

# KEY BISCAYNE POLICE OFFICERS & FIREFIGHTERS RETIREMENT PLAN

Village Council Chambers  
560 Crandon Blvd., Key Biscayne, FL 33149  
REGULAR MEETING OF MAY 22<sup>ND</sup>, 2008

**1. Call to Order** – Chairman Michael Haring called the meeting to order at 5:31 P.M.

**Roll Call** – Servando Parapar, Michael Haring, Jose Monteagudo, Dr. Robert L. Maggs and Sherry L. Reed (arrived at 6 P.M.)

**OTHERS PRESENT:** Councilman Steve Liedman, P/O Frank Hernandez, union representative from the Police Department, Blake Myton from Trusco, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Administrator.

**2. Additions/Deletions** – None.

### **3. PRESENTATIONS**

- **Blake Myton from Trusco Capital Management – March 31, 2008 Market Report.** Of all major indexes only the real estate market and fixed income had positive returns for the quarter. The economy continued to deteriorate in the first quarter, raising the likelihood that a recession has begun. People are still spending, but are spending at discount stores rather than at the malls. The long-term bond market remained illiquid and credit spreads widened significantly. While the equity markets were uniformly weak and bond performance was mixed in the first quarter, commodities and REITS rose while the Dollar fell. The FED cuts in the interest rate, while assisting with the Bear Sterns situation, had a negative effect on the dollar, making the projection for inflation more realistic. Trusco will be reducing equities to 60%, down from 63 and 64%. Dr. Maggs stated he was still experiencing confusion in comparing the Trusco statement to that of SunTrust. Mr. Myton explained that Trusco reports data as of trade date and SunTrust as of settlement date, which could create some of the confusion. Trusco does not manage the EFT's and TIPS in which the Fund invested while SunTrust carries them. Mr. Myton stated he would create a report that included these items and forward it for distribution to all trustees.
- **Burgess Chambers & Associates – March 31, 2008 Performance Report.** Mr. Wan, who was to deliver the report, was unable to attend due to cancellation of his flight at the last minute. The report had been emailed from which copies were made. Mr. Chambers had called prior to the meeting and requested bringing to the board's attention the one, three and five year returns in which

the fund had outperformed the benchmark handily, ranking in the 30<sup>th</sup>, 25<sup>th</sup> and 55<sup>th</sup> percentiles as compared to the benchmark rankings of 58<sup>th</sup>, 71<sup>st</sup> and 78<sup>th</sup> percentiles for the same time periods. The fund returned net of fees -5.28% for the quarter as compared with the benchmark return of -4.88%. The trustees asked that bound copies of the report be forwarded as they would be in color, making the graphs easier to read. They also asked that both Trusco and Burgess Chambers attend the July meeting to discuss the June 30<sup>th</sup> quarter returns.

**4. Reading & Approval of Minutes for March 27<sup>th</sup>, 2008.** Chairman Haring presented the minutes from the previous meeting for approval. Dr. Maggs moved to approve. Jose Monteagudo seconded the motion. The motion carried unanimously.

**5. Approval of Invoices.** Chairman Haring presented the invoices listed on the agenda for approval and payment. Servando Parapar moved to approve payment. Jose Monteagudo seconded the motion. The motion carried unanimously, authorizing payment of the following:

SunTrust, Invoice #192828, 1/1/08 – 3/31/08	\$15,271.27
SunTrust, Invoice #192829, 1/1/08 – 3/31/08	\$ 103.85
<u>Total</u>	\$15,375.12
Burgess Chambers & Associates; 3/31/08 Performance Report	\$ 3,750.00
Gabriel, Roeder, Smith & Co., Invoice #104424, dated 3/31/08	\$ 5,866.00
Joan L. Wall, Admin., 26 ¾ hrs, plus expenses	\$ 1,319.74

Chairman Haring reported that the actuary was also doing some work for the Village. A careful review of future invoices should be made to ensure that the Fund was not billed for any charges incurred by the Village.

**6. Approval – Refunds of Contributions.** Chairman Haring presented the refunds listed on the agenda for approval and payment. Servando Parapar moved to approve payment. Jose Monteagudo seconded the motion. The motion carried unanimously, authorizing payment of the following:

P/O Lawrence Hankoff, H/D 7/9/07, T/D 8/1/07, Contributions \$310.55, Less \$62.11 Mandatory 20% WH Tax, Net Check of	\$ 248.44
P/O Jennifer Vicens, H/D 10/12/04, T/D 3/20/08, Contributions \$17,915.69 Less \$3,583.14 Mandatory 20% WH Tax, Net Check of	\$14,332.55

**7. UNFINISHED BUSINESS – Village’s audited financial statements, needed to obtain approval from Division of Retirement for 2007 Annual Report.** Originally Randy White advised the CAFR would be presented to the Village Council during the month of April. This was the last item requested by the Division of

Retirement in order to obtain approval of the report. Earlier this week the Village auditors asked for review and input to their footnotes that related to the pension fund, indicating the CAFR had not been presented to Council for their review. Sherry Reed, a CPA, stated this was probably one of the last items to be reviewed before presentation of the CAFR to council. Councilman Liedman stated the next two council meetings were scheduled for June 10<sup>th</sup> and July 2<sup>nd</sup>. He would look into the matter of council approval of the CAFR.

## **8. NEW BUSINESS**

- FPPTA's 24<sup>th</sup> Annual Conference, June 29<sup>th</sup> to July 2, 2008 at Omni Orlando Resort at ChampionsGate
- FPPTA 4<sup>th</sup> Annual Fishing Tournament, August 8 to 10<sup>th</sup>, 2008 at Tarpon Lodge, 13771 Waterfront Drive, Pine Island, Fl

**9. Trustees' Concerns** – The trustees asked to be updated as to whether or not Randy White was now making Village contributions based on the rate in the October 1, 2007 Actuarial Valuation Report as discussed at the March meeting.

## **10. REPORTS**

- **Attorney** – Attorney Bieler stated that Attorney Cypen will be making an interesting presentation at the upcoming FPPTA Annual Conference.
- **Administrator** – Chairman Haring had noted substantial errors in the ages of two firefighters on the Employee Benefit Statements. This was brought to Mr. Palmquist's attention and corrected statements will be provided. In order to prevent errors in the future, after year end copies of statistical pages to the Annual Report will be provided to the respective departments for both Chairman Haring's and Lt. Monteagudo's review.
- **Other** – Commission recapture reports and SunTrust's new address were included in the agenda packages.

**11. Input from Active/Retired Members** – None.

**12. Next Meeting Date/Adjournment.** Chairman Haring announced the next regularly scheduled meeting will be held on Thursday, July 24<sup>th</sup>, 2008 at 5:30 P.M. There being no further business before the board, Servando Parapar moved to adjourn at 6:34 P.M. Dr. Maggs seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary