

MINUTES
POLICE OFFICERS' & FIREFIGHTERS'
RETIREMENT COMMITTEE MEETING
THURSDAY - DECEMBER 1, 2011 - 9:00 AM

PRESENT

Sgt. Mo Asim
Sgt. Leo Socorro – Chair
Councilwoman Beth Spiegel
(Ret)Chief Linda Loizzo
Mayor George Vallejo

ABSENT

ALSO PRESENT

Charlie Mulfinger – Graystone
Tom Lowman – Bolton Partners
Jeff Delisle – Bolton Partners
Robert Sugarman – Plan Attorney
Darcee Siegel – City Attorney
Martin Lebowitz – Pension Administrator

DEPARTMENT REPRESENTATIVES

Various Police Officers

The meeting was called to order at 9:10.m. by Sgt. Socorro and was followed by a roll call of Trustees.

I. TERMINATION OF BOLTON PARTNERS

After discussion, Motion by Councilwoman Spiegel second by Major Vallejo to table this motion for next year so the Actuary can completed the 10/1/11 Valuation Report.

Roll call:

| | |
|----------------------|-----|
| Councilwoman Spiegel | Yes |
| Mayor Vallejo | Yes |
| Sgt. Asim | No |
| Sgt. Socorro | No |
| Chief Loizzo | No |

Motion Failed

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After discussion, motion by Sgt. Asim, seconded, by Sgt. Socorro to fire Bolton Partners as the actuary for the Police & Fire Retirement Plan.

Roll call:

| | |
|----------------------|-----|
| Councilwoman Spiegel | No |
| Mayor Vallejo | No |
| Sgt. Asim | Yes |
| Sgt. Socorro | Yes |
| Chief Loizzo | Yes |

Motion passed

II. REVIEW RFP'S FROM ACTUARIES

The board requested Brian O'Connor of the City's Chief Procurement Officer to utilize his office's services to render RFP'S. Brian O'Connor offered such assistance and discussed the process of sending out the RFP'S to hire a new actuary.

After discussion, to reconsider the motion to terminate Bolton Partners by Chief Loizzo, seconded, by Major Vallejo to fire Bolton Partners as the actuary for the Police & Fire Retirement Plan.

Roll call:

| | |
|----------------------|-----|
| Councilwoman Spiegel | Yes |
| Mayor Vallejo | Yes |
| Sgt. Asim | Yes |
| Sgt. Socorro | No |
| Chief Loizzo | Yes |

Motion Passed

After discussion, motion by Councilwoman Spiegel, seconded, by Sgt. Socorro to direct our Pension Administrator Martin Lebowitz to work with the City's Procurement Department to send out RFP's for Actuarial services to respond by 12/28/2011. Also, we would consider the 5 RFP's that have been already received.

Meeting to be held on January 12, 2012 at 3:30 p.m. to review RFP's and produce a short list of candidates for interview on January 31, 2012 at 1:00 p.m.

III. EXCESS CONTRIBUTIONS - \$64,795

Excess contributions are only to be used for a new benefit.
This item has been tabled.

IV. GRAYSTONE CONSULTING – SEPTEMBER 30, 2011 REPORT

Charlie Mulfinger presented the performance report, indicating a total portfolio market value on 9/30/2011 of \$64,022,523 (including accrued income). This represents a net increase in value from the previous quarter of \$7,569,720. The total asset allocation was reported to be 49.83% invested in domestic equities, 8.27% invested in international, 40.32% in fixed income and 1.58% in cash and equivalents. The total fund earned -10.62% for the quarter.

For the quarter ended 9/30/2011: Garcia Hamilton outperformed Russell 1000 Growth Fund -12.82% vs. -13.13%. HGK outperformed Russell 1000 Value Fund -15.35% vs.-16.20%. GW Capital returned -27.45% vs. -21.48% for the Russell Mid 2000 Value Fund. MDT returned -17.44% vs. -19.33% for the Russell 2000 Growth Fund. Renaissance returned -21.19% vs.-19.85% for the MSCI AC World x US. Thornburg returned -22.32% vs.-19.85% for the MSCI AC World x US. Garcia Hamilton Fixed Income earned -.38% under-performed the BC Int. Gov/Credit of 2.39%.

Plan year results: Total return earned for plan year was -.04%.

Charlie Mulfinger handed out a document reviewing "Asset Allocation Reconsidered". Also, Charlie Mulfinger discussed another type of investment that the committee might consider which are Hedge Funds. Charlie Mulfinger suggested educating the committee on what is a Hedge Fund at the next scheduled meeting.

Mayor Vallejo had to leave the meeting for a doctor's appointment at 12:40 p.m.

V. ATTORNEYS REPORT

PROPOSED ORDINANCE SECTION 6.06 OPTIONAL FORMS OF RETIREMENT INCOME

Bob Sugarman presented to the committee the proposed Ordinance to permit retirees who selected a J&S option to change joint annuitants twice without proof of former joint annuitant's good health but with actuarially adjusted equivalent benefit in compliance with Chapter 2009-97 Florida Statutes.

After discussion, motion by Sgt. Asim, seconded by Chief Loizzo to approve the proposed Ordinance in reference to Joint & Annuity change of Section 6.06 as revised.

Motion carried unanimously

**WILLIAM DRESBACK – REIMBURSEMENT OF CONFERENCE AND TRUSTEE
SCHOOL REIMBURSEMENT**

Motion by Chief Loizzo, seconded by Sgt. Asim to allow William Dresback to get reimbursed for travel expenses as stated below.

Motion carried

I move that:

- *former trustee Bill Dresback continue to be recognized as the liaison to our fire fighter retirees and continue to advise and consult the Retirement System and this Committee on those matters uniquely pertaining to our firefighter trustees,*
- *we accept with gratitude his offer to so volunteer his time,*
- *we instruct our administrator to continue to communicate and cooperate with Bill in this regard,*
- *that Bill's expenses of attending the annual Police Officers' and Firefighters' Pension Conferences and Schools (maximum of two per year) presented by the Municipal Police Officers' and Firefighters' Retirement Trust Funds Office, State of Florida Division of Retirement, be reimbursed upon the same basis and in the same amount as is reimbursed to trustee members of the Retirement Committee on the condition that Bill report back to this Committee on pertinent matters presented at such conferences and schools; and*
- *this motion and this arrangement is made only because of the unique circumstances and needs of our fire fighter retirees, our closed fire fighters' plan, and Bill's knowledge, experience, and service to this System and Committee and shall not serve as a precedent or basis for a similar arrangement with any future retiree or former trustee.*

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Bob Sugarman discussed the Ordinance that was passed on first reading by the City Council seeking to limit who the other 4 trustees could appoint as fifth trustee, this has not come up for second reading. We submitted the proposed Ordinance to the state for their opinion and received a response from Trish Shoemaker stating that it was against State Statute.

Bob Sugarman stated he reviewed a memo by Martin Lebowitz in reference to the \$3,000 medical insurance premiums deduction that can be taken as a federal tax credit under the federal HELPS law. A letter informing the retirees of this change will be mailed by December 15, 2011.

After discussion, motion by Chief Loizzo, seconded by Sgt. Asim to provide Sugarman & Susskind with the Plan's public records of stock holdings data and have access from our custodian Salem Trust's records of holdings for the purpose of permitting his firm to consult with securities fraud law firms to determine whether we were the victims of security fraud or are an appropriate plaintiff in a derivative action, as may be recommended by such securities law firms.

Motion carried.

VI. CALENDAR - 2012

Martin Lebowitz presented the 2012 calendar to the committee. There were two changes on the 2012 calendar from May 24, 2012 to May 16, 2012 and November 15, 2012 to November 29, 2012.

VII. TRAVEL BUDGET

Councilwoman Spiegel requested to prepare a budget for the Pension Plan. Martin Lebowitz distributed a travel budget to the committee for their review.

Martin Lebowitz will prepare a monthly report of the expenses of the Retirement Plan to the committee.

VIII. APPROVAL OF MINUTES AUGUST 18, 2011

Motion by Sgt. Asim, seconded by Chief Loizzo to approve the minutes of August 18, 2011 as amended.

Motion carried unanimously

IX. APPROVAL OF INVOICES

Motion by Sgt. Asim, seconded by Chief Loizzo, to pay the following invoices: Approved

INVOICES:

| | |
|---|---------------------|
| Garcia Hamilton – Equity Quarterly Management Fees | \$17,134.13 |
| Garcia Hamilton – Fixed Quarterly Management Fees | 16,947.03 |
| Morgan Stanley Smith Barney – Quarterly Consulting Fees | 5,625.00 |
| HGK – Quarterly Management Fees | 11,967.11 |
| GW Capital – Quarterly Management Fees | 6,742.07 |
| MDT – Quarterly Management Fees | 7,524.50 |
| Renaissance – Quarterly Management Fees | 4,461.09 |
| Thornburg - Quarterly Management Fees | 4,789.62 |
| Bolton Partners – Actuary Fees | 19,233.67 |
| Sugarman & Susskind – Legal Fees | 7,815.00 |
| Steven I. Gordon – Auditor | 1,720.00 |
| Salem Trust Company – Custodial Fees | 7,958.26 |
| | \$111,917.48 |

OTHER - APPROVAL TO ATTEND OUT-OF-STATE CONFERENCE

Motion by Sgt. Asim, second by Chief Linda Loizzo, to authorize normal travel expenses for those wishing to attend the NAPO Conference in January 2012

Motion carried

The next regularly scheduled quarterly Board meeting will be held on Thursday, February 16, 2012 at 9:00 a.m. Meeting was adjourned at 1.50 p.m.

Martin Lebowitz, Pension Administrator