

**March 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, March 11, 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  
 Dennis Hole, Secretary  
 John San Angelo, Trustee  
 Ken Rudominer, Trustee  
 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:**

Fuzzy Larkin, Retirees' Assoc.  
 Jack Chew, Retirees' Assoc.  
 Bill Paton, Retirees' Assoc.  
 Frank Colleran, Retirees' Assoc.  
 Don Muller, Retirees' Assoc.  
 Rick Schulze, Retirees' Assoc.  
 David Farrand, Cypen & Cypen  
 Gregg Gurdak, President, Retirees' Assoc.  
 J. Scott Bayne, Union President, IAFF Local 765

ASSET VALUE as of March 10, 2009: \$333,551,798

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

**MINUTES:** Motion made by Mr. Hole, seconded by Mr. San Angelo, to waive the reading of the minutes for Regular Meeting, February 11, 2009, and approve them as a whole. In a voice vote, the motion carried unanimously.

**BENEFITS REVIEW:**

POLICE DEPARTMENT	BENEFIT TYPE	RETIREMENT DATE	TERM DATE	FORM OF BENEFIT
Russell Suess	Term of DROP	Mar. 31, 2004	Mar. 21, 2009	100% J&S
William Spodnick	Term of DROP	Mar. 31, 2004	Mar. 30, 2009	Life Annuity
Jeremy Aguayo	Refund Request		Feb. 25, 2009	Lump-Sum Refund
Charles Hammond	Retiree Death	Mar. 1, 1988	Feb. 6, 2009 (DOD)	New Beneficiary (Norma Hammond)
Lois Caisse	Survivor Death		Feb. 19, 2009(DOD)	No further benefits payable.

FIRE DEPARTMENT	BENEFIT TYPE	RETIREMENT DATE	TERM DATE	FORM OF BENEFIT
Varion Harris	Term of DROP	Mar. 31, 2004	Mar. 30, 2009	Standard

Steve Kastner	Term of DROP	Mar. 5, 2004	Mar. 4, 2009	Standard
Stephen McInerney	Term of DROP	Mar. 31, 2004	Mar. 30, 2009	Standard
Sylvester Staten	Term of DROP	Aug. 29, 2008	Feb. 23, 2009	Life Annuity
Charles Schmidlin	Retiree Death	Feb. 1, 1984	Feb. 11, 2009 (DOD)	New Beneficiary (Alice Schmidlin)

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

#### **BILLS:**

PRISA II submitted a bill for management fees through the period ending 12/31/08 in the amount of \$25,717.13.

Motion made by Mr. Fortunato, seconded by Mr. San Angelo, 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 AND FIREFIGHTERS:** Mr. Larkin asked about the status of retiree Jim Culp receiving AIP payments. Ms. Wenguer reported that she contacted numerous offices to first determine if any such payments were made to Mr. Culp when he was active. He retired in 1985 so the search for records has proved to be difficult.

Mr. Larkin also asked if Mr. Eichenbaum received the detailed calculations for Me Too II affected members requested at the Retiree Annual Meeting. The Board confirmed that those formulas were sent to Mr. Eichenbaum within 48 hours of that meeting on Feb. 14.

**ADMINISTRATOR'S REPORT – NorthePointe:** The Administrator reported that Mr. Pulos had asked Northpointe for a Performance Fee proposal. NorthPointe said that due to their "Most Favored Nation (MFN)" clause, it would be difficult to issue a straight fee reduction. Mr. Cypen thought that MFN clauses are generally easy to get around. Although the concern is with NorthPointe's performance, other managers could be held equally accountable for their substantial losses.

It was agreed that the Chairman would communicate to NorthPointe that the Board is not interested in an incentive fee, but would appreciate some concession this time around. In addition, they should understand that they are under watch. Mr. Burnam suggested that the Board inquire on their "sell discipline."

**Bernstein Litowitz:** Mr. Cypen referred to the letter from the firm Horizon. It confirmed that the Board did not sustain a significant enough loss to seek lead plaintiff status.

**High Yield Debt Investments:** Ms. Wenguer reported that the State confirmed the ability to invest in these as long as the Investment Policy Guideline is amended to include it. Ms. Wenguer will have Mr. Pulos present a proposed Investment Policy amendment that would allow for High Yield investing though not mandate it.

**Document Destruction Policy:** Mr. Cypen advised that the Board be wary of adopting a stricter policy than the one in place by the Bureau of Library in Tallahassee. Fort Lauderdale has adopted the state policy. No vote was taken.

**Administrator's Evaluation:** Mr. Hole asked again if the trustees' totals would fall into a category that would qualify their rating. Chairman Dew said that they should not receive even a preliminary rating at the Trustee level because it is only a part and needs to be combined before it's ready for a rating determination. Mr. Hole mentioned again that on page 35 of the agenda packet, the top of the evaluation should say "his/her" instead of just "his".

**Retirement Seminar:** The Board approved the dates Thursday, October 29 and Friday, October 30 for the Retirement Seminar dates.

**OLD BUSINESS – Investment Seminar:** The Administrator asked the Board if they wanted to revisit the Hyatt Pier 66 as their site for the dates Dec. 3rd and 4th. Chairman Dew felt it was the best spot in terms of proximity. He requested that we be placed in a corner conference room since, in 2008, there were issues with the sound quality.

Ms. Wenguer also thought the Board should reconsider having the money managers visit the Board once a quarter to allow for dialogue before the end of the year. It was agreed and the Board expressed interest in having NorthPointe appear before the Board at the May meeting.

**Audit Progress –** The audit will not be finished in time to make the March 15th deadline as originally hoped. However, the auditor is well into the process and the Administrator expects an April 1st completion.

**NEW BUSINESS: Board Vacancy –** Chairman Dew relayed to the Board that Mr. Fred Nesbitt submitted his resume and application to occupy the Trustee seat vacated by Mr. Rogers. The Board must wait for the City to appoint the next Trustee.

**New City Commission** – Chairman Dew reported that he is going to make appointments with all of the Commissioners. After introductions, he intends on discussing Board concerns, including the COLA. Retiree Mr. Chew thought that Mr. Dew should also mention the widows whose benefits are removed if they remarry. The Chair asked Mr. Chew to put together talking points on that subject.

**House Bill 5/Senate Bill 538** – Mr. Hole mentioned that among other amendments, this bill could extend the term limits of trustees that would better accommodate a new trustee's learning curve.

**CAFR** – The Administrator told the Board that the CAFR went to the City auditor. Although the final was not yet available, Ms. Wenguer stated that she had gone line-by-line through the draft.

Chairman Dew expressed gratitude to the Finance Director Michael Kinneer and his department for working so hard to expedite the information needed for our audit.

**Offset for Non-Service Incurred Disabilities** -- Mr. Cypen confirmed that an offset would have to be bargained out. The Chair asked if there was a need to go retroactive and collect back money, or should the Board evaluate each immediate case going forward. Mr. Cypen said that the Chair and the Administrator should determine if it is worth the operating costs and administrative expense to go back. The Board also discussed the need for the unions to negotiate for an escalator, if the offset is not eliminated, that would accommodate adjustments in the Consumer Price Index.

**Motion made by Mr. Burnam, seconded by Mr. San Angelo, to adjourn the meeting at 1:25 P.M. There being no further business brought before the Board, the motion carried unanimously.**

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