

# YOUR PENSION MATTERS

Pompano Beach Police & Firefighters' Retirement System

**Fiscal Year 2007**

**Fourth Quarter Ended September 30, 2007**

by: Chief Paul O'Connell  
Board Chairperson  
11/20/07

*"October. This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February."*  
Mark Twain

**Retired Fire Lieutenant George Wiggins:** As many of you know, George Wiggins and his wife, "Johnnie" (Mary Elizabeth) were tragically killed in an automobile crash in Wilkes County, NC on October 26<sup>th</sup>. The news came as a shock to all of us who knew them. We extend our condolences to the Wiggins Family and we extend our thanks to the First Baptist Church of Pompano Beach which hosted a Memorial Service on November 8<sup>th</sup>. The service provided those of us still in South Florida an opportunity to remember George & Johnnie, all the good things they did for our community and all the joy they brought to our lives. We will miss them.

Assistant Fire Chief John Jurgle contacted the Board after the services and expressed concern that as this memorial service was being planned, communication with retired firefighters was very difficult. In light of that experience he has requested the following message be part of this newsletter:

**Assistant Fire Chief John Jurgle is requesting the participation (on a voluntary basis) of retired Fire Rescue personnel who would like to be contacted and informed regarding upcoming FR events and information.**

**Retired FR members who would like to be included in the contact list should contact Chief Jurgle @ 954 786 4327 or e-mail [john.jurgle@copbfl.com](mailto:john.jurgle@copbfl.com)**

**Lawsuit Update:** Thank you to those who showed up at our October Board meeting to hear the Board attorney, Robert Sugarman, review and explain the settlement terms. As stated to you in our letter entitled "Legal Update" the Board accepted the terms and conditions of the settlement. All parties are prepared to move forward in a partnership that was fractured by the actions of the City (done under a prior administration). That fracture has been repaired.

Police retirees who retired after the merger (43 persons) will be receiving a letter from our actuary explaining the effect of this settlement on their respective pension benefits. The effects will combine the following adjustments:

- Elimination of the 8.6% add-on for future pension payments (we **keep the money** we received up to October 1, 2007, the date of the settlement)

- Inclusion of the first 25 hours of overtime per year in the 3 highest years of pensionable wages' for those who earned overtime subsequent to October 1, 2001 (the date this new benefit began)
- The payout of the 1% Variable COLA for 2005 and 2006 for those retired 5 or more years (which will include back interest)

These changes will be reflected in your December 1, 2007 pension payment.

For police retirees who retired **before the merger**, you will receive the payout of the 1% Variable COLA for 2005 and 2006 (which will include back interest) in mid-December.

We believe that with these adjustments the litigation and its effects will finally be behind us.

**Investment Weekend:** The Board has scheduled **April 10, 11 & 12, 2008** as the Second Annual Investment Weekend. Once again it will be held at the Deerfield Embassy Suites. The exact schedule of speakers and events have not yet been established but we did want to give you a "heads-up" so you could mark your calendar in hopes that you will attend some or all of the events. Some of the topics to be explored are alternative investments such as commodities and hedge funds (are these the types of investments a Pension Fund should be in?). We also hope to have as a keynote speaker an expert on retirement planning, not just for those approaching retirement, but for those in and enjoying retirement.

**Our new home:** The build-out of the Pension Board's new offices is moving along with great speed. Trustee Dan Christophers has taken the lead in overseeing the work of the General Contractor as he progresses through the job. Our hopes are to occupy the office in February 2008 and hold our first board meeting there on February 19, 2008. Of course, this is a hope, not a deadline. Let's keep our "fingers crossed."

**Our Financial Report Card:** As you can see by the enclosed financial summary, your Pension Fund had a very good investment year. A 13.52 % return on our investments in such a volatile year is something to be very proud of indeed. However, (there is always a "however"), the market has been in absolute turmoil since the close of our fiscal year on September 30, 2007. The quarter we are in now looks very rough as the price of oil approaches \$100 / barrel, the real estate market continues its meltdown and the economy as a whole shows signs of slowing. That is why your Pension Board will be exploring alternative investments outside the stock market and the real estate market. Thus, the investment weekend mentioned above will be even more important! Please join us! A complete schedule of events and speakers will be available on our web site sometime in January 2008.

**On behalf of the Pension Board of Trustees, I wish you a very happy holiday season and we look forward to a very prosperous New Year!**

**Until then, stay safe and stay in touch!**

**BREAKDOWN OF RETURNS**  
**Pompano Beach Police & Firefighters' Retirement System**  
**As of September 30, 2007**

<b>LORD ABBETT/BOSTON *</b>		<b>Your Returns</b>		<b>Russ 1000 Value</b>	<b>PSN Money Mgrs.</b>	<b>S&amp;P 500</b>
<b>Large Cap. Value</b>		<b>Gross</b>	<b>Net</b>			
	Quarter	2.08	1.93	(0.24)	0.21	2.03
	1 year	15.19	14.54	14.43	15.86	16.44
	Since 10/31/2004	13.20	12.60	15.05	NA	12.94
	Lord Abbett/Boston - 3 year	13.64	13.05	15.23	14.92	13.13
	Lord Abbett/Boston - Since 9/30/2002	16.15		18.07	17.64	15.45
	Lord Abbett/Boston - Since 6/30/1995	10.96		12.52	12.58	10.63
<b>SANDS CAPITAL</b>				<b>Russ 1000 Growth</b>	<b>PSN Money Mgrs.</b>	
<b>Large Cap. Growth</b>						
	Quarter	9.88	9.73	4.21	5.11	
	1 year	21.61	20.95	19.36	20.00	
	3 year	11.73	11.10	12.20	13.38	
	Since 5/31/2003	14.15	13.54	11.46	NA	
<b>VOYAGEUR *</b>				<b>S&amp;P 500</b>	<b>Dynamic Index**</b>	
<b>Large Cap. Asset Allocator</b>						
	Quarter	4.43	4.35	2.03	4.21	
	1 year	20.20	19.82	16.44	19.36	
	3 year	11.91	11.56	13.13	11.37	
	Since 9/30/2002	13.79	13.44	15.45	13.70	
	Since 3/31/2002	5.76		7.25	5.62	
<b>INVESCO</b>				<b>MSCI EAFE Net</b>		
<b>International</b>						
	Quarter	1.31	1.14	2.18		
	1 year	20.85	20.07	24.87		
	3 year	21.53	20.82	23.24		
	Since 1/31/2004	18.70	18.02	19.55		
<b>ALLEGIANCE CAPITAL</b>				<b>LB Int. Aggregate</b>	<b>LB Aggregate</b>	<b>LB Int. Gov/Credit</b>
<b>Fixed Income</b>						
	Quarter	1.94	1.88	2.75	2.85	2.88
	1 year	4.23	3.97	5.32	5.13	5.44
	3 year	3.54	3.28	3.79	3.86	3.47
	Since 5/31/2003	3.11	2.87	3.45	3.43	2.99
<b>STANDISH MELLON</b>				<b>LB Aggregate</b>	<b>LB Int. Aggregate</b>	<b>LB Int. Gov/Credit</b>
<b>Fixed Income</b>						
	Quarter	2.41	2.33	2.85	2.75	2.88
	1 year	4.39	4.08	5.13	5.32	5.44
	3 year	3.78	3.48	3.86	3.79	3.47
	Since 4/30/2003	3.73	3.37	3.80	3.67	3.40
<b>MUNDER CAPITAL</b>				<b>LB Aggregate</b>	<b>LB Int. Aggregate</b>	<b>LB Int. Gov/Credit</b>
<b>Fixed Income</b>						
	Quarter	3.10	3.03	2.85	2.75	2.88
	1 year	5.35	5.09	5.13	5.32	5.44
	3 year	4.22	4.01	3.86	3.79	3.47
	Since 9/30/2002	4.20	3.93	4.13	3.94	3.81
<b>INVESCO</b>				<b>NAREIT</b>		
<b>REIT</b>						
	Quarter	4.26	4.06	2.59		
	1 year	7.25	6.45	5.68		
	Since 6/30/2006	12.92	12.02	12.20		
<b>INVESCO</b>				<b>NCREIF</b>		
<b>Private Real Estate</b>						
	Quarter	2.83	2.83	3.56		
	1 year	12.87	12.87	17.31		
	Since 7/31/2006	12.18	12.18	18.10		
<b>TOTAL FUND *</b>				<b>Total Fund Index</b>		
	Quarter	4.03	3.91	2.36		
	1 year	13.52	13.03	13.39		
	3 year	10.24	9.78	10.98		
	Since 9/30/2002	11.57	11.10	12.28		
	Since 6/30/1995	8.35				

Total Fund Index comprised of 25% Russell 1000 Value/ 25% Russell 1000 Growth/ 15% Dynamic Index/ 23% LB Aggregate/ 12% LB Int. Aggregate for periods prior to January 31, 2004; 22.5% Russell 1000 Value/ 22.5% Russell 1000 Growth/ 12% Dynamic Index/ 8% MSCI EAFE Net/ 23% LB Aggregate/ 12% LB Int. Aggregate for periods from January 31, 2004 to April 30, 2006; and 22.5% Russell 1000 Value/ 22.5% Russell 1000 Growth/ 9.5% S&P 500/ 8% MSCI EAFE Net/ 22.5% LB Aggregate/ 10% LB Int. Aggregate/ 2.5% NAREIT/ 2.5% NCREIF for periods thereafter.

\* Per the Board's request, all performance results (including but not limited to rates of return, risk, measures, unit values, and dollar values) prior to September 30, 2002, were provided by GRS Asset Consulting Group, who was the previous consultant. The performance data is believed to be accurate, but there is no assurance. Smith Barney Consulting Group has not calculated or independently verified the accuracy of the returns or market values and is not responsible or liable for any mistake or miscalculations. Effective September 30, 2002, all valuations and rates of return are calculated by Smith Barney Consulting Group.

\*\* Dynamic Index represents blended performance of S&P 500 BARRA Value for periods prior to July 31, 2003, S&P 500 BARRA Growth for periods from July 31, 2003 to April 30, 2006, & Russell 1000 Growth for periods thereafter