

**KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS'  
RETIREMENT PLAN**

Village Council Chambers  
560 Crandon Blvd., Key Biscayne, FL 33149  
REGULAR MEETING OF MAY 28<sup>TH</sup>, 2009

**1. Call to Order** – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:40 P.M.

**Roll Call** – Secretary Servando Parapar, Chairman Michael Haring, Jose L. Monteagudo, Dr. Robert L. Maggs and Sherry Reed.

**OTHERS PRESENT:** Frank Wan from Burgess Chambers & Associates, Blake Myton from SunTrust, Lt. Benjamin Torres from the Police Department representing the IUPA, Alison S. Bieler, Esq. and David S. Farrand, Esq., from Cypen & Cypen, Attorneys for the Plan and Joan L. Wall, Administrator.

**2. Additions/Deletions to Agenda.** Since the agenda was posted a reimbursement request was received from Servando Parapar for his attendance at the Division of Retirement Trustees' School in Tallahassee and booklets from the law firm investigating losses suffered by various pension plans due to Merrill Lynch's misconduct. Mr. Parapar's request was added to the invoices and the Merrill Lynch matter was added under the Attorney's Report.

**3. Approval of Minutes for March 26, 2009.** Chairman Haring presented the minutes from the previous meeting for approval. Dr. Maggs moved to approve. Servando Parapar seconded the motion. The motion carried unanimously.

**4. Approval of Invoices.** Chairman Haring presented the invoices listed on the agenda for approval and payment. Sherry Reed moved to approve payment. Dr. Maggs seconded the motion. The motion carried unanimously, approving payment of the following:

Burgess Chambers & Associates, Inc., 3/31/09 Performance Report	\$ 3,750.00
SunTrust Bank, custody & investment fees, qtr ending 3/31/09	\$14,570.34
Joan L. Wall, Admin., 3/19 – 5/18/09; 22 ¾ hrs, plus expenses	\$ 1,110.28
Gabriel Roeder Smith & Co., #107849, 3/31/09	\$ 4,227.00

Chairman Haring presented the reimbursement request submitted by Servando Parapar for approval and payment. Dr. Maggs moved to approve payment. Jose Monteagudo

seconded the motion. The motion carried with Servando Parapar abstaining, approving payment of the following:

Servando Parapar, reimbursement for attendance at the Division Of Retirement Trustees' School in Tallahassee	\$ 948.58
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**5. Refund of Contributions.** Chairman Haring presented the refund of pension contributions to Police Officer Steven Miro, hire date of 9/20/08 and termination date of 4/20/09, with total pension contributions in the amount of \$3,638.97, less 20% withholding taxes in the amount of \$727.79 for a net check of \$2,911.18 for approval and payment. Jose Monteagudo moved to approve payment. Servando Parapar seconded the motion. The motion carried unanimously.

### **UNFINISHED BUSINESS**

**6. a) SunTrust – New Contract.** Mr. Myton reported that he was still seeking final approval of the self-directed arrangement so that a contract could be sent to the Board's legal counsel for review. The matter was continued until the next meeting.

**6. b) Gabriel Roeder Smith March 16, 2009 Sample of 5 Year Projection (per GRS letter of 1/14/09).** Sherry Reed stated she understood this matter had been continued from the January and March meetings at her request and would like the opportunity to speak directly with the actuary about the matter and report back to the board at the next meeting.

**6. c) Board Action – Adoption of expected rate of return for current year, each of next several years and long term.** (continued from 3/26/09) Frank Wan from Burgess Chambers & Associates stated the assumption rate was currently at 8 ½%, down from 9% and that 70% of the plans his firm provided services to were at 8%. Sherry Reed stated she would also discuss this with the actuary with regard to reducing the assumption rate by quarter percentage points down to 8% and report back to the board. Dr. Maggs moved to table the matter until the next meeting. Jose Monteagudo seconded the motion. The motion carried unanimously. The trustees requested the Village Manager be invited to the next meeting, in addition to the investment consultant and the investment manager.

### **NEW BUSINESS**

**7. a) Schools/Conferences – FPPTA 25<sup>th</sup> Annual Conference, June 28<sup>th</sup> to July 1<sup>st</sup>, 2009 at the Boca Raton Resort.** Servando Parapar reported on items that were brought up at the Division of Retirement Trustees' School in Tallahassee.

**7. b) Review/Accept – Revised Summary Plan Description.** Attorney Bieler requested the trustees review this document prepared by the actuary and continue acceptance of the document to the next meeting.

**7. c) SunTrust – BenePay System.** Servando Parapar moved to authorize the chairman sign the necessary forms to grant online access to Joan Wall and any of the trustees who wished access to SunTrust's new system that will be providing pension benefit payment information in the future. Jose Monteagudo seconded the motion. The motion carried unanimously.

**7. d) SunTrust Bank – Investment Review/Market Report.** Mr. Myton stated April was the single best month in the last thirty years of the stock market with growth outperforming value. Small caps continued to underperform. The previous flight to quality in fixed income was now reversed with funds moving from government securities to corporate bonds. During the first quarter of 2009 the equity markets continued to deteriorate as the economic data painted an increasingly grim picture of the global economy.

**7. e) Burgess Chambers & Associates – March 31, 2009 Performance Report.** Mr. Wan stated SunTrust had done well in the preservation of capital, ranking in the 14<sup>th</sup>, 8<sup>th</sup>, 1<sup>st</sup> and 12<sup>th</sup> percentiles for the current quarter, one year, three years and five years and has done well in both up and down markets. Mr. Wan commented that a recent report by Standard and Poor's found that 71.9% of large cap active managers, who use the S & P 500 index as a benchmark, fell short for the five year period ending 12/31/08. Asset allocation as of March 31, 2009 was 38.11% domestic fixed, 0.80% REIT, 6.97% international, 51.74% domestic equity and 2.38% cash for a total market value of \$9,240,753. The only recommendation at this time is to increase international to 15% effective July 1, 2009.

**8. Trustees' Concerns – None.**

## **9. REPORTS**

### **• Attorney**

- Attorney Bieler distributed copies of the Rules and Procedure for the Firefighters' DROP Program to be placed on the next agenda for adoption.
- Cypen & Cypen's 5/18/09 Memo regarding CALPERS required Disclosure of Agents/Fees was included in the agenda packages. Dr. Maggs moved to authorize Cypen & Cypen to draft a disclosure document for the board's use in the future. Servando Parapar seconded the motion. The motion carried unanimously.
- Attorney Bieler requested the recent legislative changes that had taken place in Tallahassee be placed on the next agenda for discussion and possible action.
- A letter dated 4/16/09 from Gregory R. Miller, Esq., together with a multi-tab booklet entitled "Pension Fund Presentation" concerning the Board's prior relationship with Merrill Lynch Consulting Services and its soft-dollar program were included with the agenda materials. Dr. Maggs moved to approve an investigation into losses suffered by the plan due to Merrill

Lynch's conduct. Servando Parapar seconded the motion. The motion carried unanimously.

- **Administrator – Status of 2008 Annual Report.** The Village CAFR was due for completion and presentation to the Village Council next month. This was the last item necessary for approval by the Division of Retirement.
- **Other**
  - **Set November meeting date** – continued until July meeting
  - Included with the agenda materials were the following;
    - Commission Recapture Reports for 3/16 and 4/17
    - Securities Monitoring Reports for 4/22 and 5/12

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

**11. Next Meeting Date/Adjournment.** Chairman Haring announced the next regular meeting was scheduled for Thursday, July 23, 2009 at 5:30 P.M. There being no further business before the board, Servando Parapar moved to adjourn at 8:03 P.M. Jose Montegudo seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary