

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
OF THE
TAMPA FIREFIGHTERS & POLICE OFFICERS PENSION BOARD
3001 North Boulevard
Tampa, FL 33603 (813) 274-8550
Thursday, May 29, 2008 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, May 29, 2008 at 1:30 p.m. for a special meeting for actuarial certification of the 13th check with the following members present:

Patrick Lynch, Chairman
Mark Bogush
Sharon Fox
Marc Hamlin

Mark McRae
Jimmy Meier
Cynthia Miller
Tracy Walker

Also present were Mr. Ron Cohen, Board Counsel, Mr. Mark Lenker, CPA, Ms. Jennifer Beattie, Actuary and active and retired plan members.

Ms. Jennifer Beattie, actuary from Buck Consultants, was introduced to the board, and the actuarial certification for the fiscal year ending 9/30/2007 13th check dated 5/29/2008 was distributed to the board. The board took several minutes to read and review the six page document.

Ms. Beattie began by recapping the conditions for the 13th check as set forth in the actuarial certification on page 1:

- 1) Investment return for the fiscal year exceeds 10%,
- 2) The amount of the benefit is definitely determinable (within the meaning of the Internal Revenue Code), and
- 3) The fund's actuary certifies that the amount of the payment will be funded on a sound actuarial basis, and that the allocation does not exceed the amount of cumulative gain in the plan.

Ms. Beattie noted that the 13th check benefit before 10/1/2007 was based on liabilities. However, this 13th check is based on assets: 1% of investment return on the market value of the base plan plus PRAA (COLA). Ms. Beattie pointed out that this restructuring of the 13th check presented a circularity challenge: since it is based on end of the year assets, but the end of year assets aren't known without knowing the 13th check allocation, but the 13th check allocation isn't known without knowing the ending market value of the base plus COLA—so it required multiple iterations to arrive at the final figures. Ms. Beattie referred to Exhibit I, pointing out that the total funding of this 13th check benefit of 1% of investment return on the market value of base plus COLA was \$16,533,376. Ms. Beattie advised that the conditions set forth above had all been met, and as such, the actuary is certifying the fiscal year ending 9/30/2007 13th check payment in the amount of \$11,231.00 for eligible retirees, and \$5,615.50 to eligible surviving spouses.

Ms. Beattie reviewed Exhibit III, the reconciliation of the 13th check account for the fiscal year ending 9/30/2007, including investment return allocations, interest allocations, DROP accruals, the fiscal year ending 9/30/2005 13th check distribution (which had been held until 4/5/2007 until the first litigation and appeals had been concluded), and adjustments to the 13th check account for the fiscal year ending 9/30/2004 13th check, which is still in litigation and has not yet been fully concluded.

Ms Beattie stated that Buck Consultants is certifying the fye 9/30/2007 13th check benefit only to the \$16.5 million allocation, [Exhibit I (4)], leaving approximately \$2.5 million reserve balance since the litigation for the fye 9/30/2004 13th check has not yet been fully resolved. Ms. Beattie advised that she expects a small payment yet to be made to retirees and eligible surviving spouses of the remaining principal, but noted that the interest and attorney's fees have not yet been determined. Ms. Beattie restated that Buck is certifying this 13th check payment in the total amount of \$16.5 million as actuarially sound, since all conditions set forth above were met, including a \$46.5 million cumulative actuarial gain position of the fund.

Ms. Beattie briefly reviewed each exhibit and responded to questions from the board and board counsel. Ms. Beattie noted that Exhibit I reflects a 13th check benefit of \$11,231.00 for eligible retirees and \$5,615.50 for eligible surviving spouses for a total 13th check distribution of \$16.5 million.

Mr. Cohen noted that Ms. Beattie presents cumulative actuarial gains subsumed as part of actuarial soundness; however, he sees the two issues separately—actuarial soundness under Section 14, Article X of the Florida constitution, and cumulative actuarial gains under Chapter 112. Ms. Beattie confirmed that distinction. Mr. Cohen asked Ms. Beattie to explain further the footnote in Exhibit II. Ms. Beattie advised that rarely would a 13th check allocation have any impact on the base plan: generally the 1st 5% of investment return goes to the base, the next 5% to COLA, the next 1% to 13th check, and all investment return > 11% to COLA--but the 13th check is affecting the base plan now only because there was a makeup to the base outstanding. In no other year should the 13th check affect the base plan. Mr. Lenker thanked Mr. Cohen for asking that question as it helped clarify in his mind.

It was moved by Mr. Meier, seconded by Mr. Hamlin and by unanimous vote to receive and file the actuarial certification dated 5/29/2008. It was moved by Mr. Walker, seconded by Ms. Fox and by unanimous vote to pay \$11,231 to eligible retirees and ½ of that amount \$5,615.50 to eligible surviving spouses.

Ms. Campbell reported that the game plan on issuing this 13th check was to distribute on Friday, June 13, 2008—earlier than the “no later than June 30” language in the pension contract, but qualified that by noting that timing would work only if there are not significant difficulties encountered in processing through other City departments. Ms. Campbell pointed out that should this 13th check not be able to be issued on June 13, 2008, that it would have to be issued after the June 2008 regular monthly pension payroll had been processed, near June 30. Ms. Miller, Ms. Fox and Mr. Bogush noted that the contract language only says “no later than June 30” and that is sufficient.

It was moved by Ms. Miller, seconded by Ms. Fox and by unanimous vote to approve the draft 13th check letter with the revisions as noted with “no later than June 30” language.

Ms. Fox noted that no matter how many calls come into the office that it won't speed up the 13th check distribution process. Motion to adjourn by Mr. McRae at 1:54 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 June 26, 2008 board meeting, it was moved by Ms. Fox, seconded by Mr. Walker and by unanimous vote to approve the minutes of the May 29, 2008 special board meeting for actuarial certification of the 13th check as written.