that a marked copy be available for review.

**Conference Attendance:** Chairman Dew asked that a more definitive process be established whereby trustee conference attendance is clearly confirmed by the office.

**Commission Meetings:** Chairman Dew reported a positive reception of the Board's suggested Pension Ordinance changes by the Mayor and Commissioner Rodstrom. Due to the summer break and upcoming negotiations, the changes would be addressed no earlier than November.

**Securities Litigation Review:** Due to the many requests received by Securities Litigation Firms, Ms. Wenguer asked the Board for direction. Mr. Hole volunteered, at the Chair's request, to work with the Administrator on qualifying the current firms and discussing with the Board at a later date.

**Holland & Knight Letter:** Robert Friedman, tax counsel for Holland & Knight, has been invited to address the Plan. He sent letters to each Pension Board outlining mandatory and permissive changes that need to be implemented in order to qualify for IRS Determination. Ms. Bieler said that questions received at Cypen & Cypen fall outside of their scope of knowledge and thought it would be most efficient if Mr. Friedman was available to each board. He will be invited to a future meeting.

**Retirement Planning Seminar:** The Board was pleased with the layout of the seminar agenda. Chairman Dew asked that a letter be sent to the Police and Fire Chiefs by mid-September, informing them of the seminar and requesting time be granted for the active members to

attend. Ms. Maldonado expressed difficulty getting citywide emails out to inform everyone of the upcoming event. Mr. Naugle suggested contacting David Hebert's office for assistance.

**September Meeting Date:** The Board changed the September meeting date to Wednesday, September 2nd at 10:00 AM.

**Administrator Annual Review:** The Chairman was not ready to give the Administrator Review. He was still waiting to receive some trustee evaluations and hopes to be ready for the August meeting.

**Media Report:** Mr. Nesbitt made contact with 19 media consultants with whom he intends to work on public relations items. He is also creating a collection of Florida news clippings related to pension and/or Police & Fire issues.

**Review of 175/185 Changes:** Ms. Bieler reviewed Senate Bill 538, as documented in a recent edition of the Cypen & Cypen newsletter.

**NEW BUSINESS – Conference Recap:** Mr. Hole gave a summary of the Opal Financial Group conference he attended with Mr. Naugle. This conference focused on asset allocation and diversification. Mr. Hole saw Artio Global, who was a sponsor at the conference, and learned that they have less than 35% invested in emerging markets.

**OLD BUSINESS – Actuary Letters:** Mr. Hole asked the Administrator if Mr. Stanley had sent over the letters referring to the COLA and the differences between the actuarial report and the annual audit. Ms. Wenguer said she was still waiting for them.

**InTech Letter:** Chairman Dew asked that this letter be added to the August agenda packet so the trustees can remember to address when InTech is present.

**Summary Plan Description (SPD):** Mr. Hole inquired on the status of printing and distribution of the newly approved SPD. Ms. Wenguer reported that there was a change made and the office staff was deciding on the final format.

**Motion made by Mr. Rudominer, seconded by Mr. Bayne, to adjourn the meeting at 2:15 P.M. With no further business brought before the Board, the motion carried unanimously.**

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