

**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, November 15, 2007 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, November 15, 2007 at 1:30 p.m. for a regular meeting with the following members present:

Tracy Walker, Chairman	Sharon Fox
Patrick Lynch, Vice-Chairman	Marc Hamlin
John Moors, Secretary	Mark McRae
Mark Bogush	Jimmy Meier
	Cynthia Miller

Also present were Mr. Ron Cohen, Board Counsel, Mr. Patrick Gonyea, Co-counsel, Mr. Mark Lenker, CPA, and active and retired plan members.

The Board of Trustees welcomed newly elected firefighter trustee Mark McRae to the Board.

Election of Board Officers

Chairman
Vice Chairman
Secretary

It was moved by Mr. Bogush, seconded by Mr. McRae to nominate Mr. Walker for Chairman. It was moved by Mr. Meier, seconded by Mr. Hamlin to nominate Mr. Lynch for Chairman. There were no further nominations. Upon voting, Mr. Lynch was elected Chairman by a vote of 5 – 4 with Ms. Fox, Mr. Hamlin, Mr. Lynch, Mr. Meier and Ms. Miller in favor of Mr. Lynch as Chairman and Mr. Bogush, Mr. McRae, Mr. Moors and Mr. Walker in favor of Mr. Walker as Chairman.

It was moved by Ms. Miller, seconded by Mr. Lynch and by unanimous vote to nominate and elect Mr. Walker as Vice Chair.

It was moved by Ms. Miller, seconded by Mr. Bogush and by unanimous vote to nominate and elect Mr. Moors as Secretary.

Minutes

1. Approval of the minutes of October 25, 2007 board meeting. **It was moved by Mr. Moors, seconded by Ms. Miller and by unanimous vote to approve the minutes of the October 25, 2007 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. Walker and by unanimous vote to approve the Consent Agenda items 2-5.**

2. Noted receipt of letter received 10/19/2007 from Mayor Iorio reappointing trustee S. Fox to three year term 11/1/2007 – 10/31/2010. Mr. Meier extended congratulations to Ms. Fox.
3. Noted receipt of Bowen, Hanes & Co. investment performance report for the month ended 10/31/2007. Market value of *investments* as of 10/31/2007 was \$1,732,175,043. Investment performance for fiscal year beginning 10/1/2007 was +2.0%.
4. Approved payment to Ronald J. Cohen, P.A. for legal services rendered during September 2007 in the amounts of:
 - a. \$4,297.30 General counsel services.
 - b. \$3,839.71 Retiree's litigation.
 - c. \$9,926.30 Parker lawsuit.
5. Noted receipt of announcement that Ronald J. Cohen, P.A. is pleased to announce that Osnat K. Rind has become a partner of the firm, and the firm is now known as Cohen & Rind.

Financial Presentation by Mark Lenker of Nobles, Decker, Lenker & Cardoso

6. Presentation of financial statements for the month ended 9/30/2007 and fiscal year ended 9/30/2007 prepared by Mark Lenker of Nobles, Decker, Lenker & Cardoso. To be distributed and reviewed at meeting by Mr. Lenker. Mr. Lenker distributed the *annual* financial statements for the fiscal year ended 9/30/2007 and the *monthly* financial statements for the month ended 9/30/2007. Mr. Lenker reviewed both the monthly and annual financial statements in detail and responded to questions from the board. The market value of *assets* as of 9/30/2007 were \$1,707,176,466. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 6.**
7. Board approval of the following DROP statement components as per board policy and procedure:
 - a. DROP investment return calculation for fiscal year ended 9/30/2007. To be distributed and reviewed at meeting by Mr. Lenker. Mr. Lenker distributed the DROP investment return calculation for the fiscal year ended 9/30/2007, reviewing and explaining each component. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to approve the DROP investment return calculation of +23.49% for the fiscal year ended 9/30/2007 as prepared by Nobles, Decker, Lenker & Cardoso.**
 - b. DROP administrative fee calculation for fiscal year ended 9/30/2007. To be distributed and reviewed at meeting by Mr. Lenker. Mr. Lenker distributed the DROP administrative fee calculation for the fiscal year ended 9/30/2007, reviewing and explaining each component. The calculated figure was 0.0006 for fye 9/30/2007 as compared to 0.0007 the previous fiscal year. **It was moved by Ms. Miller, seconded by Ms. Fox and by unanimous vote to approve the DROP administrative fee calculation for the fiscal year ended 9/30/2007 at 0.0006 as calculated by Nobles, Decker, Lenker & Cardoso.**

Old Business

8. 13th check designation of beneficiary research – request to be deferred to next board meeting. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to defer this agenda item to the next board meeting.**

New Business

9. Request to be placed on the agenda by trustee M. Bogush regarding 13th check payments. (request received 11/6/2007 2:00 p.m.) Mr. Bogush requested that consideration be given to distributing the 13th check benefit sooner than June 30th after the fiscal year end, noting that nine months after the fiscal year ends seems like a long time. Ms. Campbell reviewed the process and timing of the various steps in the 13th check process, from fiscal year end, to unaudited financial statements being prepared and approved, which typically takes place in November, externally audited financial statements which are typically prepared by March 15, followed by actuarial calculation and certification of the fiscal year end 13th check, if any, which is typically prepared and approved by the May board meeting, followed by check issuance no later than June 30 (except in the previous litigation). Ms. Campbell noted that the 13th check actuarial calculation and certification includes compliance with Chapter 112.61, measuring the 13th check against the cumulative actuarial gains position of the fund, which is one of the final portions of the annual actuarial valuation. Ms. Campbell advised that the actuarial valuation must be completed, or nearly completed to determine if the fund is in a cumulative actuarial gain or loss position, and the precise value of the cumulative actuarial gain or loss. Mr. Lenker pointed out the timing and deadlines of the steps in the 13th check process, some of which involve outside professionals, and advised that it is a challenge for all of the steps to be completed for May actuarial certification and board approval for a distribution no later than June 30. Ms. Campbell noted that when the 13th check funding was changed to be funded by excess investment return instead of contributions, that the distribution date was changed to be no later than June 30 since the investment return funding then had to comply with Chapter 112.61. Ms. Campbell reminded that the 2001 and 2007 13th check changes were collectively bargained and agreed upon between the City and unions, including a ratification vote by the membership, submission of a local bill to the local delegation, preparation and submission of an actuarial impact statement, enactment by the state legislature, approval/signature by the Governor, and the execution of supplemental pension contracts. During discussion, Ms. Fox pointed out from an audit and accounting perspective that she believes that the fund's audited financial statements must be completed and approved before the actuarial valuation can be completed. **It was moved by Ms. Miller, seconded by Mr. Walker for discussion to pose the question of the fund's actuary if the 13th check calculation and certification process can be accelerated from May 2008, with the board's realization and understanding that the fund's externally audited financial statements are not due to be received until 3/15/2008. Upon voting, motion carried by unanimous vote.**
10. Request to address the board by retiree D. Ribaya regarding 13th check (request received 11/7/2007 1:10 p.m.) Mr. Ribaya reported that he had attended a case management conference in November before Judge Nielsen in which the trial date on the Parker lawsuit was set in 2009. Mr. Ribaya advised that Mr. Parker's attorney, Mr. Wayne Lee Thomas, accepted the case on a pure contingency basis. Mr. Ribaya conveyed his impression of the conference before the judge and requested that the board bring an early resolution to this lawsuit to save costs. Mr. Ribaya advised that the class action certification had been granted by the court. Mr. Cohen clarified that while the fund did not contest the class action, that it had not yet been certified as a class action by the court.
11. Note receipt of listing of upcoming conferences. Disclosure of planned attendance, if any. The following trustees disclosed plan attendance at the January FPPTA Trustees School: Mr. Bogush, Mr. McRae, Ms. Miller, Mr. Moors and Mr. Walker. The following trustees disclosed planned attendance at the January Trustee Educational Conference & Seminar: Mr. Lynch and Mr. Meier. Ms. Miller noted that the TECS conference may conflict with the January regularly scheduled

board meeting, and Mr. Lynch and Mr. Meier agreed to check the conference calendar/agenda and arrange travel such that they are able to attend the board meeting. **It was moved by Mr. Hamlin, seconded by Mr. Walker and by unanimous vote to receive and file item 11.**

12. Chair's call for any new business items to be placed on next agenda. There were none.

[Brief recess for Public Comment cards to be turned in.]

13. Plan Administration.

a. 2007 schedule

December 13, 2007 1:30 p.m. *early due to holidays

b. 2008 schedule

January 24, 2008

February 28, 2008

March 27, 2008

April 24, 2008

May 22, 2008

June 26, 2008

July 24, 2008

August 28, 2008

September 25, 2008

October 23, 2008

November 20, 2008 *early due to holidays

December 18, 2008 *early due to holidays

c. F&P pension office priorities, projects, deadlines. Ms. Campbell reported that the past weeks have been quite challenging with multiple competing projects, priorities and deadlines and will continue to be so for several more months. Ms. Campbell briefly reviewed current and upcoming priorities, such as pension payroll—always the top priority of getting pensioners paid—open enrollment for health insurance, DROP statements and rollovers, calendar and tax year end, COLA and external audit. Ms. Campbell praised the F&P staff, and Helen Basford in particular for her outstanding efforts in successfully completing the mandatory open enrollment for health insurance for F&P retirees, which included contacting all retirees who had not yet returned their open enrollment forms by the City's deadline and going to extraordinary efforts to obtain signed forms. Ms. Campbell advised that while there was some hostility, which was to be expected with generally increased costs and decreased or modified benefits, and premiums that increase in December before the COLA increase takes effect in January, the overall response to F&P staff was quite positive throughout the process and many retirees expressed appreciation for the personal attention and helpfulness.

Public Comments Limited to two (2) minutes per person and maximum of ten (10) persons.

[a brief recess was taken from 2:15 – 2:20 p.m.]

Mr. Sinardi requested to address the board under public comments on agenda item 9. Mr. Sinardi requested that the board make an effort to pay the 13th check sooner than June 30, noting that if it is paid 9 months after the fiscal year ends without interest, that the fund makes money on it but not the retirees. Mr. Sinardi recommended that if it takes changing the fund's actuary to make it happen, then to do that. Mr. Hamlin pointed out that issuing a request for proposal (RFP) for an actuary would slow down the

process even longer by several months. Mr. Sinardi advised that he knows of other cities around the state get their actuarial valuations sooner and suggested that this fund get it sooner too. Ms. Fox pointed out that other cities may have different fiscal year end dates such as June 30 instead of September 30, that other cities of different sizes may have different plans and benefits and may not be the best comparison. Mr. Sinardi reiterated his request that the board pay the 13th check sooner than by June 30.

Litigation

14. Motion for Taxable Costs in re: Case No. 03-9298, City of Tampa Retired Fire & Police Association, Inc., a Florida Corporation; and its Individual Members Bud Maxey, et al vs. Board of Trustees.
 - a. Noted receipt of Defendant's Motion for Sanctions received 10/25/2007.
 - b. Noted receipt of fax dated 10/29/2007 from R. Cohen to Carrington & Carrington regarding witnesses to be called at 10/30/2007 hearing.

It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 14.
15. Parker Lawsuit, Case No. 07-007198, John N. Parker, for himself and all others similarly situated vs. the Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa.
 - a. Noted receipt of Case Management Report dated 11/2/2007.

It was moved by Ms. Fox, seconded by Mr. Walker and by unanimous vote to receive and file item 15.
16. Executive Session to be held at the end of the regular board meeting [approximate start time between 2:15 or 2:45 p.m.]

[a brief recess was taken from 2:30 – 2:35 for the court reporter to set up]

- a. Board Counsel Cohen requested advice concerning the Parker lawsuit and explained the legal requirements for the Closed / Executive Session, limited to litigation expenditure strategy and potential settlement discussions in Case No. 07-007198, John N. Parker, for himself and all others similarly situated vs. the Board of Trustees of the City Pension Fund for Firefighters and Police Officers in the City of Tampa.
- b. Chairman Lynch announced that only current trustees, Mark Bogush, Sharon Fox, Marc Hamlin, Patrick Lynch, Mark McRae, Jimmy Meier, Cynthia Miller, John Moors, and Tracy Walker, Board Counsel R. Cohen, Co-counsel P. Gonyea, Plan Administrator J. D. Campbell, and a court reporter are authorized to attend the Closed/Executive Session.
- c. It was noted that a court reporter will be present to take a verbatim transcript of the Closed / Executive Session and that the transcript will not become a public document until the conclusion of this litigation in its entirety.

Chairman Lynch announced that the board would meet in Closed/Executive Session for approximately 1 to 1 ½ hours.

The public portion of the board meeting was closed at 2:36 p.m.

- d. The Closed/Executive Session was convened at 2:36 p.m.

[Mr. Moors departed the meeting at 3:10 p.m.]

e. The meeting was reopened to the public at 3:48 p.m.

It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to authorize Mr. Cohen to take steps to resolve the lawsuit and to direct the attorneys to discuss possible resolutions to the litigation with Mr. Thomas as soon as possible.

Mr. McRae disclosed that Mr. Sinardi had stopped by his fire station yesterday and dropped off some information on the Parker lawsuit 13th check.

The meeting was adjourned at 3:48 p.m.

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.

At the December 13, 2007 board meeting, it was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to approve the November 15, 2007 minutes as written.