

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

Village Council Chambers
560 Crandon Blvd., Key Biscayne, FL 33149
REGULAR MEETING OF SEPTEMBER 22ND, 2011

1. Call to Order – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:36 P.M.

Roll Call

Present

Servando M. Parapar, Secretary

Michael Haring, Chairman

Steve Liedman

Sherry L. Reed

Absent

Jose Monteagudo

OTHERS PRESENT: Blake Myton from SunTrust Bank, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Administrator.

2. Additions/Deletions to Agenda. Servando Parapar's term as trustee expires on September 30th, 2011. Steve Liedman moved to appoint Servando Parapar to another two year term as Fifth Trustee. Chairman Haring seconded the motion. The motion carried with three votes, without the vote of Servando Parapar.

3. Approval of Minutes for July 28th, 2011. Chairman Haring presented the minutes from the previous meeting for approval. Servando Parapar moved to approve. Steve Liedman seconded the motion. The motion carried unanimously.

4. Approval of Invoices. Chairman Haring presented the invoices listed on the agenda for approval for payment. Steve Liedman moved to approve payment. Servando Parapar seconded the motion. The motion carried unanimously, authorizing payment of the following:

SunTrust Bank, Invoice #230190 dated 7/26/11	\$20,635.58	
SunTrust Bank, Invoice #230191 dated 7/26/11	\$ 469.09	
TOTAL		\$21,104.67
Joan L. Wall, Administrator, 7/22 – 9/13/11, 29 1/4 hrs, plus expenses		\$ 1,361.80

5. UNFINISHED BUSINESS – Review/Discussion of Agreement with Trusco/SunTrust (continued from 1/27/11, 3/24/11, 5/26/11 and 7/28/11). Mr. Myton distributed various fee scenarios for the current asset allocation including the

customized core allocation, the active only core portfolio asset allocation, etc. with market values as of September 12th, 2011. SunTrust had gone from proprietary to open architecture necessitating changing the fee structure. He stated the plan would transition to the portfolio and that the custodial fee would be reduced to 5 basis points less an additional 25% for custody of the index funds, passive funds and other assets not managed by SunTrust. The proposed investment fee for the assets actively managed by SunTrust would be calculated as 45 basis points on the first \$5 million, 35 basis points on the next \$10 million, and 25 basis points on all assets over \$15 million. This investment fee would then be reduced by an additional 25% and the amount would be payable quarterly, in arrears. Attorney Bieler stated she was not comfortable with certain ancillary fees proposed as part of the custody fee schedule. In particular, she felt the service termination fee of \$15,000 if the plan was to terminate service with SunTrust before three years from the date of signing the new agreement was unreasonable. Mr. Myton stated he would see that this was removed. After lengthy discussion, questions and considerations, Steve Liedman moved to adopt the proposed custodial fee of 5 basis points less an additional 25% discount for the index funds, passive funds and other assets not directly managed by SunTrust. Sherry Reed seconded the motion. The motion carried unanimously.

As to the investment management fee, Steve Liedman moved to retain SunTrust to manage the portfolio of portfolios as set forth in the example shown on Exhibit "A" in accordance with the proposed fee schedule for assets actively managed by SunTrust as investment manager to be calculated as 45 basis points on the first \$5 million, 35 basis points on the next \$10 million, and 25 basis points on all assets over \$15 million and then further reduced by an additional 25% to be paid quarterly, in arrears. Sherry Reed seconded the motion. The motion carried unanimously.

Chairman Haring signed a letter of instruction addressed to Blake Myton of SunTrust to authorize the transfer of all shares of the following funds from account #6864870 into custody account #7923441:

- iShares S&P 500 Index ETF (IVV)
- iShare Russell Mid Cap Growth Index (IWP)
- iShare Russell Mid Cap Value Index (IWS)
- Vanguard Total Bond Market Index ETF (BND)
- Vanguard Short Term Bond ETF (BSV)
- iShares iBoxx Investment Grade Corporate ETF (LQD)
- iShares iBoxx High-Yield Corporate ETF (HYG)

6. a) Schools & Conferences

- FPPTA Trustees' School, October 2 – 5th, 2011, Tampa Marriott Waterside

7. Trustees' Concerns – None

8. REPORTS

- **Attorney** – None
- **Administrator**
 - Awaiting Trustee Election Reports for Fire Department and Police Department. Chairman Haring stated this should be followed up with Jose Monteagudo.
 - Village Council appointed Martha Broucek as trustee to replace Sherry Reed, whose term expires on September 30th, 2011. The trustees thanked Sherry Reed for her participation as trustee over the past four years and wished her well in her future endeavors.
- **Other** – Included with the agenda packages were the following:
 - June & July, 2011 Commission Recapture Reports
 - August 15th, 2011 Securities Monitoring Report

9. Input from Active/Retired Members – None

10. Next Meeting Date/Adjournment. Chairman Haring announced the next meeting was scheduled for Thursday, November 17th, 2011. Trustees inquired if this could be changed to Wednesday, November 16th, 2011. Joan Wall stated she would check with the Village Clerk and determine if this date was available. There being no further business before the board, Steve Liedman moved to adjourn at 6:47 P.M. Servando Parapar seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary