

**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, June 26, 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, June 26, 2008 at 1:30 p.m. for a regular meeting with the following members present:

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

Also present were Mr. Ron Cohen, Board Counsel, Mr. Mark Lenker, CPA, Ms. Jennifer Beattie and Ms. Lesley Posey, Actuaries, and active and retired plan members. Ms. Campbell introduced Jennifer Molitor, new F&P pension staff in training.

Minutes

1. Approval of the minutes of May 22, 2008 board meeting. **It was moved by Mr. Hamlin, seconded by Mr. Moors and by unanimous vote to approve the minutes of the May 22, 2008 board meeting as written.**
2. Approval of the minutes of May 29, 2008 special board meeting for actuarial certification of the 13th check. **It was moved by Ms. Fox, seconded by Mr. Walker and by unanimous vote to approve the minutes of the May 29, 2008 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 3 – 7] **It was moved by Ms. Fox, seconded by Mr. Walker and by unanimous vote to approve the consent agenda items 3 – 7.**

3. Ratified pension benefits.
4. Noted receipt of investment performance report and investment summary for the month ended May 31, 2008 from Bowen, Hanes & Co. Market value of *investments* as of 5/31/2008 was \$1,687,236,748.03. Investment return as of 5/31/2008 has been +2.1% so far this fiscal year to date 10/1/2007 – 5/31/2008.
5. Approved payment to Counsel R. Cohen for legal services rendered during May 2008 in the amounts of:
\$55.00 Retiree's Litigation/PRAA Appeal.
\$797.50 Parker lawsuit.
\$15,912.69 General counsel services.
6. Noted receipt of financial statements prepared by Mark Lenker of Nobles, Decker, Lenker & Cardoso for the month 4/30/2008. Market value of *assets* as of 4/30/2008 was \$1,629,799,286.

7. Admitted Tampa Police Department members to pension fund effective 6/30/2008 contingent upon:
1) furnishing a list of all medical providers and authorizations to obtain such medical records; and 2) passing a complete medical examination:
- Carmack, Abe B.
 - Castillo, Hugo A.
 - Clothier III, Robert V.
 - Forney, Jason J.
 - Green, Jason M.
 - Gregory, Ramone
 - Gustafson, John R.
 - Hernandez, Jr., Jose L.
 - Lehr, Richard
 - Perez, Edwin A.
 - Russel, Jordan A.
 - Williams, Curtis L.

Actuarial Valuation Presentation by Jennifer Beattie and Lesley Posey of Buck Consultants

8. Noted receipt of 10/1/2007 actuarial valuation for the fiscal year ended 9/30/2007 dated 6/19/2008.
- Ms. Beattie advised that the valuation presented a challenge this year, due to revision of the previous actuarial valuation figures as a result a *de novo* review by new board counsel, the board's decision to pay a 13th check for the fiscal year ending 9/30/2004, and subsequent actuarial certification. She noted that in many cases, this valuation report shows revised 2006 numbers, and that the reasons for this are purely for purposes of internal consistencies of the valuation report itself. She noted that page one of the summary presentation indicates that the base plan remains well-funded with the actuarial value of assets at 109% of the liabilities as compared to 110% last year. She stated that the reduction in the funded status is due in part to small actuarial losses and to the fund using up the surplus. Ms. Beattie stated that the fund is in a surplus position right now, and that amortization of that surplus over time, produces the expectation that over time the funded status will trend toward 100%.
- Ms Beattie noted that the required contribution increased from 11.7 million dollars last year, or 12.84% projected payroll, to 15.5 million dollars or nearly 16.9% of projected payroll. She stated the increase is due in part to small actuarial losses as well as the payment of the 9/30/2004 fiscal year ending 13th check. She noted that had that 13th check been paid back in June of 2005, the valuations from '04, '05, and '06 would have reflected higher contribution requirements. She also stated that the contribution results in those three valuations were lower than they would have been had the 13th check payment been made at that point in time. She reported that the valuation has accumulated those incremental contributions and shows them as payable at the same time as the contribution requirements for each fiscal year. She indicated that is another reason for the increase in the contribution requirement from last year to this year.
- Ms. Beattie stated that the funding of the 13th check benefit was amended effective October 1, 2007. The funding is now based on investment returns in excess of 10%, limited to 1%, of the market value of the base plan plus PRAA assets. Under this new method, the 13th check funding this year was 16.5 million dollars. The prior method would have resulted in 13th check of something less than 12 million dollars, so there was actually an increase in the 13th check funding as a result of this change.

Ms Beattie stated that the decision was made to pay the 9/30/2004 13th check benefit was based on a resolution by the board of trustees based on a *de novo* review by new board counsel, and subsequent actuarial certification. She stated that this resulted in the requirement to revise the 2004, 2005, and 2006 actuarial valuations and those adjustments were accumulated to this year.

Ms. Beattie reviewed page three of the highlights report, Market Value of Assets. She stated that the fund is doing very well. The total fund has increased from one billion dollars in 2003 to 1.7 billion dollars at 9/30/2007.

Ms. Beattie reviewed page 4, indicating that the diagram had been updated this year to reflect the amendment to the funding of the 13th check so that it is now based purely upon investment return on the market value of the base plus PRAA, rather than on the base plan liabilities for those eligible for the 13th check. She stated that this 13th check funding mechanism is actually cleaner– it's all based on investment returns now instead of being based on the liabilities. The other thing to note is that the earnings that get allocated to the 13th check is based on earnings on the base and COLA accounts only–the 13th check and DROP accounts have their own accounting.

Ms. Beattie stated that the next slide was an excerpt directly from the valuation report. It showed the variable asset information for the base plan alone. She indicated that this is just the base plan – it doesn't include assets in the PRAA or the DROP account or the 13th check. She pointed out that the market value return on the '02 and '03 lines of this chart are very, very high due to the leveraging effect of the make up to the base for those two years. Ms. Beattie stated that the next slide is summary of our valuation results, and that it underlines the fact that the surplus will continue to dwindle over time with the funding status trending toward 100%. She pointed out the Entry Age Normal Cost and administrative expense of 19.9 million dollars as of 10/1/2007, noting that represents the cost of benefits accruing in the year following the valuation. She said that our benefits are accruing at the rate of about 20 million dollars a year, and yet our contributions to the plan are 15.5 million dollars. The reason for that difference is that we're amortizing the surplus. So, over time as the surplus dwindles, the funded status of the plan will trend toward 100%. Ms. Beattie stated that this is entirely actuarially sound, but a better estimate of the estimated steady contribution is a 20 million dollar normal cost, as opposed to the 15.5 million dollar in currently required contributions.

Ms. Fox asked for clarification. Ms. Beattie then stated that if we are looking for an estimate of a steady contribution requirement for the plan over the long term, a better estimate, after the surplus has been fully amortized, is the normal cost of the benefits accruing for each year. She went on to say that if we are not contributing at the same rate that the liabilities are increasing (and the liabilities are effectively increasing with this normal cost) then the funded status trends down to 100%. Ms. Fox indicated that she understood.

Mr. Lynch requested clarification from Mr. Lenker. Mr. Lenker concurred, stating that we've got more assets in the plan than what is required, and that surplus is being amortized over a period of time kind of like a reverse mortgage. It's like if the plan were underfunded, then the deficit would be amortized over time like a regular mortgage.

Ms. Beattie stated that the 15.5 million dollar required contribution to the plan for the period beginning October 1, 2008 and September 30, 2009, and the interest adjustment that is shown is because those City payments are made quarterly (at the end of each quarter in that period), so that 15.5 million dollars is broken up among the state, the members, and the city. She said the estimated state contribution is first deducted from the 15.5 million dollars, and that leaves 8.5 million dollars that needs to come from the city and members. This amount is split in a ratio of 1:1.34, member to city. The 6.5 million dollars is the actual number that was received from the state last year. She stated that,

obviously, to the extent that the state number changes, the required contribution for that year doesn't change. To balance, the member and city contribution would have to change to absorb any difference in the state contribution, which would be reflected in the next actuarial valuation.

Ms. Fox commented that because the economy is down and the way that the monies are derived from the state contributions, is it not beyond imagination that the state's contribution might be lower than it was last year?

Ms. Beattie responded that it's not beyond imagination, and that there are possibilities that the state money may be lower. She said she didn't look into it that closely this year, but she knows that last year when we talked about it a little bit, the reasons for possible decreases were the state insurance department is cleaning up their database, so they're getting a little bit more accurate, and some of the smaller cities are getting more of the pot of money, and some of the bigger cities are getting less of the pot of money, so those might be some reasons.

Ms. Fox then stated that with foreclosures and other economic problems, some insurance policies aren't being paid, so some of the insurance money is not materializing. She asked, so if that were to happen, then would we have to have an amended valuation next year?

Ms. Beattie stated that the contribution requirement is what it is. What needs to go into this fund the upcoming fiscal year to keep it actuarially sound is 15.5 million dollars. She said the source of that contribution doesn't matter from the perspective of the valuation, as long as the percentage of payroll gets paid. She said that if 16.88% of payroll doesn't go into the plan, then there will be actuarial losses reflected in future actuarial valuations. Mr. Lynch asked, if for some reason the state short changes us two million, at what point would we make up that shortfall? Would we need to make that up immediately? Ms. Beattie answered that it would have to be recovered the following year.

Ms. Campbell observed that the state premium tax money should be coming in August 2008 for 2007 calendar year returns, so it's about a year to a year and a half delay before you see the impact of the state premium tax money once the next actuarial valuation is prepared.

Ms. Beattie stated that the next page of the presentation materials shows gradually what historically the member and city contribution rates have looked like. The city rate is 1.34 times the member rate, so the trends look, and should look, identical. She noted the higher rates in '04 and '05 were from the lagging results of the poor returns in '01 and '02, so the contribution rates were much higher. In '06, '07, and '08 they were much lower again because of the make up to the base. She stated that had we actually made the 13th check payment back in '05 based on the '04 fiscal year end, each of the '06, '07, and '08 numbers on this chart would have been higher, and the '09 number on this chart would have been lower because we've taken the shortfall from each of those three years and rolled it into this year's contribution to catch up on the payment that was made. She noted that there is slight distortion because of that in these results, but that wouldn't happen going forward.

Ms. Beattie turned to the final slide in the presentation and noted that it represents the state premium tax money that we have to work with. She said that currently we're getting state money of approximately 6.5 million dollars, and the valuation estimates that the fund will receive the same amount this year. She advised that if the state premium tax money were to increase up to 13.5 million dollars, the excess amount above 13.5 million could be used to fund new benefits but predicted that would be years into the future. Ms. Beattie concluded the presentation and offered to take questions.

Mr. Lynch opened the floor to questions for the actuary. Mr. McRae asked about the new entry age for firefighters, indicating that is used to be 21 but is now 18. He stated that TFR now has a few 18 year olds and wanted to know how this would affect the fund, given the "20 and out" benefit. Mr. McRae asked if the actuarial valuation already takes into consideration the ages of new entrants to the

plan. Ms. Beattie stated that the valuation does not assume future entrants into the plan, it is based on a closed population at a snapshot taken each year. She indicated that there could be a cost associated with allowing people to come into the plan earlier and leaving earlier; however, that would appear in future valuations as actuarial gains or losses. She indicated she was unsure if that was even something that could be priced out separately. **It was moved by Mr. Walker, seconded by Mr. McRae and by unanimous vote to approve and receive and file item 8 and to set the employee contribution rate at 4.11% of pay for the fiscal year 10/1/2008 – 9/30/2009.**

9. Mustering out pay question for actuary, accountant, administrator and attorney. Noted receipt of excerpts from board meeting minutes:
 - a. 1/25/2007 #13.
 - b. 9/23/2004 #24.

Ms. Campbell advised that mustering out pay is a periodic question, and that she wanted to take advantage of the opportunity of having the actuary, accountant, administrator and the attorney all in the room at the same time with the board of trustees to ask the question, “Is mustering out pay pensionable, and is it included in pension calculations?” She explained that she wanted the four different disciplines to read of review, explain, and provide their answer so that it is in formal minutes and memorialized for the record.

Mr. Cohen stated that it was his view that whether or not mustering out pay is included in the pension benefit or not is dependent upon the local law/pension plan. There is a provision in the Florida statute – in 175 and 185 – about what needs to get included, and doesn’t specifically address mustering out pay. He indicated that he has discussed this issue with Ms. Shoemaker over the years to get the Division’s position on it, and he spoke with her again just yesterday. Mr. Cohen stated that it is Ms. Shoemaker’s and the Division’s position that the statute itself (175 or 185), as a minimum benefit, does not require that mustering out pay be included. He went on to say that there is nothing that doesn’t permit mustering out pay to be included – mustering out pay can, in fact, be included if it is so bargained and agreed to and paid for. We are not required to include it as a minimum benefit, but we can include it if we choose to have it. He said that the state doesn’t require us to include it.

Mr. Cohen stated that we have not historically included mustering out pay. As Mr. Cohen understands it, mustering out pay was not included in the cost of the benefit improvements that we made to come into compliance with the minimum benefits of the state in Chapter 99-01, so it has not historically been included here. He stated that there’s no requirement by the state that it be included. This board/this fund has not previously read its contract as it needing to be included. Mr. Cohen stated that if we were to include it, he doesn’t know how big it would be, but it certainly would have an actuarial impact – his guess is it would have a significant actuarial impact, and it would be quite a jolt to the system and a major change to what has been the past practice here.

Mr. Cohen said that we have already decided it is not included, by our actions. He’s seen nothing that would change his mind on that. He added that when certain people talk about mustering out pay, they talk about the full value of the mustering out pay, over a twenty year career, or a twenty two year, or a thirty one year career. In those cities/districts where mustering out pay is included, it doesn’t necessarily mean that you get the mustering out pay that you earned over your entire career all in the final pension calculation. For instance if you have a three year average like we do, it might just be the accrued benefits that you earned over those three years, not over the entire career. Mr. Cohen added that he addressed this issue previously for the board in ’07, and he has gone back and read the minutes and he likes his answer then, and confirms it today. He stated that his opinion is that mustering out pay

can certainly be included, but we have not included it, and it's not a minimum requirement that it be included, according to Ms. Shoemaker yesterday afternoon. He stated that is his opinion.

Ms. Beattie stated that she's in agreement with the fact that when we did the actuarial impact statement related to the 99-1 minimums and those were implemented, mustering out pay was not included and we do not value mustering out pay at this point. She stated she doesn't have an estimate of what that number would be, but agreed with Mr. Cohen that that would be a big number.

Ms. Fox stated that based on what we've heard so far, that would be considered an extra benefit that would have to be negotiated by the union and the city, and it would have a significant impact on costs. Ms. Beattie indicated that it would be represented by an increase in our annual contributions. Mr. Cohen added that the words Ms. Fox used – “extra benefit” – has a special meaning in Florida statutes under 175 and 185. He stated that it would just be a different benefit than we have now. He went on to say that it would change the average final compensation dramatically, and it could be negotiated to include all of it or part of it. He said we would have to do an actuarial impact statement and determine the cost if it were bargained and agreed to between the city and unions. He reiterated that the cost of mustering out pay in final average compensation was not included in the actuarial impact statement.

Mr. Lenker added that mustering out pay is basically accumulated over a period of years and if you take that cumulative payout at separation and include it in pension calculations, you're going to skew the pension calculations, because pension calculations are based on the highest three years of the last ten. Mr. Lenker concurred that historically, mustering out pay has always been excluded from pension benefit calculations. It's also, as Mr. Cohen said, in your contract right now – it's essentially your base pay plus three hundred (300) hours of overtime per year, and there's no mention of mustering out pay in the contract. The advantage of what's going on right now is you avoid spikes because someone accumulates a whole bunch of money, maybe ten or more year's worth – and takes it all at one time at separation. The benefit itself is earned over a period of years, not all at once, but the mustering out payment is all at once, which would create spikes.

Mr. Cohen stated that that is not to say that somebody couldn't sue us and say we should have included mustering out pay – somebody could take that position. He added that he can't ever guarantee the result, but in the plan right now, we have not intended to include it based upon everything that he's seen.

Ms. Campbell asked if this topic can be conclusively put to bed after hearing from the four independent disciplines, noting that an actuarial impact statement several years back reflected the impact of mustering out pay at about ten percent of pay then, and as Ms. Beattie pointed out – it's not just a one-time deduction from your mustering out pay, it's a pension deduction for every single person – effectively double or more what your contributions rates are now - for every paycheck for the rest of their career. Ms. Campbell asked if we could sum this up in the minutes with the concurrence of all four of the independent business disciplines and be done with it? Ms. Campbell stated that she would appreciate a motion to recognize and affirm the concurrence of the four independent disciplines that mustering out pay is not pensionable income or included in pension calculations.

Mr. Moors stated that if that's already the policy, he doesn't know why we need a motion. Ms. Campbell responded that the issue keeps coming back up, and that it will come up again in six months or a year, so it would be helpful to staff to have this discussion and consensus formally memorialized. **Mr. Hamlin made a motion to affirm that the board and its four professionals have consistently interpreted that mustering out pay is not part of the average final compensation figure, seconded by Ms. Fox.** Ms. Campbell added it is also supported by previous actions – past practice, precedent,

and operation. Mr. Moors reiterated that he didn't understand the need for a motion for that. Mr. Cohen said that we haven't been including mustering out pay – life will go on whether you pass the motion or not. He went on to say that it's purely a policy issue whether we pass it – it's not a legal requirement. Mr. Moors indicated that he didn't know if that would put it to bed.

Ms. Campbell advised that another alternative is to request a formal written legal opinion for the file. She asked if that is really a necessary expense, because the times that this has come up before the board previously, we've said we don't need a formal, written legal opinion, but it keeps coming back up. **Upon voting, motion failed to carry due to lack of five affirmative votes, with a vote of 4 — 3, with Ms. Fox, Mr. Hamlin, Mr. Lynch and Mr. Meier in favor of the motion, and Mr. Bogush, Mr. Moors, and Mr. Walker opposed.** (Mr. McRae was not present for this vote).

Old Business

10. Fiscal year ending 9/30/2007 13th check issued Friday 6/13/2008 in the amount of \$11,231.00 for eligible retirees and \$5,815.50 for eligible surviving spouses after actuarial certification received and approved by board at special meeting held 5/29/2008.
- Noted receipt of memo dated 6/10/2008 from Plan Administrator posted to F&P pension website advising of earlier than 6/30/2008 13th check distribution date.
 - Noted receipt of sample pension advice statement containing printing error and memo of explanation dated 6/13/2008 from Lee Huffstutler, Chief Accountant.
 - Noted receipt of email dated 6/16/2006 from Plan Administrator to Board of Trustees outlining printing error and steps taken to immediately correct.

Mr. Lynch thanked the pension staff for doing such a good job of getting everything out, as well as quickly and effectively responding to a mistake that was beyond their control, and for keeping the membership and the board up-to-date on everything. **It was moved by Mr. Hamlin, seconded by Ms. Fox and by unanimous vote to receive and file item 10a through c.**

11. Update by Board Counsel regarding 13th check beneficiary form for surviving spouses for 13th check. Noted receipt of the following:
- Cover letter dated 6/20/2008 from Board Counsel Cohen.
 - Estate Application as Next of Kin for 13th Check – draft.
 - Release & Indemnity Agreement (13th Check) – draft.
 - Affidavit for Disposition of 13th Check to Heirs – draft.
 - Statement of Eligible Spouse – draft. Note: Board Counsel does not recommend adoption.

Mr. Cohen started by stating that in some instances, the law allows somebody to designate a beneficiary to receive property after they die. If the law allows somebody to designate a beneficiary, the money goes directly to that beneficiary, it does not pass through the estate. He indicated the first question is, do we allow somebody to designate a beneficiary or not? He stated there are two issues on designation of beneficiaries for the 13th check. In one instance we have a member who is eligible for the 13th check on September 30th that died between September 30th and the following June 30th when the 13th check was paid. The contract specifically states, in that instance, that full share of the 13th check goes to the eligible surviving spouse, and if none, it's owed to the designated beneficiary or to the member's estate.

Mr. Cohen stated that the next instance is the half share. When somebody who has been receiving a 13th check passes away and leaves an eligible surviving spouse, the surviving spouse receives this 50% share, and if the surviving spouse is eligible for that share on September 30th and dies between then

and the following June 30th, what happens with that half share? He said that the contract does not specifically state what would happen in that instance. Mr. Cohen stated that we have decided through practice and policy, and he thinks, correctly so, that it goes to the eligible surviving spouse's estate. Mr. Cohen does not believe that the contract specifically states that a spouse can fill out a designation of beneficiary form. He stated that it's in the same section of the contract of what happens with the 13th check. Consequently, he stated he has concluded that it was a gray area, and that he still thinks it's a very, very gray area.

Mr. Cohen went on to say that one of the issues that we all have to deal with is lack of clarity in the contract – lack of clear direction, but it's his best judgment that it does not permit a spouse to designate a beneficiary. He stated that he told the board last month that it's a difficult call, but if they are not allowed to designate a beneficiary, then what that means is that the money passes to the estate. Mr. Cohen continued to say that when somebody has an estate, the estate can either be testate (with a will), or intestate (without a will). He stated that certain property passes through the estate and that certain property is exempt and does not pass through the estate, such as designated beneficiary money. Mr. Cohen indicated he does not believe the contract gives us the authority to put out designation of beneficiary forms for widows. He stated that he thinks that the money goes to the spouse's estate.

Mr. Cohen then said that if it's going to go to the estate, is there anything that we can do to avoid the family or whoever the family of the eligible surviving spouse from having to spend the money on probate? That's the issue before us. Mr. Cohen stated that we have historically paid a portion of a month's pension benefit when somebody passes away. If somebody passes away during the month the partial month of that pension benefit goes to the estate. That's how we have paid it – to the estate. He stated that we have developed a system of paying it to the estate without requiring it to go to probate. There are a number of forms that people fill out in which they state that they are entitled to it, and they release us from any claims against us, any other money, and they indemnify us or hold us harmless if anybody else makes any claims. He stated that we've had those forms in effect for a long time.

Mr. Cohen stated that there is always a risk in using forms like that because somebody could come in and be completely wrong, or lie, or not know, but that's what we've always done. He went on to say that as he knows, we have not had problems with that – where we've paid it to the wrong person. He said the forms that we presently have are fine. He stated that if we want to avoid probate – or avoid someone from having to go to probate court – we can use the same forms that we are already using without incident up to now. He stated that the same forms that we've used up to now would work just as well for the 13th check. He went on to say that he has adopted those forms to make them specific to the 13th check. He said that in fact, we've already used those partial month forms for the 13th check. That's what we've been doing in practice for instances where this has happened – we are using those forms for the 13th check. Mr. Cohen stated that all he has done is reviewed the forms that we have and adopted them for the 13th check. He stated they are already fine for their current use for the partial month's payment. Mr. Cohen said he wanted to make sure we understand the risk in payment of the 13th check – that in most instances we're talking about a half share – so for this year, instead of 11 thousand, it's 5.5. He stated it could be more because if a member dies and the eligible surviving spouse dies by the next September 30th, then it would be more (a full share).

Mr. Cohen stated that he has discussed this with Mr. Lenker, and if we want to use them, he thinks there's one significant issue on the form, and it's a very difficult issue. The question is, do we ask for a will? Mr. Lenker thinks we should. Mr. Cohen stated he drew up the forms both ways, debating which to use. He stated that Mr. Lenker correctly points out that the IRS asks for a will. Mr. Cohen stated he thinks we can go either way. He doesn't think we should ask for a will because the next thing would be that they say yes and then we would have to determine who gets the payment. We don't want to be in

the position of determining who gets it. Mr. Cohen said that we haven't previously asked for a will. He thinks the reason we haven't is because we're saying to people, "you're making a representation to us – you better be right. If not, we're going to come looking for you." Mr. Cohen indicates that there's always a risk anyway that could happen.

Mr. Cohen stated that Ms. Miller had asked if there was some sort of "intent" form that we can have drawn up, and he responded by saying "not intent" – and the reason he said "not intent" is because if you die without a will and you have property subject to your estate, the law has a priority of how the money goes. Mr. Cohen turned to the letter that is the statement of the eligible surviving spouse, which provides essentially the order in which the law states the money goes to heirs. If a person dies intestate (without a will), it goes to the spouse. If there's no spouse, it goes to the children in equal shares. If there are no children, it goes to the surviving parent. If there's no surviving parent, it goes to the brothers and sisters, and then the nieces and nephews of the brothers and sisters and then surviving grandparents. And one of the reasons he stated he is not recommending this is because then we would be in the business of checking on what they're telling us – of whether what they're telling us is correct or not, and then having to make our own decisions based on that. Mr. Cohen stated that we can do that, but the plan we have in place – just so we're clear about the plan we have in place – is not to do any checking. Right now, somebody comes in, somebody swears to us that this is what it is, and we release the partial month's payment. Mr. Cohen stated we can do the same thing for the 13th check. Or we could say no, go to probate court. We could also disagree with him and have a designated beneficiary form for surviving spouses.

Mr. Cohen stated that he thinks a significant question about whether or not somebody can designate a beneficiary or not, is that when one does designate a beneficiary, it can be whoever they choose. The same applies to a will. But if one doesn't designate a beneficiary and there is no will, then it goes by operation of law. The law dictates the priority of the heirs. Mr. Cohen stated that is his recommendation – to not do this for several reasons. He further stated that the last form, Statement of Eligible Spouse, he is not recommending because then we're getting into checking. By doing what we're doing now, we're not checking at all, and we're putting the onus entirely on them.

Ms. Fox asked if Mr. Cohen is recommending the Affidavit for Disposition of 13th Check to Heirs. Mr. Cohen replied that should we choose to help the eligible surviving spouse's family to avoid probate, then yes. He said these forms have worked for us before in the past, and that they are likely to work for us here. There may be instances where they don't. Somebody could come in and defraud us. As a matter of policy – we've done it previously –if we decide to do that, then these forms should protect us. The same way they have been protecting us. Mr. Lynch stated the first three forms would be used in a packet – each one of those would be utilized in every instance.

Ms. Fox commented that she could understand why we would have statement number nine, because if someone is going to have to go to probate anyway, then there is no point with trying to avoid probate with this particular payment. She then stated that statement number eight seems unrealistic. She asked is anybody checking on them? Mr. Cohen replied that no, that's the point, nobody is going to be checking on them. Ms. Fox then asked, then why ask that question? She stated that it is going to virtually tell people to lie.

Mr. Cohen stated that the form has already existed and it has been our practice to have people come in, to make certain representations to us, and the result of those representations is to pay money to them. We do not check on them. He said that has worked for us. He stated he didn't change anything, except to bring it over to the 13th check which actually we have been doing in practice (using it for the 13th check). He stated that he doesn't think we're inviting people to lie. He also stated that he thinks some people may, on certain occasions. He said the way to avoid that is to tell people to go to

probate. He reiterated that he is not aware of this process ever not working for us, including question eight and question nine. That's what we've been doing. Mr. Walker explained that he was confused by all of it and that he just wanted a simple form. He said that he felt our job was to benefit the participant and he cannot see where we're doing that. He expressed his frustration.

Mr. Cohen responded that it was a difficult call as to whether we can allow a surviving spouse to designate a beneficiary, and that we have not allowed them to do it before. Mr. Walker asked if the contract doesn't specifically deny us that right? Mr. Cohen replied that the reason he thinks it doesn't is because in another provision of the same section, it specifically gives somebody the right to designate a beneficiary. His thinking is that if they wanted to specifically give somebody the right to do that in that same section, it would have said so. Mr. Walker indicated that the contract was written long before the 13th check was even thought of. Mr. Cohen pointed out that the provision he was talking about was the 13th check provision. Mr. Walker stated that he believed that it was not indicative of how things are done now and that hindsight's always 20/20.

Ms. Fox asked why the same benefit of the designation does not belong to the surviving spouse just as it belongs to the members? She said that once the 13th check has been awarded, it belongs to them, it just hasn't gone through the red-tape process that it takes in order to get the check cut. She asked why they would not be able to do with it as they see fit? The same as was spelled out for the member because they inherited that benefit by the death. Mr. Lynch responded that that was his understanding – that there is one section of the contract that says “you get to do this,” and there's another section where it doesn't say “you get to do that” so, we would make the inference that it was intended that that person not be able to designate a beneficiary.

Mr. Cohen said this is the best answer he can give us, and he added that there would be certain opinions that he could give where he doesn't think they are such gray areas – he stated that this is not one of them. Ms. Campbell stated that she recommends processing the 13th check payments the way estates are processed now which would be using forms 11b, 11c and 11d, which are already in place for the partial month's benefit. She stated that it relatively easy to do, taking ten minutes, tops, to fill out these forms. She explained that we have not had an attempted fraud, abuse or claim on the operation of this, and these forms have been in place since 2000. Therefore, 11b, 11c, and 11d would be basically just adapting or slightly modifying something that's already in place and has been in place and operated fine for years. She pointed out that the individual is not only signing an affidavit, they're making an application, and he or she is releasing, and providing a release and an indemnification. She stated she does not recommend –in total agreement with board counsel – 11e, the Statement of Eligible Spouse. She described that family statuses change too much and too frequently. Mr. Walker said that he thinks this is a perfect opportunity to do the right thing – to clean it up, make it easy, indicating that a single form, would accomplish that.

Mr. Lynch and Mr. Cohen discussed examples of using the different forms. Mr. Cohen stated that whether we use the forms recommended by him or whether we use a designation of beneficiary form for spouses – either way we could be exposed to legal problems. He stated that the problem with the existing forms is that someone could sue us for paying the money to the wrong person. He went on to say that the problem with using the designation of beneficiary form is that someone could sue by claiming we were not allowed to give an individual (spouse) the option of designating a beneficiary.

Mr. Bogush stated that he disagreed with board counsel. He stated he thinks this is a “muddy” area of the contract and part of the job is to clear up the muddy areas. He stated that the first three forms just make the situation less clear. He stated that a designated beneficiary form would clear up the “muddy waters.” He stated he believed the intent was that if someone has a benefit, they should be able to name a beneficiary. He indicated that if the contract isn't clear on this, then it's a mistake. He stated he

wholeheartedly supports a designation of beneficiary form for widows. Mr. Lynch provided clarification in that this designation is for a final payment – not to continue an on-going benefit.

Ms. Campbell stated that the pension staff goes to people and assists with filling out the paperwork. She stated that the existing forms are not difficult to complete. She reiterated that we have not had an attempted claim or fraud with the previous processing of payments to estates, however, there has been an attempted fraud using the designation of beneficiary form in the case of a 13th check payment. That matter has been turned over to the police. She stated that we were able to stop that fraud from happening and pay the appropriate person. She again stated that the staff is here to help people fill out forms, and we pre-fill them out and take them to people's houses, emphasizing that it's just not that difficult.

Mr. Walker stated that the trustees are here to represent the actives and retirees. He said he agrees with Mr. Bogush – that a simple form, will clarify it. Ms. Fox asked if the trustees were to recommend that the designation of beneficiary form for widows be allowed to be completed, and not everyone completes it – would this form that we currently use then still be used for those people who had not exercised the prerogative of making the designation? Mr. Cohen told her that is correct. **Mr. Bogush made a motion to develop a surviving spouse designation of benefit form for one-time payment only for the surviving spouses. Seconded by Mr. Walker.** Mr. Lynch asked if we develop this form, are we under any obligation to hunt all of these people down, to offer this form to them? Or is it incumbent upon them to find out on their own? Would we be in any kind of peril if we failed to let someone know that he or she could designate a beneficiary, and if he or she died in the meantime – are we opening up a can of worms? Mr. Cohen responded that he did not think we would be in any peril if we didn't locate them. Ms. Campbell stated that we would mail it to all the eligible surviving spouses. Ms. Fox stated that we could use a form the city recently developed as a model for the designation of beneficiary for widows. Ms. Fox further stated that she wanted to emphasize that where families are faced with difficult issues, she is inclined to allow a surviving spouse who has already earned this benefit to designate the benefit. Mr. Lynch asked if a creditor could sue the board for improperly paying this money and short-changing them. Mr. Cohen stated that yes, they would have to show that we are not allowed to have somebody designate a beneficiary. When you designate a beneficiary it goes directly to the beneficiary and it voids the claims of creditors – that's one of the very significant things here. So in order for them to win that they would have to show that the contract did not allow an individual to designate a beneficiary. Mr. Meier stated that this is a pool of money being split – it's not money for the long-term. He said he wants to keep it simple with a simple form we can mail out to surviving spouses.

Mr. Lenker added that we probably ought to follow our form where we have a primary beneficiary and a contingent beneficiary in case one dies in between – so there's at least two people listed in succession.

Mr. Cohen stated that we can use the designation of beneficiary forms we use already, and change them to make them clear for widows. Mr. Lynch asked Mr. Bogush if he would welcome a friendly amendment that we also adopt forms 11b, 11c, and 11d in the event there is no designation of beneficiary form, so we don't have to go back and revisit this later. Mr. Bogush agreed, as well as Mr. Walker. **Mr. Lynch stated that a motion was on the table by Mr. Bogush, seconded by Mr. Walker to adopt a 13th check designation of beneficiary form as discussed, as well as to adopt 11b, c, and d in the event there is no designation of beneficiary form on file. Motion passes unanimously.**

Mr. Lynch pointed out to the others in the room that the forms just discussed were obviously not yet ready and please not to stand at the front counter expecting to fill out a form that doesn't yet exist.

Ms. Campbell stated that they will be mailed out to eligible surviving spouses after Mr. Cohen prepares and reviews the forms and the board adopts them at the next meeting. **Motion by Mr. Walker, seconded by Mr. McRae to receive 11a through e. Motion passed unanimously.**

New Business

12. Noted receipt of Approval Letter of the annual report to the state dated 5/27/2008. Report submitted by Plan Administrator approved by state, Tampa F&P pension should be in line for the first distribution of state premium tax money, has typically been coming in August.

Motion to receive and file item 12 by Ms. Fox, seconded by Mr. Walker and by unanimous vote.

[Mr. Bogush and Mr. Moors were not present for vote on item 12, left the room at 2:42 pm, returned at 2:44 pm]

13. Request for information regarding malpractice of past pension fund professionals contracted by the Board and possible avenues for recovery, requested by Trustee M. Hamlin at 5/22/2008 board meeting.

Mr. Cohen stated that prior to Mr. Hamlin bringing it up at the meeting, some other trustees had questioned him about this as well. He stated he discussed it with Mr. Gonyea. He said professional malpractice is not his (Mr. Cohen's) area of expertise. He went on to say that he discussed the case with an attorney he knows. The attorney's reaction was that it's worth looking into and he thinks there may have been an omission by previous board counsel. Mr. Cohen said that he doesn't have any cost or pricing information for this. Mr. Hamlin stated that while he will be off of the board in three months, he is happy to get the ball rolling on this topic.

Mr. Lynch inquired as to whether Mr. Cohen recommends that we invite this attorney up for a visit to discuss further. Mr. Cohen stated he doesn't know what the charge or cost would be, but he can pursue it and get further information. Ms. Fox expressed concern about the "self-interest" in an attorney stating that there is a case. Her primary concern was in spending the fund's money without knowing what the price structure is or having any information on how to shop for an attorney. She expressed reluctance to commit to spending money on the case without further information on the preliminaries.

Mr. Walker stated that he was absent last month and is therefore not familiar with the "omission" that is being discussed. Mr. Cohen explained that this is in regards to Mr. Hamlin's request over an issue with the payment of the 2004 13th check. Mr. Hamlin further clarified that in the course of this 13th check issue from 2004, it's been clear from Mr. Sinardi and Mr. Ribaya that Mr. Loper told them we should have paid the 13th check and yet Mr. Loper never told us (the board of trustees) that we should pay the 13th check. Therefore he feels that the legal fees and the interest that the fund is incurring should be somewhat burdened by Mr. Loper. Mr. Walker stated that he just can't believe that Mr. Loper would intentionally do anything. He stated that we were engrossed in a lawsuit at the time and that several other sharp professionals didn't pick up on it. He further stated that an interpretation of the contract does not indicate intent. Mr. Hamlin stated that the decision to not pay the 13th check was Mr. Loper's interpretation of Chapter 112 of the Florida statutes. Mr. Hamlin stated that he (Loper) was pretty adamant about it, and then he comes back a couple years later after his contract's not renewed – it almost seems like it was pay back or something. Mr. Lynch pointed out that according to the attorney Mr. Cohen talked to it wasn't so much an intentional act as it was an omission – something that he failed to do that he should have done.

Mr. Cohen then stated that the other thing that the attorney focused quickly on was damages – how big they would be – and that in his view at that time there may not yet be significant damages. Mr. Cohen explained that there are two parts of every lawsuit – an alleged wrong, and damages. Damages that we may have is if we pay out more money in interest and attorney's fees. Mr. Cohen stated that the attorney expressed some concern about the statute of limitations. He further stated that the attorney may be willing to come up here and talk to us about it. Mr. Bogush stated that from what he understood that in this whole case, there were mistakes made by more than just one individual and there's nine people that sit on the board that are ultimately responsible, and of course they count on the professionals to help them make that decision. He said he would have a difficult time attacking someone, but to consider the damages in comparison to the amount of money that may be spent trying to pursue this. He further expressed concern over Mr. Hamlin starting this process and then walking away leaving the remaining board members to deal with the aftermath.

Mr. Hamlin explained that he is not in support of going after one individual, so if we want to gather a list of names, he would consider that, but he doesn't think anybody wants to do that either. Ms. Fox stated she has the same question as Mr. Hamlin in that because of the assertions that were made after the fact, it seemed to her that if the attorney at the time felt as strongly as he supposedly did, would have been mentioned somewhere in the minutes because he had fiduciary responsibility. She said that's the part that really has troubled her, because she agrees that interpretations can be different, just as in the last item we discussed. She stated that until there are actual significant damages, and until she knows more about the price of things and shopping for someone, she is not in favor of spending member's money to pursue that until there is something more concrete. She stated that she wants to go on record because she had those questions herself, because someone who so adamantly feels that we should have paid that check at the time, as a fiduciary, should have adamantly stated that to the board.

Mr. Moors stated that he would have a problem supporting it as well. His understanding is that the nine members of the board are ultimately responsible for the decisions we make. He said he wouldn't support the motion.

Mr. Meier asked what the damages are, assuming we are damaged in some respect. He said that in regards to the statute of limitations, we should find out whether there is enough time, and then decide if it is responsible to go after those damages. Mr. Cohen responded that the statute of limitation on professional malpractice is two years, and there is always an argument on when the cause of action would accrue. He said it would likely accrue June of 2007, but he doesn't want to be responsible for telling us that because he's not an expert on when causes of action accrue in malpractice cases. He stated he believed it would be June of '09, but couldn't say for certain, again, because it's not his area of the law.

Mr. Walker stated that it's almost like an investigation of the entire process – of all the professionals involved. Mr. Hamlin said he thought it was of the former attorney -that he was the main reason for the lawsuit. He's saying now we should have paid the check, but meanwhile failed to tell us. Mr. Hamlin then stated that Mr. Loper actually made him believe we couldn't pay it. And now all of a sudden he's spearheading or getting a lawsuit to pay it. Mr. Walker asked Mr. Cohen if we have a fiduciary responsibility to investigate – to get some more information. Mr. Cohen stated that we probably do – at least to look into it a little bit.

Mr. Lynch asked if it would be typical for this attorney to come to the board to discuss it and then provide some sort of a fee structure – would he customarily do that for expenses? Mr. Cohen stated he didn't know but would ask him along with some of the other questions and get back to us at the July board meeting.

14. Chair's call for any new business items from trustees to be placed on next agenda.

Mr. Bogush introduced the topic that the City of Tampa just paid some retro money to firefighters, and he would like Ms. Campbell to check and make sure contributions on that back pay made it to the pension fund as appropriate – employee and city contributions as well. Mr. Walker stated that he feels that the City broke the law by not paying us on time, so they owe us interest on that money. Ms. Campbell stated that she did alert the fire union to make certain that it was coded properly in the payroll system using RET or a retro pay code which is pensionable. She said that when we collect that, then the city has to match a dollar to a dollar thirty four (1:1.34). So the fire union was on notice to make certain that it was in fact coded correctly as pensionable. She asked Mr. Bogush if they have gotten it in their checks yet, because she hasn't seen a significant spike on the weekly custody deposits. Mr. Bogush stated that he could not see where they specifically took out pension contributions and would like it checked by Ms. Campbell.

Mr. Walker asked Mr. Cohen several questions regarding the fire union contract. Ms. Campbell restated the question as she understood it: Does the city owe this pension fund interest on retro merit increase money that would have or should have been paid from September 30, 2007 to present? Mr. Cohen suggested that the actuary be contacted about that, and Ms. Campbell responded that the actuary has nothing to do with weekly pension contribution deposits. Ms. Fox asked how long is it going to take the board staff to calculate the interest that should have been paid, because it would cost staff time and legal fees. Ms. Campbell responded that she and Mr. Cohen have no information on this issue to give you an answer today. It was agreed by consensus to add this item to the agenda for next month.

15. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any.

Mr. Bogush undisclosed the June FPPTA conference. Mr. Moors disclosed that he planned to attend the June FPPTA conference. Ms. Fox, Mr. McRae, Mr. Moors and Mr. Walker disclosed that they planned to attend the October FPPTA conference. **Motion to receive and file made by Mr. Hamlin, seconded by Mr. Walker and by unanimous vote.**

16. Noted receipt of request to address the board dated 6/19/2008 from retiree D. Ribaya regarding 13th Check Program.

Mr. Ribaya thanked the board for considering adopting the widow's designation of beneficiary forms on behalf of his members. He stated that they would put out a notice. He asked if once this form is adopted, will it be sent to all eligible surviving spouses? Mr. Lynch stated that that was his understanding. Ms. Campbell clarified by stating for the third time that Mr. Cohen will bring the form discussed back to the board at the next meeting for the board to adopt, and once that takes place, the pension office will mail out to all eligible surviving spouses.

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

17. Chair's report. Mr. Lynch stated he didn't have anything to add.

18. Attorney's report

- a. Lump Sum Commuted Value for Designated Beneficiary of Ramon Fernandez, a recently deceased active, vested firefighter.

Mr. Cohen provided a handout and asked the trustees to read it because he wanted to bring it to their attention right away. Mr. Hamlin asked what lump sum will be paid? Mr. Cohen replied that it's the lump sum of a 10 year certain benefit – 120 monthly payments. Mr. Hamlin inquired as to

how old Mr. Fernandez was. Mr. Cohen stated that he was 35 or 36. Mr. Hamlin asked if normally the beneficiary would begin collecting at his 46th birthday? Mr. Cohen stated that that is correct. Ms. Campbell added that would be October 2, 2019. Mr. Hamlin stated that he doesn't understand how we can do this. Ms. Campbell explained that we are commuting the lump sum to present value, so it's substantially less than 120 payments. Mr. Hamlin indicated that he understood.

Ms. Campbell outlined the three choices that Ms. Fernandez has as far as the payment: 1) a straightforward refund of contributions of about \$20,000; or 2) about \$1,400 a month starting when Mr. Fernandez would have turned age 46, which would be eleven and a half years from now (it was noted previously that Ms. Fernandez is approximately 85 years of age); or 3) to commute the lump sum back to present value, which was calculated by the actuary as approximately \$120,000. Ms. Campbell stated that Chief Botto is handling the interface between Ms. Fernandez and the pension office.

Ms. Fox stated that the fund is obligated to pay the 10 year certain as it stands, and that it's just a matter of when the fund pays it. She observed that by paying the present value right now to the surviving eligible heir, the fund is not damaged, and the heir receives benefit. She said that she believes it is a very reasonable request, and that because it doesn't damage the fund in any way because of the calculation at present value, she doesn't see any reason to object to this.

Mr. Hamlin asked if this would relate to someone who is actually still alive, vested, and less than age 46. He wanted to know if he or she could get a lump sum also. Ms. Campbell replied that no, the Commuted Value Lump Sum policy on the books is for estates – and has only been used for estates (Marrero for example). She stated that instead of an estate, in this case it is a human being--a designated beneficiary. Mr. Hamlin confirmed that we have done this before, and Ms. Campbell replied yes, for estates. She further stated that this is the first time we've dealt with a designated beneficiary in this situation, so she and Mr. Cohen felt strongly about bringing it to the board for policy revision.

Mr. Cohen added that the contract specifically states that you can have a commuted lump sum value to an estate, but it doesn't specifically state that you can have it to a beneficiary. He said that he spoke with Ice Miller, our special tax counsel, and they said that there is no tax problem with this. When asked about possible roll-over eligibility, Mr. Lenker responded that it could have been rolled over by the decedent, but could not be rolled over by the beneficiary. Mr. Cohen stated that Ice Miller told him that commuting the lump sum would have no effect on our tax qualification.

Mr. Hamlin stated that it's the right thing to do by the policy, past practice, and the contract; however, he expressed reservations if we seem like we're doing it for an individual. Mr. Moors replied that we are not changing the policy. Mr. Hamlin agreed that we're not. Mr. Lynch stated that we are – we are amending it. Mr. Hamlin agreed that we're changing the wording, but that since we've already done this before for an estate, he doesn't see any problem with it. Mr. Lynch asked Mr. Cohen if the benefit isn't due until 2019, and the mother dies before then, who would get the money? Mr. Cohen stated that the decedent's estate or his mother's estate. Mr. Lynch asked if we would have to pay the 10 year certain to somebody? Ms. Campbell stated that we have to pay it anyway. Mr. Lynch clarified by saying that if we don't have to pay this out, then it's a gain to the fund, but if we're going to have to pay it out somewhere anyway, do it. Ms. Campbell stated that it represents absolutely no actuarial impact to the plan whatsoever as designed by the assumptions in the policy for the actuary to use in the calculation.

Mr. Cohen went on to say that a death – line of duty or non-line of duty – after 10 years of service, the minimum benefit under both 175 and 185 is that a 10 year certain benefit be paid at the time the person would have reached normal retirement age. It's a minimum benefit. We're required

to pay this benefit. Ms. Campbell further elucidated that the commuted lump sum value authority in the pension contract is only for commuted lump sum value of estate of 10 year certain which is limited to 120 payments, and also provides the plan the ability to purge the rolls of de minimis benefits – such as less than a hundred dollars per month for a period certain or \$2,500 or \$5,000 lump sum value as a possible example. There's very specific authority in the pension contract in a couple of places, and this one we have exercised before, and in fact, you do have a policy on commuted lump sum value and it sets forth what your assumptions are to be used and it is consistent with prior cases. This is just adding the word "beneficiary" to the policy.

Mr. Hamlin stated that we're not changing the policy, we're just amending it or adding to it. **It was moved by Mr. Walker, seconded by Mr. Bogush and by unanimous vote to receive and file item number 18, amended policy 426 as noted.**

b. Potential Conflict of Interest in Pending Lawsuits

Mr. Cohen reported that in the Parker litigation, Mr. Thomas, who represents the plaintiff, has decided to go to another law firm, Akerman Senterfitt, who had represented Buck Consultants and Jose Fernandez, and that relationship/representation flagged when they did a conflict check. Mr. Cohen related that several times Mr. Donofrio has made the statement, "I have to run this by my general counsel." Mr. Cohen stated that we have a concern about whether Akerman ever got any information that could be used against us in the previous litigation or in this present litigation. Mr. Cohen reports that he has prepared a letter to Buck Consultants' general counsel. Mr. Gonyea has reviewed it – they worked on it together – and the letter asks whether or not there has been any information passed back and forth. Mr. Cohen will determine whether or not there's possibly a conflict, and if so, then what appropriate action to take. Mr. Thomas told Mr. Cohen yesterday that they've done due diligence on their end and they don't believe that there is any. Mr. Cohen stated that this concludes his report. Mr. Walker then asked if now they're representing the retirees. Mr. Cohen replied not yet, but he doesn't know for certain.

19. Plan Administration.

a. 2008 Board meeting schedule:

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

b. Noted receipt of graphic status of disabilities currently in process.

c. Noted receipt of status report of 20% random sample of bi-ennial disability re-evaluations in process.

d. F&P pension office priorities, projects, deadlines.

Ms. Campbell reported that based on attachments 19b and c we have a large number of disabilities in process again, which are extremely time consuming and tedious. She stated there were also two large new hire groups, with each new hire representing almost the same amount of work as a disability. She indicated that the pension office is not reaching the typical summer slow down to be able to go back to other projects.

Ms. Campbell inquired as to whether all of the trustees received their financial disclosure forms that are soon due to the supervisor of elections? She stated they're due by July 1, and

there's a fee of \$25 a day if it's not on time. Mr. Hamlin stated that he just wanted to go on record that he turned his in today. Mr. Walker advised that he had only received his form today, and Ms. Fox advised that she only received her last week. Ms. Campbell noted that due to the difficulty several years ago with a trustee submitting a late disclosure form and incurring a penalty of roughly \$1,500, F&P staff began completing receipts/acknowledgements of receipt of the financial disclosure forms. She advised that obviously the distribution and receipt process did not go smoothly this year, and she was displeased with staff in that regard. Ms. Campbell advised that there was simply no excuse for forms being distributed to trustees that late. Ms. Fox expressed her displeasure with receiving her board mail at the board meeting in such a delayed fashion, and requested that her mail be put into inter-office mail more promptly. Agreed by consensus.

It was moved by Mr. Hamlin, seconded by Ms. Fox and by unanimous vote to receive and file item number 19.

Public Comments Limited to two (2) minutes per person and maximum of ten (10) persons.
No public comments.

Litigation

20. 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. Note receipt of Cancellation of Hearing dated 6/5/2008.

Mr. Cohen stated that he knows that Mr. Gonyea has re-set the hearing date, but that he does not remember what the new date is. He stated he will get that information to the board. **It was moved by Mr. Hamlin, seconded by Ms. Fox and by unanimous vote to receive and file item number 20.**

21. 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. Note receipt of the following:

- a. Transmittal/cover letter dated 6/19/2008 from Board Counsel Cohen.
- b. Defendant's Response in Opposition to Plaintiff's Motion for Class Certification dated 6/18/2008 by P. Gonyea.
- c. Plaintiff's Motion for Class Certification dated 5/27/2008 by W. L. Thomas.
- d. Plaintiff's Memorandum in Support of Motion for Class Certification dated 5/27/2008 by W. L. Thomas.
- e. Notice of Hearing on Monday 9/15/2008 at 9:00 a.m. dated 6/12/2008 by W. L. Thomas.

Mr. Cohen stated that Mr. Thomas and our side agree that the case should proceed as a class action. He said that there is difference of opinion as to who should be in that class. To bring a class action, you have to have people who have similar claims arising out of similar legal issues. Mr. Cohen stated that the question is did we owe 13th check? He said that that question is the same for both DROP participants and non-DROP participants, and that we've essentially answered that. He said the next question is if you didn't pay it then should any money be paid for the delay for not paying it at that time? Mr. Cohen stated that there are two different governing documents regarding this. One would be the contract for DROP participants before they separated and the other would be for everybody else. So, he continued, Mr. Thomas properly recognizes that Mr. [John] Parker, who is not a DROP participant, cannot adequately represent

the interests of the DROP participants on what interest, if any, they should get. Mr. Thomas's proposed remedy to that is to treat them as a liability and then keep them out of the class, or dump them out of the class for the remedy issue, or just keep them out of the class entirely. Mr. Cohen stated that our position is we'd like them all to be in the case – put in a sub-class representative. He said he understood this board to have always wanted to get this issue resolved and finished. He stated that whether or not we'll be successful, he doesn't know. Mr. Cohen stated that he does not want anyone to think we're opposing the formation of a class. Actually, we want a bigger class than what they want.

Mr. Walker asked if Mr. Cohen and Mr. Gonyea have determined what the DROP participants should get for interest, and the response was that they should receive the DROP rate of return, what Mr. Lenker calculates each year, which is not precisely the same as the plan return calculated by Bowen, Hanes. Mr. Walker said he understand that. Mr. Cohen stated that there's a question of what they will receive. Mr. Bogush asked why Mr. Thomas wants to DROP people out of the class? Mr. Cohen replied that Mr. Thomas recognizes that Mr. [John] Parker can't represent their interests on the amount of interest they get. **It was moved by Mr. Moors, seconded by Mr. Walker and by unanimous vote to receive and file item number 21a through e.**

Motion to adjourn was made by Mr. Hamlin. The meeting was adjourned at 3:43 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 July 24, 2008 meeting of the Board of Trustees, it was moved by Mr. Moors, seconded by Mr. Walker and by unanimous vote to approve the minutes of the June 26, 2008 board meeting as written.