

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES  
OF THE  
TAMPA FIREFIGHTERS & POLICE OFFICERS PENSION BOARD  
3001 North Boulevard  
Tampa, FL 33603 (813) 274-8550  
Thursday, February 24, 2005 1:30 p.m.**

The Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa met in the Pension Office Conference Room on Thursday, February 24, 2005 at 1:30 p.m. for a regular meeting with the following members present:

Marc Hamlin, Chairman  
Ron Ibarra, Secretary  
Dan Lombard  
Patrick Lynch

Jimmy Meier  
Cynthia Miller  
John Moors

Also present were Jose Fernandez – Actuary, Melon, George Madelil – Actuary, Melon, Eric Palley – Actuary, Melon, Mike Hendren – Property Manager/Broker, Rock Creek Center, James B. Loper - Board Counsel, Mark Lenker – External CPA, and retired plan members.

Minutes

1. Approval of minutes of January 27, 2005 Regular Board Meeting. **It was moved by Mr. Ibarra, seconded by Mr. Lynch and by unanimous vote to approve the minutes of the January 27, 2005 board meeting as written.**

**Consent Agenda** Items on the consent agenda shall be acted upon in one motion. If an item requires additional discussion, that item shall be removed from the consent agenda for discussion. [Items 2 – 5] **It was moved by Ms. Miller, seconded by Mr. Ibarra and by unanimous vote to approve the consent agenda.**

2. Ratified pension benefits.
3. Approved payment to James B. Loper for legal services rendered during January 2005 in the amounts of:
  - a. \$4,198.46 for general counsel services
  - b. \$14,946.70 for retiree's litigation
4. Noted receipt of Bowen, Hanes & Co. investment management report for the month ended 1/31/2005, investment return of +8.6% for this fiscal year, total market value of *investments* as of 1/31/2005 \$1,241,071,758.
5. Noted receipt of audited financial statements prepared by KPMG for the fiscal year ended 9/30/2004.

[Mr. Moors entered the meeting at 1:45 p.m.]

Actuarial Presentation

6. 20 year asset/liability study presented by Jose Fernandez, Eric Palley, and George Madelil, actuaries from Mellon.
  - a. Noted receipt of excerpt from pages 4 and 5 of the 7/22/2003 board meeting where study was discussed and authorized.
  - b. Noted receipt of 20 year asset/liability study prepared by Mellon for presentation on 2/24/2005. Mr. Fernandez provided an overview of the study that was approved by the board 7/22/2003, including the research process and input from the fund's investment manager Bowen, Hanes & Co. on the asset side. Mr. Palley presented the financial metrics of the study, explaining stochastic forecasting and some general statistics terms. Mr. Palley reviewed the 20 year asset liability study under two scenarios as commissioned by the board in 2003: under the current plan structure and under a combined plan structure. Mr. Palley explained that the volatility of the financial markets affects the long term financial health of the plan, and noted that as per the board's 2003 direction, alternative asset allocations were not reviewed. Mr. Palley reviewed the risk vs. return under the different scenarios and responded to questions from the board. Alternatives for future consideration, such as restructuring the COLA with a portion to being funded by contributions and a portion being funded by excess investment returns were discussed. There was discussion regarding the process by which changes to the pension plan are made, beginning with collective bargaining and agreement between the City and Unions, submission of a local bill, etc. and Mr. Lynch requested that a copy of this study be forwarded to the City and Unions. **It was moved by Mr. Ibarra, seconded by Mr. Lynch and by unanimous vote to receive and file item 6 and to forward a copy of the study to the City and Unions.**

[Recess 2:40 – 2:45 p.m.]

Rock Creek Center

[approximately 2:30 or 3:00 to 3:00 or 3:30]

7. Presentation by Mike Hendren, Rock Creek Center Property Manager and Broker, regarding potential sale. Noted receipt of fax dated 2/17/05 from Mike Hendren including memo, sale information sheet and Exhibit A. Mr. Hendren distributed three additional documents at the beginning of his presentation.
  - a. Noted receipt of revised Exhibit A.
  - b. Noted receipt of memo dated 2/21/2005 from R. Beard of TMG Commercial Properties LLC in Greensboro NC to Mike Hendren regarding Terms of Purchase Agreement.
  - c. Noted receipt of letter dated 2/9/2005 from D. Stimmel, Stimmel Associates PA to R. Beard with fee quote of \$75,000 to develop Master Plan for Rock Creek Center.Mr. Hendren briefly reviewed the terms of the potential sale of all property south of the interstate for a gross sale price of \$12 million. Excluded from the potential sale is the small parcel north of the interstate which is under contract/option to Portrait Homes until October 2005. Mr. Lynch reviewed that there are two expenses requiring board approval: \$56,607 for a current survey by Alley, Williams and \$75,000 for a master plan by Stimmel Associates, noting that should the sale not take place, a copy of the master plan will be provided to the pension fund. Ms. Miller asked Mr. Hendren what type of marketing has been done to market Rock Creek Center, what type of publications has the marketing appeared in, and what was the geographic distribution of that marketing? Mr. Hendren responded that Rock Creek Center has not been marketed in that manner.

Ms. Miller expressed concerns over a sale without conducting research or marketing, suggesting that the board consider placing a request for information (RFI) by a real estate development expert to evaluate the potential sale of Rock Creek Center, including as a single sale. Ms. Miller advised that she felt that it would be prudent to do some due diligence research rather than simply taking the first offer that has been made on the entire property, noting that since the portfolio is currently at a maximum in equities, the opportunity cost of holding the property from an investment standpoint is relatively low since the sale proceeds could only be reinvested in bonds or cash equivalents and not equities. There was discussion regarding the amount of the board's time spent on Rock Creek Center when it represents less than 1% of the total portfolio and the desire to sell the property to get out of the direct real estate ownership position. Mr. Hamlin advised that he would prefer to see Rock Creek Center sold and an investment allocation to real estate investment trusts (REITs) instead. Mr. Lynch was asked for his opinion as Chair of the Rock Creek Center Committee, and he advised that while he had some concerns and had discussed many of them with Mr. Hendren and had conducted research on his own, that he would recommend board approval of the sale contingent upon approval by the real estate counsel at Womble, Carlyle. Mr. Lynch advised that there is a Rock Creek Center Committee meeting scheduled for Tuesday, March 8, 2005 at 1:00 p.m. to discuss goals, objectives, planning, marketing and an exit strategy for Rock Creek Center that will take place even if this potential sale is approved so that if the sale doesn't close, substantial time is not lost in planning for the future of Rock Creek Center. After discussion, **it was moved by Mr. Lynch, seconded by Mr. Ibarra that the board accept the offer by SBS for the purchase of Rock Creek Center for the amount of \$12,000,000 as set forth by Mr. Hendren in items 7 and 7a, contingent upon the approval of Womble, Carlyle, with the proviso of the fund paying a not to exceed fee of \$56,607 for a current survey, and \$75,000 for a master plan if the sale does not close. Upon voting, motion carried by a vote of 6 – 1 with Mr. Hamlin, Mr. Ibarra, Mr. Lombard, Mr. Lynch, Mr. Meier, and Mr. Moors in favor of the motion, and Ms. Miller opposed to the motion.**

#### Old Business

8. Retiree's declaratory action. No action requested. For information purposes only due to pending litigation. Noted receipt of the following:
  - a. Letter dated 1/27/2005 from J. B. Loper regarding Carrington & Carrington filing of depositions, request for insurance information from J. B. Loper and subpoena for billing records of J. B. Loper.
  - b. Letter dated 1/31/2005 from J. B. Loper regarding Uniform Order Setting Cause for Non-jury Trial and Pre-Trial Conference Order, including timeline.
  - c. Letter dated 2/1/2005 from J. B. Loper regarding Order Denying Plaintiffs' Motion to Disqualify J. B. Loper as Counsel of Record issued by court.
  - d. Letter dated 2/2/2005 from J. B. Loper regarding Trustees' and Loper's Motion to Quash Subpoena, Motion for Protective Order and Uniform Motion Calendar Notice of Hearing.
  - e. Letter dated 2/7/2005 from J. B. Loper regarding Trustees' Third Motion for Sanctions.
  - f. Letter dated 2/7/2005 from J. B. Loper regarding Notice of Filing of membership listing of City of Tampa Retired Fire & Police Association, Inc.
  - g. Letter dated 2/9/2005 from J. B. Loper regarding Uniform Order Setting Cause for Trial and Pre-Trial signed by judge 2/8/2005.
  - h. Letter dated 2/15/2005 from J. B. Loper regarding Trustees' Fourth Motion for Sanctions.

**It was moved by Ms. Miller, seconded by Mr. Ibarra and by unanimous vote to receive and file items 8a – 8h.**

9. R. Crook forfeiture appeal.
  - a. Noted receipt of email dated 2/7/2005 from R. Sugarman, special counsel, regarding index prepared by J. Campbell.
  - b. Noted receipt of motion for extension of time received 2/7/2005 by R. McCabe, counsel for R. Crook, requesting 30 day extension.
  - c. Noted receipt of Order of Court received 2/14/2005 granting 30 day extension.

**It was moved by Mr. Ibarra, seconded by Ms. Miller and by unanimous vote to receive and file item 9.**
10. Noted receipt of letter dated 2/4/2005 from J. B. Loper regarding writ of garnishment and Reply to Trustee's Answer to writ of Garnishment in the matter of Hapner v. Rockhill. **It was moved by Mr. Ibarra, seconded by Mr. Meier and by unanimous vote to receive and file item 10.**
11. Disability re-evaluations – for information only
  - a. D. Dunn – appointment with Medical Director and Occupational Therapist on 2/22/2005, reports to be available for March board meeting.
  - b. H. Lacey – has seen three member medical board, reports to be available for March board meeting.

Mr. Lynch asked if the appointments did in fact take place, and Ms. Campbell advised that they had.
12. Authorized extra duty service and pension coverage.
  - a. Noted receipt of legal opinion 2005-01 dated 2/15/2005 prepared by J. B. Loper. Mr. Hamlin noted that the TPD extra duty policy provided to Mr. Loper by TPD in his research for this opinion letter was several years out of date and provided a more current version to Mr. Loper. **It was moved by Mr. Lynch, seconded by Mr. Ibarra and by unanimous vote to receive and file item 12a.**
  - b. Noted receipt of draft revised P&P 306 Portal to Portal Pension Coverage. Revised to make consistent with P&P 312 Authorized Extra Duty Service and recommendations contained in legal opinion 2005-01. **It was moved by Mr. Lynch, seconded by Mr. Ibarra and by unanimous vote to receive and file item 12b.**
  - c. Noted receipt of draft revised P&P 307 Definition of “In the Service” Pension Coverage. Revised to make consistent with P&P 312 Authorized Extra Duty Service. **It was moved by Mr. Lynch, seconded by Mr. Ibarra and by unanimous vote to receive and file item 12c.**
  - d. Noted receipt of draft P&P 312 Authorized Extra Duty Service. Revised to make consistent with P&P 306, 307 and recommendations contained in legal opinion 2005-01. There was discussion regarding the differences in extra duty between TPD and TFR as well as take home vehicles for TPD and picking up department vehicles for TFR extra duty. Mr. Loper responded to questions from the board. Mr. Loper recommended deleting from paragraph 5 the words “no pension contributions are withheld and” and Ms. Campbell agreed that would be acceptable. After discussion, **it was moved by Mr. Lynch, seconded by Mr. Moors and by unanimous vote to receive and file item 12d.**

New Business

13. Request to address the board by Roy A. James, Prudential Financial. Noted receipt of letter dated 1/26/2005 from Mr. James requesting to appear before the board.
  - a. Noted receipt of fax dated 10/7/2004 from Mr. James regarding letter from Mayor dated 9/24/2004.
  - b. Noted receipt of letter dated 10/11/2004 to Mr. James regarding pension board meeting dates and policies governing agenda items, deadlines and appearances before the Board.
  - c. Noted receipt of fax dated 11/16/2004 from Mr. James requesting to appear before the board.
  - d. Noted receipt of fax dated 11/16/2004 to Mr. James reiterating pension board meeting dates and policies governing agenda items, deadlines and appearances before the board.Mr. James made a 5 minute presentation to the board and requested varying types of data depending upon what type of pension plan this fund is—a defined contribution, defined benefit, 401(k), or 403(b) plan. Mr. Hamlin noted that there are currently no requests for proposal (RFPs) in process for investment management or consulting services for the fund and that he was welcome to respond if any RFPs are issued. Mr. Hamlin advised Mr. James that this pension fund is a defined benefit pension plan and suggested that he make a public records request for the latest actuarial valuation before leaving today. The public records request was fulfilled before Mr. James left the building.
14. Fiduciary liability insurance. Authorized payment of invoice in the amount of \$81,269.00 to Wachovia Insurance Services for fiduciary liability insurance premium for one year 2005-2006, represents an increase of 4.4% in premium over prior year of \$77,825. After brief discussion, **it was moved by Ms. Miller, seconded by Mr. Lynch and by unanimous vote to authorize payment of \$81,269 for the fiduciary liability insurance premium for one year 2005-2006.**
15. Noted receipt of fax dated 2/17/2005 from P. Gonyea of Vernis & Bowling regarding telephone contacts and meeting requests by F. Carrington, request for board direction. **It was moved by Mr. Lynch, seconded by Ms. Miller and by unanimous vote to direct Mr. Gonyea that all communications from Carrington & Carrington are to be in writing to the Board of Trustees.**
16. Noted receipt of letter dated 1/10/2005 from William S. Simon, Secretary, Department of Management Services to B. Maxey in response to letter to the governor and letter dated 10/12/2004 to governor from B. Maxey – copies obtained by public records request. **It was moved by Ms. Miller, seconded by Mr. Ibarra and by unanimous vote to receive and file item 16.**
17. Noted receipt of letter dated 2/2/2004 from Sam Sinardi, President of Tampa Retired Fire Fighters Association, Inc. to Chairman regarding complete confidence in the Pension Board and professionals. **It was moved by Ms. Miller, seconded by Mr. Moors and by unanimous vote to receive and file item 17.**
18. Noted the following committee meetings tentatively scheduled for (not yet confirmed with all committee members as of printing of this agenda):
  - a. Rock Creek Center Committee                      Tuesday 3/8/05                      1:00 pm
  - b. Investment Committee                                      Friday 3/11/05                      1:00 pmMs. Campbell noted that the meeting dates and times have now been confirmed and posted. **It was moved by Mr. Lynch, seconded by Ms. Miller and by unanimous vote to receive and file item 18.**

19. Noted receipt of anonymous letter received 1/25/2005 regarding opposition to remarriage after retirement. Refer to Committee #2. **It was moved by Mr. Moors, seconded by Mr. Ibarra and by unanimous vote to receive and file item 19 and to refer it to Committee #2 for its meeting on Friday, 2/25/2005 at 1:00 p.m.**
20. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any. Noted that Florida Division of Retirement conference 3/23 – 3/25/05 conflicts with 3/24/05 board meeting. The following trustees disclosed planned attendance at the June FPPTA conference: Mr. Moors, Mr. Lynch, and Mr. Meier. Mr. Lombard disclosed that he planned to attend the March Klausner conference and the October FPPTA conference. **It was moved by Mr. Lynch, seconded by Mr. Ibarra and by unanimous vote to receive and file item 20.**
21. Plan Administration.
- a. 2005 schedule
    - March 24, 2005 1:30 p.m.
    - April 28, 2005 1:30 p.m.
    - May 26, 2005 1:30 p.m.
    - June 23, 2005 1:30 p.m.
    - July 28, 2005 1:30 p.m.
    - August 25, 2005 1:30 p.m.
    - September 22, 2005 1:30 p.m.
    - October 27, 2005 1:30 p.m.
    - November 17, 2005 1:30 p.m.
    - December 15, 2005 1:30 p.m.
  - b. Noted receipt of letter dated 2/15/2005 from retiree L. H. Vohdin regarding outstanding services provided by F&P staff member Helen Basford on insurance issues. **It was moved by Mr. Moors, seconded by Mr. Lynch and by unanimous vote to receive and file item 21.**

The meeting was adjourned at 3:40 pm.

#### Notice

Any person who desires to appeal any decision of the Board of Trustees with respect to any matter considered at this Board meeting will need a record of the proceedings and for this purpose, may need to ensure that a verbatim record of the proceedings is made which includes testimony and evidence upon which the appeal is based.

**March 24, 2005 board meeting: It was moved by Mr. Lynch, seconded by Mr. Ibarra and by unanimous vote to approve the minutes of the February 24, 2005 board meeting as written.**