

## MINUTES

### POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT COMMITTEE MEETING

THURSDAY - MAY 19, 2011 - 9:00 AM

#### PRESENT

Sgt. Mo Asim  
Sgt. Leo Socorro – Chair

#### ALSO PRESENT

Graystone – Tim Haugaard  
GW Capital - Scott Mullet  
Thornburg – Todd Wax  
MDT Advisors – Nick Kemerer  
Mark Guariglia - Entrust  
Tom Lowman – Bolton Partners  
Jeff Delisle – Bolton Partners  
Robert Sugarman – Plan Attorney  
Martin Lebowitz – Pension Administrator

#### ABSENT

Councilman McKenzie Fleurimond  
Councilwoman Beth Spiegel  
(Ret)Chief Linda Loizzo

#### DEPARTMENT REPRESENTATIVES

Roz Weisblum – Asst. City Manager  
Mac Serda – Asst. City Manager  
Maria Santovenia – Asst. City Attorney

The meeting was called to order at 9:05.m. by Sgt. Socorro and was followed by a roll call of Trustees. As we did not have a quorum, Bob Sugarman pointed out that we are not allowed to make any motions, pay any bills or take any actions and this meeting converts to a workshop. Bob Sugarman also pointed out we need to re-schedule this meeting before July 1, 2011.

#### I. GW CAPITAL – MARCH 31, 2011 REPORT

Scott Mullet reported the total GW Capital Small Cap Value Equity portfolio was valued at \$4,237,599 (including accrued interest) as of 3/31/2011, with an asset allocation of 94.06% in equities, 5.94% in cash and equivalents

For the quarter ended 3/31/2011: Total fund return was 12.25% compared to 6.59% for the Russell 2000 Value.

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Plan year results: Total return for their portfolio was 30.85% vs. 20.63% for the Russell 2000 Value.

**II. MDT ADVISORS – MARCH 31, 2011 REPORT**

Nick Kemerer reported the total MDT Advisors Mid Cap Growth portfolio was valued at \$4,415,500 (including accrued interest) as of 3/31/2011, with an asset allocation of 98.81% in equities, 1.19% in cash and equivalents.

For the quarter ended 3/31/2011: Total fund return was 8.34% compared to 7.86% for the Russell Mid Growth.

Plan year results: Total return for their portfolio was 37.86% vs. 26.61% for the Russell Mid Growth.

**III. THORNBURG – MARCH 31, 2011 REPORT**

Todd Wax reported the total Thornburg International Value portfolio was valued at \$3,290,455 (including accrued interest) as of 3/31/2011, with an asset allocation of 95.53% in equities, 4.47% in cash and equivalents.

For the quarter ended 3/31/2011: Total fund return was 2.61% vs. 3.40% for the MSCI AC World X US.

Plan year results: Total fund return was 17.35% vs. 13.15% for the MSCI AC World X US.

**IV. GRAYSTONE CONSULTING – MARCH 31, 2011 REPORT**

Tim Haugaard presented the performance report, indicating a total portfolio market value on 3/31/2011 of \$70,149,230 (including accrued income). This represents a net increase in value from the previous quarter of \$2,810,015. The total asset allocation was reported to be 53.37% invested in domestic equities, 9.51% invested in international, 36.25% in fixed income and .87% in cash and equivalents. The total fund earned 4.17% for the quarter.

For the quarter ended 3/31/2011: Garcia Hamilton under-performed Russell 1000 Growth Fund 5.17% vs.6.02%. HGK under-performed Russell 1000 Value Fund 6.27% vs. 6.46%. GW Capital returned 12.25% vs. 6.59% for the Russell Mid 2000 Value Fund. MDT returned 8.34% vs. 7.86% for the Russell 2000 Growth Fund. Renaissance returned 4.30% vs.3.40 for the

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MSCI AC World x US. Thornburg returned 2.61% vs.3.40% for the MSCI AC World x US. Garcia Hamilton Fixed Income earned .91% outperformed the BC Int. Gov/Credit of .34%.  
Plan year results: Total return earned for plan year was 13.74%.

Graystone will have to come back and present the March 31, 2011 performance report to the board. Tim Haugaard reviewed the compliance checklist and the equity portfolio needs to be reallocated to the funds.

**V. ENTRUST – HEDGE FUND EDUCATION**

Mark Guariglia, Helen Wong and Greg Hymowitz gave a presentation on what is a Hedge Fund. Since we are missing three Trustees Entrust gave a brief presentation. Entrust will come back and give another presentation on what is a Hedge Fund.

**VI. PENSION ATTORNEY REPORT**

Bob Sugarman discussed a letter from Mark Cohen's lawyer in reference to his disability retirement benefit not receiving a COLA and reviewed his response to the lawyer as to why Mark Cohen was not entitled to a COLA.

Bob Sugarman reviewed Senate Bill 1128 which was approved and is waiting for the Governor to sign into law. Below are some of the items in SB 1128:

Revises the definition of compensation for all local government defined benefit retirement plans. For plans that are not subject to collective bargaining, for service earned on or after 7/1/2011, up to 300 hours of overtime may be included in compensation for pension purposes as specified in the plan, but payments for accrued unused sick or annual leave may not be included. For plans that are subject to collective bargaining, effective for the first agreement reached on or after 7/1/2011 for service earned on or after that date, up to 300 hours of overtime may be included in compensation for pension purposes as specified in the collective bargaining agreement or plan, but payment for accrued unused sick or annual leave may not be included.

Requires that all actuarial reports disclose the present value of the plan's accrued vested, nonvested and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's(FRS) assumed rate of return (currently 7.75%), to promote the comparability of actuarial data between local plans.

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Eliminates the requirement in Chapter 175 and 185 that pension benefits be increased whenever member contributions are increased but keeps the requirement that consent of members or their bargaining unit is required.

**VII. BOLTON PARTNERS – ACTUARY**

Bob Sugarman and Tom Lowman discussed the method to calculate a member's Retirement or Drop account under the SB 1128. The question is which 300 hrs do you include? We are waiting for clarification from the State on how to determine which 300 hrs to use for the Retirement or DROP benefit. Tom Lowman asked to receive all the payroll items that are pensionable. Roz Weisblum stated she will get a listing of the payroll codes and give it to Martin Lebowitz.

**VIII. APPROVAL OF MINUTES FEBRUARY 17, 2011**

Tabled until next meeting

**IX. FPPTA – WHICH BOARD MEMBER TO VOTE FOR DIRECTORS**

Tabled until next meeting

**X. APPROVAL OF INVOICES**

Tabled until next meeting

**INVOICES:**

Garcia Hamilton – Equity Quarterly Management Fees	\$17,626.22
Garcia Hamilton – Fixed Quarterly Management Fees	16,448.91
Morgan Stanley Smith Barney – Quarterly Consulting Fees	5,625.00
HGK – Quarterly Management Fees	14,210.12
GW Capital – Quarterly Management Fees	7,614.74
MDT – Quarterly Management Fees	8,831.79
Renaissance – Quarterly Management Fees	5,420.65
Thornburg - Quarterly Management Fees	5,245.92
Bolton Partners – Actuary Fees	32,419.36
Sugarman & Susskind – Legal Fees	9,259.00
Salem Trust Company – Custodial Fees	8,727.45
	<b>\$131,429.16</b>

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The next regularly scheduled quarterly Board meeting will be held on Thursday, August 18, 2011 at 9:00 a.m. Meeting was adjourned at 11:50 a.m.

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Martin Lebowitz, Pension Administrator