

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

**2335 EAST ATLANTIC BLVD.
SUITE 400
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
JULY 19, 2010**

The Board of Trustees convened at the Pompano Beach Police and Firefighters' Pension Office, Pompano Beach, Florida. The Chairman called the meeting to order at 3:05 p.m.

PRESENT: Chairman Paul D. O'Connell
Vice Chairman Richard E. Avallone
Trustee Daniel M. Christophers
Trustee John P. DeVoe
Trustee Patrick S. Fletcher
Trustee Peter McGinnis
Trustee Richard H. Samolewicz

ABSENT: Trustee Sharra Aaronian
Trustee Ernest J. Lee, Jr.

ALSO PRESENT: Robert Sugarman, Esq., Board Attorney
Pedro Herrera, Esq. Sugarman & Susskind
Retired Police Chief Gary Morton
Glenda Rowley, Deputy Administrator
Brian Hall, Assistant to Deputy Administrator
Richard Sandell, President, IAFF, Local 1549

APPROVAL OF AGENDA

MOTION: To approve the Agenda of July 19, 2010. PASSED 7-0.

O'Connell			X	
Avallone	X		X	
Christophers			X	
DeVoe			X	
Fletcher			X	
McGinnis			X	
Samolewicz		X	X	

APPROVAL OF MINUTES

MOTION: To waive the reading of the minutes of June 21, 2010 and approve same. PASSED 7-0.

O'Connell				X
Avallone				X
Christophers	X			X
DeVoe				X
Fletcher		X		X
McGinnis				X
Samolewicz				X

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			N	N
			O	O

Board of Trustees Minutes Page Two	July 19, 2010	TRUSTEES	M	S	Y	N
<u>RATIFICATION AND APPROVAL OF WARRANT NOS. 3071 - 3078</u>						
<p>MOTION: To approve and ratify payment of bills set forth on Warrant Nos. 3071, \$61,411.10; No. 3072, \$3,324.80; No. 3073, \$254.48; No. 3074, \$3,146.66; No. 3075, \$71,198.69; No. 3076, \$15,876.64; No. 3077 \$18,941.54; and No. 3078, \$46,935.81. PASSED 7-0.</p>	<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>			<p>X X X X X X X</p>	
<u>SUGARMAN & SUSSKIND, P.A.</u>						
<p>Mr. Herrera discussed the DROP loan forms that they prepared and submitted for review and approval. The forms include a request for a loan, an application and an installment note. He opined that they meet the requirements of the ordinance.</p>						
<p>MOTION: To approve the DROP loan forms as prepared by Sugarman & Susskind. PASSED 7-0.</p>	<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X</p>	
<p>Mr. Herrera referenced the supplement to the NB Crossroads 2010 Fund's Confidential Private Placement Memorandum. He reported that NB was allowing the General Partner of the Fund the ability to change the documents with a higher level of approval than was previously required, which would basically have no effect on the pension fund's investment. It was reviewed by both Sugarman & Susskind and Graystone Consulting and neither had any concern about the supplemental agreement.</p>						
<p>MOTION: To approve and authorize the Chairman to sign the March 1, 2010 Supplement to NB Crossroads 2010 Fund's Confidential Private Placement Memorandum. PASSED 7-0.</p>	<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>		<p>X X X X X X X</p>	
<p>Mr. Herrera addressed the Summary Plan Description as prepared by Gabriel Roeder Smith (GRS) and revised by Mrs. Rowley and Sugarman & Susskind. This document includes all the plan provisions up through and including Ordinance 2010-36. If no additional changes are made today, the Board has the final product that is ready to be distributed upon approval. State statutes require this to be distributed every two years.</p>						

Board of Trustees Minutes Page Three	July 19, 2010	TRUSTEES	M	S	Y	N
<p>MOTION: To approve the updated Summary Plan Description as submitted. PASSED 7-0.</p>	<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	X	X	<p>X X X X X X</p>	<p>X X X X X X</p>	
<p>Mr. Herrera noted that Mr. Sirico was given, and accepted, the option to have a full board present for his forfeiture hearing. Mr. Klausner has indicated that he is available for a 2:00 pm hearing on September 20 and follow up will be made with Mr. Parnell, who is representing Mr. Sirico.</p>						
<p>A transcript of Chairman O'Connell's deposition in the WAMU case was reviewed by all the attorneys and accepted by Chairman O'Connell.</p>						
<p>Securities litigator Robbins Geller Rudman & Dowd is recommending a settlement in the Odyssey Healthcare derivative action. After reviewing documents produced during discovery, they now believe that the price Gentiva Health Services offered to purchase Odyssey was fair. However, they are seeking corporate governance changes as part of the settlement proposal, which is still confidential and cannot be disclosed at this public meeting. Upon approval of the non-monetary settlement by the Board, which is being recommended by Sugarman & Susskind, the attorneys can move forward.</p>						
<p>MOTION: To approve the Odyssey Health Care settlement as proposed and recommended by Robbins Geller and reviewed and recommended by Sugarman & Susskind. PASSED 7-0.</p>	<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	X	X	<p>X X X X X X</p>	<p>X X X X X X</p>	
<p>Mr. Herrera reported that they had forwarded to the Chairman and the Deputy Administrator the District Court of Appeals ruling on the forfeiture of former Sheriff Ken Jenne's pension. It was a very well written opinion that his conviction to commit mail fraud constituted a specified offense under the "catch all" provision in the forfeiture statute. In essence, the court ruled that the offense was not specified by the elements of the crime but by his conduct. He believes the court applied a broad brush with this ruling and it would probably be appealed to the Florida Supreme Court. This ruling will be forwarded to all of the trustees.</p>						
<p>Mr. Sugarman reported that he has heard that the new financial reform bill contains investment restrictions for public pension funds. He plans to have a full report for the next meeting.</p>						

Board of Trustees Minutes Page Four	July 19, 2010	TRUSTEES	M	S	Y	N
<p>Mr. Sugarman recommended that the board apply for a new IRS determination letter during the cycle ending January 2011. Receiving a determination letter is a confirmation from the IRS that the plan is in compliance with all their regulations or considered "qualified". Advantages to being qualified are that the plan does not pay taxes on its income and members do not pay federal income tax on their contributions or benefits until they are received. The IRS has announced enhanced attention to state and local plans and Mr. Sugarman believes the IRS is focusing on concerns regarding DROP plans. It was noted that the plan has a determination letter that was issued in the 1970's when the plan started.</p> <p>The risk of applying is bringing attention to the plan, which could mean fines and penalties if the IRS finds evidence of non-compliance. In addition, applying means fees of about \$1,000 to the IRS and \$8,500 to Sugarman & Susskind. On the other hand, the risk of not applying is being audited and found to be non-compliant, in which case they might not be as lenient as if the fund had come forward voluntarily. Mr. Sugarman feels the safest thing to do is apply for the determination letter so he will prepare a written recommendation, for a future agenda, that will outline all the risks and rewards.</p>						
<p><u>COMMITTEE REPORTS</u></p>						
<p><u>Building Committee:</u> Chairman O'Connell reported that Trade Street Capital will be coming to the August 16 Board meeting to address some of the concerns brought forth at the April Symposium. They will present a report on where the building is now and outlining the plan for the future.</p>						
<p><u>DEPUTY ADMINISTRATOR'S REPORT</u></p>						
<p>Ms. Rowley presented the quotation for renewal of the fiduciary liability insurance. The Board reviewed the limit of liability and changed the deductible last year so no additional changes were quoted this year.</p>						
<p>MOTION: To accept the renewal quote for the fiduciary liability insurance in the amount of \$18,941.54. PASSED 7-0.</p>		<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>		<p>X X X X X X X</p>	
<p>A request from Alaska Electrical Workers Pension Fund for co-lead status in the Las Vegas Sands litigation was discussed. Mr. Herrera reported that there was a conference call to coordinate efforts between the parties and that all actions or settlements will have to be jointly approved. No action is required other than the signature of Chairman O'Connell on a joint declaration in support of the request for appointment of lead plaintiff and selection of counsel.</p>						

Board of Trustees Minutes Page Five	July 19, 2010	TRUSTEES	M	S	Y	N
<p>Ms. Rowley said she would have quotations available for a new copy machine at the next Board meeting.</p> <p><u>MISCELLANEOUS</u></p> <p>Midgard Management's Property Management Report dated May 31, 2010 was included in the agenda package. Bank of America is in arrears on its CAM fee, which is a type of maintenance fee that is shared by tenants of the building. A formal demand letter was being sent to Bank of America.</p> <p>Chairman O'Connell referenced IFEBP articles that were also included in the package. One article, on Social Security benefits, was reminiscent of a communication sent to the members in a recent member newsletter. It discussed changes being considered for the Social Security system.</p> <p>Chairman O'Connell requested Board approval to attend the IFEBP Benefit Communication and Technology Institute conference to be held in Boston August 2-3.</p> <p>MOTION: To approve Chairman O'Connell's attendance as requested. PASSED 7-0.</p> <p>Mr. Sandell of Local 1549 asked the Board to consider exploring future benefit options for firefighters. Specifically, they would like to have GRS prepare cost estimates for the following benefits:</p> <ul style="list-style-type: none"> ➤ A 3% fixed COLA for all members, including retirees, instead of the current 2% fixed and 1% variable arrangement; ➤ A third DROP investment option with a fixed rate of 1% below the plan's assumed investment return; ➤ The prospective inclusion of educational pay in pensionable wages; ➤ A share plan. <p>The cost of any of these benefit improvements would come from reserved 175 premiums funds of approximately \$3M, an increase in employee contributions from 11.6% to 12.0% and new premium tax funds that are due to start as a result of an interlocal agreement with Sea Ranch Lakes.</p> <p>Trustee Avallone stated that studies on increasing the COLA have been run before and it would be expensive. It was agreed that if the funds referenced above will not cover a full 1% COLA increase, then GRS should be asked to determine the percentage that could be purchased.</p> <p>Mr. Sugarman stated that the proposals needed to be put forth as a menu with a cost for each. Any money left over would go toward the share plan. Effective dates of October 1, 2010 and April 1, 2011 would be included in the cost study.</p>	<p>O'Connell Avallone Christophers DeVoe Fletcher McGinnis Samolewicz</p>	<p>X</p>	<p>X</p>	<p>X X X X X X</p>	<p>X X X X X X</p>	

Mr. Sandell was informed that if the pension fund is paying for the study, then it must be given to both Mr. Sandell and the City Manager when it comes in. If the union wants to pay for the study, then the Board can give it permission to use the plan's actuary, in which case the report would be private. Mr. Sandell said he was asking for the funds to come from the plan.

Ms. Rowley will request the educational pay information from the City and contact the Division of Retirement for an estimate of the Sea Ranch Lakes 175 premium tax dollars.

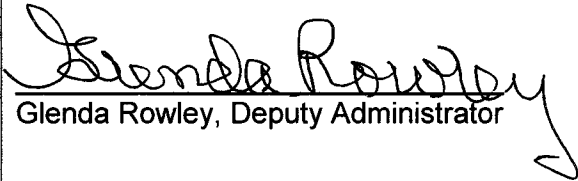
MOTION: To authorize the expenditure of funds for GRS to perform a cost study for the benefits suggested by Mr. Sandell. PASSED 7-0.

O'Connell			X	
Avallone		X	X	
Christophers			X	
DeVoe	X		X	
Fletcher			X	
McGinnis			X	
Samolewicz			X	

ADJOURN

MOTION: To adjourn the meeting at 4:07 pm. PASSED 7-0.

O'Connell				X
Avallone				X
Christophers		X		X
DeVoe	X			X
Fletcher				X
McGinnis				X
Samolewicz				X


Glenda Rowley, Deputy Administrator

Distribution:
Board of Trustees
Robert A. Sugarman, Esq.
J. Stephen Palmquist
Charles H. Mulfinger, II
City Manager
Mayor
City Commission
MarcumRachlin
Webmaster

REGULAR MEETING – JULY 19, 2010

ITEM NO. 4 - WARRANT NOS. 3071 THROUGH 3078

Ratified and Approved on 7/19/10

WARRANT NO.	PAYABLE TO	DESCRIPTION	AMOUNT
3071	Charles Schwab	Wire Transfer to Charles Schwab Trust Co. - Monthly DROP account deposits for 12 participants less 3 monthly DROP payments, effective 7/1/10.	61,411.10
3072	AT&T Klausner & Kaufman	Account #954-782-5784, 06/25/10, \$267.80 Special counsel legal services rendered through 6/29/10, #12291, \$3,057.00	3,324.80
3073	Iron Mountain Crystal Springs Water	Invoice #CBS1386 July mo. storage charges, \$129.66 Invoice #0610, dated 6/30/10; \$24.06	254.48
3074	Bank of America Business Credit Card Sharra Aaronian Richard Samolewicz	Trustee expenses, Aaronian; FPPTA Naples, FL (\$417.12), Rowley; FPPTA Naples, FL (\$1,065.19), O'Connell; FPPTA Naples FL (\$627.62), Business Lunch (60.35 -57.25 CR) = (\$3.10) Samolewicz; FPPTA, (\$846.13). Trustee expenses, FPPTA, (\$5.00) Trustee expenses, FPPTA, (\$182.50)	3,146.66
3075	Sands Capital Mgt. Standish Mellon Cornerstone	Investment mgmt. fees qtr ending 6/30/10, \$28,009.14 Investment mgmt. fees qtr ending 6/30/10, \$15,604.55 Investment mgmt. fees qtr ending 6/30/10, \$27,585.00	71,198.69
3076	Toshiba Renaissance Inv. Mgt. Graystone Consulting	Invoice #7589461 Copier qtr. maintenance fee for 4/13/10 - 7/12/10, \$88.16 Investment mgmt. fees qtr ending 6/30/10, \$12,038.48 Inv Mgmt Fee DROP ending 9/30/10, \$3,750.00	15,876.64
3077	Professional Indemnity Agency, Inc.	Renewal of fiduciary liability insurance, US Specialty Ins. Co., Policy #U707-50203, term 8/9/10-8/8/11; \$18,941.54	18,941.54
3078	Steven C. Justice	Refund of Contributions; Date of Termination 5/11/10	46,935.81