

KEY BISCAYNE POLICE OFFICERS & FIREFIGHTERS RETIREMENT PLAN

Village Council Chambers
560 Crandon Blvd., Key Biscayne, FL 33149
REGULAR MEETING OF SEPTEMBER 25TH, 2008

1. Call to Order – Secretary Servando Parapar called the meeting to order at 5:38 P.M.

Roll Call

Present

Servando M. Parapar, Secretary
Jose L. Monteagudo
Sherry L. Reed

Absent

Michael Haring, Chairman
Dr. Robert L. Maggs

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

2. Additions/Deletions. An additional invoice from Holland & Knight in the amount of \$325 that had been previously reviewed by Cypen & Cypen was received after the agenda was posted. Jose Monteagudo moved to add this to the agenda. Sherry Reed seconded the motion. The motion carried unanimously.

3. Reading & Approval of Minutes for July 24th, 2008. Secretary Parapar presented the minutes from the previous meeting for approval. Jose Monteagudo moved to approve. Sherry Reed seconded the motion. The motion carried unanimously.

4. Approval of Invoices. Secretary Parapar presented individually the invoices listed on the agenda, including the additional invoice from Holland & Knight with approvals as follows:

- Sherry Reed moved to approve payment of Burgess Chambers & Associates invoice #08-167 for the 9/30/08 performance report in the amount of \$3,750. Servando Parapar seconded the motion. The motion carried unanimously.

- Jose Monteagudo moved to approve payment of Joan L. Wall's invoice for the period 7/17 – 9/17/08 in the amount of \$1,292.79. Sherry Reed seconded the motion. The motion carried unanimously.
- Sherry Reed moved to approve payment of the two invoices from Sun Trust totaling \$15,485.94 for custody and investment services for 4/1 – 6/30/08. Jose Monteagudo seconded the motion. The motion carried unanimously.
- Sherry Reed moved to approve payment of the two invoices from Holland and Knight in the amounts of \$250 and \$325. Jose Monteagudo seconded the motion. The motion carried unanimously.

UNFINISHED BUSINESS

5. a) Status of Village Contribution Catch up per Trustees' request at May 22nd, 2008 board meeting – This was resolved by an additional contribution made by the finance director on the part of the Village in the amount of \$48,771.70 that was deposited on August 8th, 2008.

NEW BUSINESS

6. a) Schools/Conferences:

- Division of Retirement – 40th Annual Police Officers' & Firefighters' Pension Conference; previously scheduled for 9/8 – 10, 2008 at Radisson Resort Orlando-Celebration, Kissimmee, Florida with free registration. This conference was cancelled due to a recent hurricane and has been rescheduled to 12/3 – 5/ 2008. Attorney Bieler stated this conference was well worth attending.
- FPPTA Trustees' School; 10/5 – 8/2008 at Florida Hotel & Conference Center in Orlando, Florida.

7. Trustees' Concerns – The trustees expressed concern over the volatility of the current stock market and requested that both Burgess Chambers and Blake Myton be asked to provide details as to acquired price, sale price if sold for AIG, Fanny Mae and Freddie Mac stock, Lehman and any other names that are currently under scrutiny as of today's date, to include any of these holdings in mutual funds that the plan is invested in.

8. REPORTS

- **Attorney** –
 - The proposed changes to State administrative Rules pertaining to funding and disclosure was held on July 14th, 2008. The hearing was attended by Steve Palmquist from Gabriel, Roeder, Smith & Company and other actuaries from all over the state. The continuation of the hearing was scheduled in September after the Division of Retirement conference. This was cancelled also due to the hurricane and will probably be rescheduled for the end of October. The changes proposed by Charles Slavin, state

actuary, will likely create additional work for the actuaries resulting in higher fees to the plan for the annual actuarial work, in addition to higher costs to the Village as their contribution to the plan. Attorney Bieler recommended any trustee who was able, to attend this workshop. Jose Monteagudo moved to approve the attendance of any trustee to this workshop. Servando Parapar seconded the motion. The motion carried unanimously.

- Attorney Bieler announced the firefighters had reached a new collective bargaining agreement that contained a number of pension changes for firefighters. This requires an ordinance to amend the plan, the cost of which is not included in the legal retainer agreement. The cost of this would be billed at \$250 per hour for an estimated cost of \$5,000 to \$7,500 maximum. Sherry Reed moved to authorize Cypen & Cypen prepare an ordinance to implement the pension changes included in the firefighters collective bargaining agreement at a fee of \$250 per hour not to exceed a maximum of \$7,500. Servando Parapar seconded the motion. The motion carried unanimously.
- **Administrator** – State Funds received;
 - Police - \$93,303.73, compared with \$101,803.99 last year. Communication from the Division of Retirement stated there were significant variations with the implementation of the (IPT) database, requiring a proportionate calculation for the 2005, 2006 and 2007 police distributions. This distribution will be the third and final year of the adjustment to police officers' premium tax distributions.
 - Fire - \$182,053.74, compared with \$211,816.37 last year. Significant variations in the premium tax distribution sometimes occur when insurance companies file amended or late returns for prior years. This may have the effect of inflating amounts received in one year and diminishing amounts received in a later year as the correction is made to the subsequent distribution. The tax return for calendar year 2006 was the first year that insurance companies were subject to fines and penalties if they did not make use of the database.
- **Other** – Additional items distributed at the meeting were:
 - 9/22/08 letter from the firm monitoring the pension fund holdings to SunTrust requesting data from January 1, 2000 to October 1, 2005.
 - September 2008 report from the monitoring firm
 - 9/24/08 market update from Burgess Chambers Associates

9. Input from Active/Retired Members – None.

10. Next Meeting Date. The next meeting date is Monday, November 17th, 2008 rather than Monday, November 24th, 2008 as previously announced. This change was cleared with the Village Clerk and the fund attorneys. Both Burgess Chambers and Blake Myton will be advised of the change.

Adjournment. There being no further business before the board, Jose Monteagudo moved to adjourn at 6:25 P.M. Servando Parapar seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary