

**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, December 15, 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, December 15, 2005 at 1:30 p.m. for a regular meeting with the following members present:

Marc Hamlin, Chairman  
Patrick Lynch, Vice Chairman  
John Moors, Secretary  
Mark Bogush

Sharon Fox  
Jimmy Meier  
Cynthia Miller

Also present were James B. Loper - Board Counsel, Jay Bowen – Investment Manager, Mark Lenker – External CPA, Dr. James Hillman, Medical Director, and active and retired plan members.

Minutes

1. Approval of minutes of November 17, 2005 Regular Board Meeting. **It was moved by Mr. Lynch, seconded by Mr. Bogush and by unanimous vote to approve the minutes of the November 17, 2005 regular 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 – 7] **It was moved by Mr. Lynch, seconded by Mr. Moors and by unanimous vote to approve the consent agenda, items 2-7.**

2. Ratified pension benefits.
3. Noted receipt of Thomson Financial independent performance measurement consultant report on portfolio as of 9/30/2005.
4. Approved payment to James B. Loper for legal services rendered during November 2005 in the amounts of:
  - a. \$1,917.94 for general counsel services
  - b. \$9,509.83 for retiree's litigation
5. Approved payment to Womble, Carlyle for legal services rendered during October 2005 in connection with Rock Creek Center in the amount of \$2,342.30.
6. Noted receipt of monthly financial statements prepared by Mark Lenker of Nobles, Decker, Lenker & Cardoso for the month ended October 31, 2005 - Total market value of *assets* as of 10/31/2005 \$1,313,665,022.
7. Noted receipt of listing of committees and committee members assigned by Chair.

[Ms. Fox entered the meeting at 1:40 p.m. Ms. Miller entered the meeting at 1:45 p.m.]

Investment Management Performance Report by Jay Bowen of Bowen, Hanes & Co.

8. Noted receipt of Bowen, Hanes & Co. investment management report for the months ended:
  - a. 10/31/2005, investment return of -2.5% as of 10/31/2005, total market value of *investments* as of 10/31/2005 \$1,309,925,578.
  - b. 11/30/2005, investment return of +0.7% as of 11/30/2005, total market value of *investments* as of 11/30/2005 \$1,348,266,255.
  - c. Noted receipt of letter dated 11/29/2005 from Jay Bowen transmitting articles regarding San Francisco, CA Employees Retirement System and regarding hedge funds.

Mr. Jay Bowen reviewed the current economic environment and financial market conditions and the Bowen, Hanes & Co.'s positive outlook for the upcoming years. Mr. Bowen stated that BH&Co.'s view on the economic environment is among the best they have seen globally with positive trends since the 1950's and 1960's and expect over the next five years we will see a substantial economic expansion. Mr. Bowen also stated he expects stable to low inflation but that federal monetary policy would be important. Mr. Bowen responded to questions from the board. Mr. Bowen thanked the board for their continued support and confidence in BH&Co. and praised the board for maintaining the asset allocation stability and for not altering the strategy after the losses sustained in 2001 and 2002.

**It was moved by Mr. Lynch, seconded by Mr. Moors and by unanimous vote to receive and file items 8 a-c.**

9. a. Noted receipt of P&P 702 – Investment Policy. **It was moved by Mr. Lynch, seconded by Mr. Meier and by unanimous vote to receive and file item 9a.**
- b. There was discussion regarding three bonds that have fallen below the “A” rating contained in the investment policy identified by the external auditors. Noted receipt of email dated 12/8/2005 from Jay Bowen of Bowen, Hanes & Co. Mr. Bowen explained how the three different investment rating companies, Moodys, S&P, and Fitch, rate corporate bonds, specifically discussing the three bonds identified by the external auditor. Ms. Campbell asked Mr. Bowen to further detail for the board with a diagram illustrating the three rating agencies bond grading system, specifically where the line is drawn at what is considered below an “A” rating for the three investment rating companies. Mr. Bowen stated that he believed that Bowen, Hanes & Co. is in compliance with the investment policy even though these three bonds have fallen below the minimum “A” rating in the investment policy. After a lengthy discussion, **it was moved by Ms. Miller, seconded by Mr. Lynch and by unanimous vote that the board believes the current investments as outlined are not a violation of the investment policy, and at such time the investment policy is up for review and updating, the language will be clarified as to purchasing bonds graded A or better, and to direct Bowen, Hanes, & Co. to notify the board in writing when all three investment rating companies simultaneously downgrade any bonds below “A” with BH & Co. recommendations (research results, sell, hold pending possible upgrade, hold to maturity, etc.). It was moved by Ms. Miller, seconded by Mr. Lynch and by unanimous vote to have the Investment Committee along with Mr. Jay Bowen schedule a meeting to discuss and review any possible changes and suggestions to the investment policy.**

10. Request from trustee for legal opinion regarding personal investment in Bowen, Hanes & Co. mutual fund, not affiliated with Tampa F&P Pension fund in any way. Mr. Meier advised that he would like a legal opinion on whether or not it would be a conflict of interest for him to personally invest in the BH&Co. mutual fund. His concerns were of perception, propriety, disclosure and if it might present a voting problem with him as a trustee voting on BH&Co. matters. Mr. Loper and some board members individually shared their views on this topic and agreed a legal opinion from the board's attorney would not be necessary and referred Mr. Meier to personally review the City of Tampa Ethics policy and contact the City's Ethics liaison for a ruling. Mr. Meier thanked the board for their input and opinions.

#### Medical Disabilities

11. Authorized referral to Medical Board composed of Dr. Juan Martinez, Dr. Emilio Dominguez and Dr. Nella Upall as recommended by Medical Director for Kelly Gifford, TFR LOD Disability applicant. Noted receipt of disability application, qualifying letter, notice of injury, and pre-employment physical. **It was moved by Mr. Lynch, seconded by Ms. Miller to authorize referral to Medical Board composed of Dr. Juan Martinez, Dr. Emilio Dominguez and Dr. Nella Upall as recommended by Medical Director for Kelly Gifford, TFR LOD Disability applicant.** During discussion, Mr. Bogush questioned Ms. Gifford's application appearing to be outdated and incomplete. Mr. Bogush advised that he does not wish to cause hardship on the applicant but was seeking clarification as to if this is common practice during a disability process since he is new to the board. Ms. Campbell explained the disability process in detail, indicating a graphic outline of the process, the timeline and steps an applicant must complete. In addition, when a qualifying letter is not sufficient it must be redone until it is completely responsive to all questions, which can slow the process. Ms. Campbell also referred Mr. Bogush to P&P 402 regarding procedures for applying for Line of Duty retirement. Mr. Hamlin advised Mr. Bogush that typically at this early stage of a disability process, the main objective is to vote on the three medical doctors referred by the Medical Director and that the initial hearing is the appropriate time to ask questions of the applicant and doctor. Mr. Bogush thanked the board and staff for the explanations to a new trustee. **After Mr. Hamlin called for the question, the motion carried by unanimous vote.**

#### Old Business

12. Retiree's declaratory action. No action requested. For information purposes only due to pending litigation. Noted receipt of the following:
  - a. Letter dated 11/14/2005 from J. B. Loper regarding correspondence to and from Fred Williams, actuary for plaintiff, regarding billing and payment.
  - b. Letter dated 11/18/2005 from J. B. Loper to F. Carrington regarding Proposal for Settlement by Carrington and Carrington.
  - c. Letter dated 11/22/2005 from J. B. Loper regarding Stipulation and Agreement with Respect to City of Tampa Retired Fire & Police Association, Inc.'s Third Amended Complaint for Declaratory Judgment, or, in the Alternative, Fourth Amended Complaint for Declaratory Judgment prepared by Carrington & Carrington.
  - d. Letter dated 11/29/2005 from J. B. Loper to F. Carrington regarding continuation of trial Wednesday 12/28/2005 at 9:00 a.m. with the testimony of Fred Williams, actuary.
  - e. Letter dated 11/29/2005 from J. B. Loper to F. Carrington requesting date and time for trustee, staff and pension fund professional witnesses to be present for testimony.

- f. Letter dated 12/5/2005 from J. B. Loper to F. Carrington regarding proposal.
  - g. Mr. Hamlin asked Ms. Campbell how much the board has spent in professional fees defending against the retiree's litigation. Ms. Campbell advised the board that to date the pension fund has spent \$643,000 on direct professional fees, which include legal fees by both Mr. Loper and Vernis, & Bowling, and actuarial fees. Ms. Campbell noted that this amount is strictly direct professional fees and does not include indirect fees associated with the litigation such as staff time, copies, faxes, Federal Express, graphics, printing, etc. **It was moved by Mr. Lynch, seconded by Ms. Miller and by unanimous vote to receive and file item 12.**
13. Rock Creek Center Committee Chair report
- a. Status of \$1 million liability and errors and omissions insurance coverage as specified in contract for M. Hendren. Ms. Campbell advised that a current binder had been received. **It was moved by Mr. Lynch, seconded by Mr. Bogush and by unanimous vote to receive and file item 13a.**
  - b. Noted receipt of letter dated 11/23/2005 from D. McNames of Womble, Carlyle transmitting \$25,922.02 check of earnest money plus interest from escrow on original Portrait Homes contract option, which has expired. **It was moved by Mr. Lynch, seconded by Ms. Miller and by unanimous vote to receive and file item 13b.**
  - c. Status of 23 acre parcel remaining north of interstate and potential renegotiations with Portrait Homes at a lesser price. After reviewing the Letter of Intent on the remaining 23-acre parcel, Mr. Lynch as Rock Creek Chair recommended that the Board reject the offer as unacceptable. The board discussed several alternative counter offers to propose to Portrait Homes. After discussion, **it was moved by Mr. Lynch, seconded by Mr. Meier and by unanimous vote to decline the initial Letter of Intent offered by Portrait Homes and have Womble, Carlyle submit a counter offer of \$37,967 per acre plus 6% agent commission. The counter offer will also include the following: 1) the \$25,000 earnest money previously forfeited will not apply to any future transactions; 2) Portrait Homes will also forfeit the \$10,000 in earnest money if they elect not to close for any reason; 3) the location of the closing will be selected by the Seller and not the Purchaser; and 4) at any time the Seller can discuss, negotiate, or enter into an agreement with any interested party during the designated time period in the original Letter of Intent. If for any reason the sale is not completed between the Buyer and the Seller within the designated time, Womble, Carlyle is to assist the RCC chair in researching and selecting an independent commercial property real estate appraisal company other than previously used appraisal companies to complete a new and completely independent appraisal for the remaining 23 acres.**

#### New Business

- 14. Noted receipt of proposed revised P&P 105 "Distribution of Minutes" recommended for revision to include minutes preparation and signature by Recording Secretary Kimberly Bogush. **It was moved by Ms. Miller, seconded by Mr. Meier and by unanimous vote to approve item 14.**
- 15. Noted receipt of two sample 2006 COLA increase letters dated 11/29/2005:
  - a. Class 1 for those that have been retired the longest (prior to 10/1/1979), the most senior COLA class, and

- b. Class 27 for those retiring prior to 9/30/2005, the least senior COLA class eligible for COLA benefits in January 2006.

**It was moved by Ms. Miller, seconded by Mr. Lynch and by unanimous vote to receive and file items 15a and 15b.**

- 16. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any. Mr. Lynch disclosed that he plans to attend the January 2006 FPPTA Trustees school. Ms. Fox disclosed that she may attend either the January 2006 FPPTA Trustees school or the 6<sup>th</sup> Annual Fire & Police Academy. Ms. Miller advised that she is interested in attending the upcoming April 2006 NCPERS Ft. Lauderdale Conference pending review of literature when it becomes available.

**It was moved by Mr. Lynch, seconded by Ms. Miller and by unanimous vote to receive and file item 16.**

- 17. Plan Administration.

- a. 2006 schedule

January 26, 2006	1:30 p.m.
February 23, 2006	1:30 p.m.
March 23, 2006	1:30 p.m.
April 27, 2006	1:30 p.m.
May 25, 2006	1:30 p.m.
June 22, 2006	1:30 p.m.
July 27, 2006	1:30 p.m.
August 24, 2006	1:30 p.m.
September 28, 2006	1:30 p.m.
October 26, 2006	1:30 p.m.
November 16, 2006	1:30 p.m. *early due to holidays
December 14, 2006	1:30 p.m. *early due to holidays

- 18. Noted receipt of Notice of Executive Session of Board of Trustees regarding pending litigation at the conclusion of today's regularly scheduled board meeting, December 15, 2005 with an approximate start time of 2:30 p.m., if Executive Session is necessary. An Executive Session was deemed not necessary at the conclusion of the regular board meeting on December 15, 2005.

The meeting was adjourned at 3:00 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.

**January 26, 2006 board meeting: It was moved by Mr. Lynch, seconded by Ms. Miller and by unanimous vote to approve the minutes of the December 15, 2005 board meeting as written.**