

October 2007

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, October 3, 2007** in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

PRESENT:

- Allan Curry, Chairman
- Michael Dew, Vice Chairman
- Romney Rogers, Secretary
- Mark Burnam, Trustee
- Richard Fortunato, Trustee
- Dennis Hole, Trustee
- Betty Burrell, Ex-officio
- Steve Cypen, Board Attorney
- Lynn Wenguer, Administrator
- Laurie DeZayas, Pension Aide
- Renee Lipton, Recording Secretary

ABSENT:

- Ian Kemp, Trustee
- James G. Behrendt, City Controller

ALSO PRESENT:

- Fuzzy Larkin, President, Retirees' Assoc.
- Bill Paton, Vice President, Retirees' Assoc.
- Nancy Cone, Treasurer, Retirees' Assoc.
- Jack Chew, Retirees' Assoc.
- Rick Schulze, Retirees' Assoc.
- Ann Lindie-MacNeil, Retirees' Assoc.

ASSET VALUE as of October 2, 2007: \$481,235,530.

Chairman Curry called the meeting to order at 12:30 P.M.

MINUTES: Regular Meeting, September 12, 2007. Mr. Hole made a motion to approve the minutes as submitted with Mr. Dew seconding the motion. Mr. Dew made a correction to the motion on page 3 of the Disability Hearing for Doniel Acosta as follows " The trustees to receive a hard copy of the reports at least three business days prior to the meeting."

Mr. Hole also requested that on page 4 "2% Bonus for firefighters" information should be included in the Summary Plan Description with reference to the word "normal" retirement as well as the two tier benefits.

Mr. Hole added that on page 6 under Trustee Positions, the names of those members running for office should be noted. Mr. Kemp was running to represent the Fire Department and Mr. Dew was running to represent the Police Department. Mr. Hole also added that on page 7 the motion to replace The Boston Co. with Thornburg Investment Management and Julius Baer Investment Management should state that the portfolio would be split 50% to each manager.

Chairman Curry noted that on this same motion, he voted against this motion and the wording should state "The motion was approved by a majority of the Board."

Mr. Hole added that Mr. Cypen should receive a sample contract for the manager of the Fund of Funds. He further added that the question arose as to the tax situation should we hire a Fund of Funds Manager.

The minutes as amended were approved **UNANIMOUSLY** by the Board.

BENEFIT REVIEW: POLICE DEPARTMENT - DROP Retiree: Michael S. Arbit, Sergeant. Date of DROP retirement October 25, 2007 with 22 years of service. Monthly pension benefit \$4,746.81 (100% Joint & Survivor).

Vesting: Gerald D. Machurick, Jr. Sergeant. Last day worked October 2, 2007 with 19.672 years of service. Benefits to commence February 1, 2008. Monthly pension benefit \$4,311.00.

Survivor Death: Margaret Meltzer dependent upon Joseph H. Meltzer. Survivor date of Death September 19, 2007. No further benefits payable.

FIRE DEPARTMENT - Termination of DROP Retirement, Thomas J. Quinn, Jr. Lieutenant. Date of DROP retirement October 1, 2002 with 23 years of credited pension service and 28 total years of service. Monthly pension benefit \$5,110.68. DROP account total \$369,004.50.

New Retiree - Termination of DROP Retirement: Ray A. Underwood, Firefighter. Date of DROP retirement October 1, 2002 with 23.17 credited years of service and 28.17 total years of service. Termination date September 30, 2007. Monthly pension benefit \$4,099.42. DROP account total \$295,978.12.

Non-Service Incurred Death Benefit: Linda Bjorgan. Beneficiary Mary Kay Riley. Date of Death: September 9, 2007. Monthly benefit \$932.36 (for 96 months).

Non-Service Incurred Death Benefit: Linda Bjorgan. Beneficiary Sherri Skibinski. Date of Death: September 9, 2007. Monthly benefit \$932.36 (for 96 months).

Mr. Larkin asked if this benefit was correct or if the employee's beneficiary would receive the contributions only prior to having 10 years of service. Mr. Cypen answered that this benefit was stated in the ordinance and we have made similar payments in prior cases. Mr. Rogers made a motion to approve the Benefit Review with Mr. Dew seconding the motion. The motion was approved **UNANIMOUSLY** by the Board.

BILLS:

Asset Consulting Group submitted a bill for Investment Counseling Services from July 1, 2007 through September 30, 2007 in the amount of **\$10,625**.

The **Sun Sentinel** submitted a bill for a classified ad for an Assistant Pension Administrator in the amount of **\$1,130**.

Cypen & Cypen submitted a bill for professional services from August 1, 2007 through August 31, 2007 in the amount of **\$879.02**.

Mr. Hole made a motion to approve payment of these bills as submitted with Mr. Dew seconding the motion. The motion was approved **UNANIMOUSLY** by the Board.

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS & FIREFIGHTERS: None.

ADMINISTRATOR'S REPORT: Assistant Pension Administrator. Ms. Wenguer advised the trustees that she received approximately 60 resumes and she and the Chairman were in the interview process. The trustees made many suggestions of other avenues to pursue to fill this position. The Chairman and the Administrator will take these suggestions under advisement.

Me Too II: Mr. Cypen stated that he had receive a Notice of Appeal from the attorney the City has hired and that he did not expect a resolution before six to nine months at the earliest.

2% bonus for Firefighters: Mr. Cypen stated that Mr. Dunckel had sent him a draft letter and that he had called Mr. Dunckel and was waiting for further information.

Fiduciary Liability Insurance: Ms. Wenguer noted that the Waiver of Recourse in the Chubb Policy was \$25. per trustee. After discussion of the possible deductibles, the name of the company that would be the insurer and the cost of the Waiver of Recourse, Ms. Burrell was asked if the City wanted the Board to obtain this insurance to alleviate their risk factor since she had gotten a quote from the City's broker, Rutherford. Ms. Burrell answered that she would ask the City Manager and the City Attorney for their opinion. Mr. Cypen requested that a letter from the City accepting this risk factor would be necessary.

Fiduciary Liability Insurance (continuation): Ms. Burrell and Ms. Wenguer were both asked to provide the cost of policies for \$2 million, \$3 million and \$5 million with a \$50,000.deductible, \$100,000.deductible and \$150,000. deductible. Additionally, the cost of the Waiver of Recourse should be added.

Retiree ACH Deposits: The trustees reviewed a letter from Jim Behrendt, City Controller, discussing the issue of the monthly pension checks timeliness. The checks are processed and paid on the first business day of the month. It was decided that since no changes could be made, the administrator will ask the Payroll Department to add a notice to the checks advising the retirees to change their payment date, where possible, from the first of the month to a few days later to give themselves some extra leeway to avoid a possible conflict when there is a holiday.

Mierzwa & Associates: This law firm is representing The Fort Lauderdale Professional Fire Fighters and has been retained to represent George Amberge in the issue of the definition of Average Monthly Earnings. The trustees were advised that the actuary is working on this issue.

Pension Board Elections: It was noted that Ian Kemp, Fire Dept. and Michael Dew, Police Dept. ran unopposed and will serve for three years. Mr. Cypen requested that the administrator ask the City Clerk if another Oath of Office needs to be filed.

Special Projects - Stanley Holcombe & Associates: The trustees reviewed a letter dated October 2, 2007 from Randall Stanley in which he discussed the 5-year Experience Study that will be presented at the November 14th meeting.

Mr. Dew asked Mr. Cypen for clarification of the Unfunded Liability and the alternative approach to the Cumulative Experience Position determination and maintenance to use unamortized Experience Position for compliance with Chapter 112.61. Mr. Cypen clarified this approach, which is sometimes referred to as "Fresh Start".

Mr. Dew then made a motion to accept Mr. Stanley's proposal for an increase in his fee from \$3,000 to \$5,000, for a total additional proposed fee of \$9,000 to \$15,000 for studies on an Alternative Asset Smoothing Methodology, an Alternative Unfunded Liability Amortization and an Alternative approach to Cumulative Experience Position determination and maintenance as well as a 5-Year Study. Mr. Fortunato seconded the motion. The motion was approved **UNANIMOUSLY** by the Board.

OLD BUSINESS

Hedge Funds: Mr. Dew discussed suggested the Board take a "wait and see" approach to investing in hedge funds and he further requested that the interviews for the educational process at the November meeting be revisited at another time.

After a lengthy discussion, Mr. Dew made a motion that the firms that participate in the educational process agree that they are not eligible to participate in the selection of a hedge fund manager. Mr. Hole seconded the motion. The motion was approved **UNANIMOUSLY** by the Board.

The trustees also agreed to discuss with Mr. Pulos the possibility of adding a Mid-Cap Core Index Fund to this portfolio.

415 Benefit Limitations: Mr. Hole asked for an update on this item and was advised that the actuary was looking into this.

Peney Overpayment: The amount due for the year 2007 has been paid. The Finance Department will be questioned about reversing the taxes for 2007. The payment for the year 2004 will then be addressed due to the effect of the Statute of Limitations. The Administrator was asked for a written plan for re-payment of this overpayment.

Disaster Plan: A Plan is being worked on in conjunction with the City's Plan and the Fire Department's Plan.

Pre-retirement Seminar: Ms. Burrell has been discussing setting this up with ICMA. We are looking into coordinating an educational seminar.

International Investment Percentage: Mr. Hole discussed this issue. Mr. Cypen noted that the attorneys have interpreted that the 10% allowed is at cost and therefore the funds must keep rebalancing their portfolios to not go above the 10% allowance.

2% Bonus for Firefighters: Mr. Dunckel has advised that those retirees and vested personnel who are entitled to the 2% bonus will be receiving this benefit. This benefit will be added to the Summary Plan Description as this benefit may apply until the year 2013.

Website: The Administrator has received training. As soon as an Assistant Administrator is hired, he/she will be trained to update this site.

Koch Reiss: We have not received a formal letter as requested.

Annual Calendar: Mr. Hole requested a listing of tasks that need to be completed including an annual calendar.

FOR YOUR INFORMATION: No action.

Mr. Dew made a motion to adjourn at 2:45 P.M. with Mr. Rogers seconding the motion. The motion was approved **UNANIMOUSLY** by the Board.

Chairman

Secretary

POLICE & FIRE PENSION BOARD

REGULAR MEETING, October 3, 2007

888 S. ANDREWS AVENUE, SUITE 202

FT. LAUDERDALE, FLORIDA 33316

**ITEM
ACTION**

PAGE

MINUTES: Regular Meeting, September 12, 2007 Approved as corrected 1,2

BENEFIT REVIEW: POLICE DEPT. - DROP Retiree:

Michael S. Arbit

Approved

2,3

Vesting:

Gerald D. Machurick, Jr.

Approved

Survivor Death:

Margaret Meltzer

No further benefit

FIRE DEPT. - Termination of DROP Retirements:

Thomas J. Quinn, Jr.

Approved

Ray A. Underwood

Non-Service Incurred Death Benefits:

Beneficiaries of Linda Bjorgan

Mary Kay Riley

Approved

Sherry Skibinski

Approved

BILLS:

3

Asset Consulting Group.

\$10,625.

Payment approved

Sun Sentinel
\$879.02

\$1,130.

Payment approved

Payment approved

Cypen & Cypen

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS

& FIREFIGHTERS: None

ADMINISTRATOR'S REPORT:

Assistant Pension Administrator: In the interview process.

Me Too II: City has filed an appeal.

2% bonus for Firefighters: See page 5.

Fiduciary Liability Insurance: Discussion.

3,4

Retiree ACH Deposits:

Retirees will be advised to change payment

dates, where possible.

Mierzwa & Associates: Actuary is working on this issue.

Pension Board Elections: Ian Kemp, Fire Dept. and Michael Dew, Police Dept.

ran unopposed.

Special Projects - Stanley Holcombe & Assoc.: Motion approved for fee increase.

Trustee Positions: Notices of elections have been sent out.

OLD BUSINESS:

5

Hedge Funds: Discussion. Motion approved that firms that agree to participate in the education process not eligible to participate in the selection of a hedge fund manager.

Mid Cap Core Manager: The trustees agreed to discuss the possibility of hiring a mid-cap core manager with Mr. Pulos.

415 Benefit Limitations: Actuary is looking into this.

Peney Overpayment: The Administrator will give the Board a written plan for Repayment.

Disaster Plan: Being worked on.

Pre-retirement Seminar: Educational seminar will be coordinated.

International Investment Percentage: 10% allowed at cost. Funds must keep rebalancing.

2% Bonus for Firefighters: Retirees and vested personnel who are entitled to the 2% bonus will be receiving this benefit. Benefit will be added to Summary Plan Description.

Website: Administrator has received training.

Koch Reiss: Formal letter has not been received.

Annual Calendar: Mr. Hole requested a listing of tasks that need to be completed including an annual calendar **6**

FOR YOUR INFORMATION: No action.

[Close Window](#)