

**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, July 24, 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, July 24, 2008 at 1:30 p.m. for a regular meeting with the following members present:

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

Also present were Mr. Jay Bowen, Investment Manager, Mr. Ron Cohen, Board Counsel, Mr. Mark Lenker, CPA, and active and retired plan members.

Minutes

1. Approval of the minutes of June 26, 2008 regular board meeting. **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.**

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 – 6]. Mr. Bogush stated he had a question about item #4 on the consent agenda. **It was moved by Mr. Moors, seconded by Mr. Meier and by unanimous vote to approve consent agenda items 2, 3, 5, and 6.**

2. Ratified pension benefits.
3. Noted receipt of financial statements prepared by Mark Lenker of Nobles, Decker, Lenker & Cardoso for the month ended 5/31/2008. Market value of *assets* as of 5/31/2008 was \$1,692,242,688.

[Item 4. was removed from the Consent Agenda]

5. Admitted Tampa Fire Rescue members to pension fund effective 7/7/2008 contingent upon: 1) furnishing a list of all medical providers and authorizations to obtain such medical records; and 2) passing a complete medical examination:
Acker, Scott R.
Barsoumian, Brian A.
Carter, Andrew H.
Garcia IV, Nelson
Knighton, Jacob A.
Martin, James M.
Ross, Lydell T.
Sawyer, Thomas J.
Stevens, Wesley E.

6. Noted receipt of revised policies and procedures. Please remove and replace in your Policies & Procedures manuals.
 - a. 425 – 13th Check (approved by Board 5/22/2008)
 - b. 426 - Commuted Value Calculations for 10 Year Certain Benefits Payable to An Estate or Designated Beneficiary (approved by Board 6/26/2008)

[Item 4. was removed from Consent Agenda]

4. Approved payment to Counsel R. Cohen for legal services rendered during June 2008 in the amounts of:
 - a. \$7,470.94 Parker lawsuit.
 - b. \$16,949.19 General Counsel services.

Mr. Bogush stated he had a general question about Mr. Cohen's billing as it relates to how we engage Mr. Cohen's services. He explained that he wanted to know if we (the board) have a question, or if Ms. Campbell has a question to be addressed to Mr. Cohen, if that is something that has to be approved by the Chairman prior to contacting Mr. Cohen. He also stated that several months ago he saw billing from Mr. Cohen relating to public records requests, but that he never saw any policy changes or outcome or summary of the results of that billing.

Ms. Campbell stated that there is a policy regarding the delegation of authority to the Plan Administrator to work with general board counsel on matters arising between Board meetings when legal guidance is necessary. She said that if it were a significant project, quite often the chairman would be involved. She further advised that many things come up between board meetings that need to be addressed in order to make informed recommendations to the board at the next board meeting. She assured Mr. Bogush that there is nothing in Mr. Cohen's bills or the work that's been done that is frivolous or that doesn't further the business and service of the board.

Mr. Lynch explained that much of the work is still in progress, especially in regards to public records requests. He added that many of those items require review from counsel to ensure we are releasing information that we're required to release, and conversely, not releasing information that we're not supposed to release particularly given the litigation. He further stated that there has been an increased demand for public records in the past few months. **It was moved by Ms. Fox, seconded by Mr. Hamlin and by unanimous vote to approve consent agenda item 4.**

[Item 4. was removed from Consent Agenda]

7. Investment Management Presentation by Jay Bowen of Bowen, Hanes & Co.

Noted receipt of the following:

- a. Investment performance report and investment summary for the month ended 6/30/2008. Market value of *investments* as of 6/30/2008 was \$1,557,773,204. Investment return as of 6/30/2008 has been -4.6% so far this fiscal year to date 10/1/2007 – 6/30/2008.
- b. Bond Portfolio rating report and recommendation to hold.

Mr. Bowen presented highlights of the June 30, 2008 report reflecting that the total portfolio is down 4.6% so far this fiscal year. He advised that in dollar terms, that is approximately \$77 million. Since beginning of this fiscal year, we have entered a bear market, down from the October highs of last fall. We still have a chance of a strong rally during the second half of the year. July has been very volatile. Some issues have emerged that make him hopeful that we can recover some of these losses.

There are four (4) broad areas:

- 1) Credit Crisis & Housing Downturn – started last August. There are some indications that the situation is *not* getting worse. The housing situation will take awhile to stabilize. It will probably take more than a year to work its way out. From a forward-looking market standpoint, the market has pretty much discounted these problems. The same can be said for the credit situation. Although we might not be doing dramatically better, the situation is not getting a lot worse.
- 2) Financial Sector – this includes commercial banks, investment banks, and savings and loans. The commercial sector was hit extremely hard over the past few months. This has been reflected in stock prices and in profits. Another part of the financial sector is government-sponsored enterprises – this includes Fannie Mae and Freddie Mac. The government is basically giving them an explicit guarantee as far as the debt and the bonds (stockholders are another issue). Reforms are coming within government-sponsored enterprise.
- 3) Oil – the market is keying off of oil. From July '02 through July '07 oil increased 175%. The market was up 70% during that period. The economy and the stock market were able to absorb this increase and still put in a very strong performance over that five-year period. The economy is not nearly as dependent on oil as it used to be (about half as much as in the 1970's). We're a high-tech service-oriented economy and oil just isn't as important – but it is still important to the consumer and business. Just since July '07, oil has increased another 100%. Mr. Bowen thinks we're going to top out and stabilize in terms of oil. If we do see oil increasing again, all bets are off for the market. The market will have a hard time.
- 4) Policy on Tax, Trade, and Regulatory Fronts – Mr. Bowen is concerned that we could have anti-growth policies in terms of increased taxes on income, capital formation, capital gains, and small business. Small business is the backbone of the economy. Small business pays the top marginal tax rate. When you add the payroll tax on top of that, you reach a point where it's a big burden on small business and a big disincentive for small business creation. There are proposals to bring the top marginal rate over 50% on small business. 80% of taxes in the top marginal rate are paid by small business. Corporate tax situation where we have the highest rate in the industrialized world – that's a big disincentive in terms of incorporating in America and creating jobs in this country. This is a large global economy – capital will go where it's treated best.

Mr. Bowen asked if the market could fall another 5-10%? It's possible, but the best way to repair those losses is to structure the portfolio to benefit from what happens when we come out of it. We're off about 5% for the fiscal year. In the meantime, we're trying to focus on doing a little re-structuring, particularly on the common stock side. If oil starts falling, we could benefit by investing in some raw material companies that will benefit from oil going down. We will be monitoring the policy situation; if it looks like some anti-growth policies will be coming out in the next months, and we will have to think about doing some more re-structuring.

In summary, the key question for the market is not what's housing going to do? It isn't what are new homes sales going to do? It isn't is the economy going to pick up? The question is, is this current slow down temporary, or is this the beginning of a long, protracted performance gap where we stagnate?

It was moved by Ms. Fox, seconded by Mr. Hamlin and by unanimous vote to receive and file item 7.

[Ms. Miller entered the meeting at 1:53 p.m.]

Disabilities

8. Continuation of initial hearing for LOD disability applicant M. Spirk, formerly of TPD. Noted receipt of Medical Board reports, Medical Director's summary, disability application and qualifying letter, summary review outline prepared by Independent Medical Case Manager, injury report(s), post-offer pre-employment physical, job description and disability application process timeline. Initial hearing continued from 5/22/2008 board meeting due to lack of five affirmative votes on the second motion/question—was the disability incurred in the service/in the line of duty?

Mr. Lynch stated that at the 05/22/2008 board meeting the first question was answered, and there was an affirmative vote that there was a disability. Mr. Spirk was sworn in. Mr. Spirk's representative, attorney Jeff Stull, stated that he designed a series of questions to ask Mr. Spirk. He then posed each question and Mr. Spirk answered each in turn. **Mr. Meier made a motion, seconded by Mr. Walker, that the board find that the disability did occur in the service/line of duty. The motion passed by a vote of 8-1 with Ms. Fox, Mr. Hamlin, Mr. Lynch, Mr. McRae, Mr. Meier, Ms. Miller, Mr. Moors, and Mr. Walker in favor of the motion, and Mr. Bogush opposed to the motion. The motion passed by a vote of 5-4 with Ms. Fox, Mr. McRae, Mr. Meier, Mr. Moors, and Mr. Walker in favor of the motion, and Mr. Bogush, Mr. Hamlin, Mr. Lynch, and Ms. Miller opposed to the motion. Mr. Meier made a motion, seconded by Mr. Walker, to grant Mr. Spirk a line of duty disability retroactive to the last day on payroll as per policy. The motion passed by a vote of 8-1 with Ms. Fox, Mr. Hamlin, Mr. Lynch, Mr. McRae, Mr. Meier, Ms. Miller, Mr. Moors, and Mr. Walker in favor of the motion, and Mr. Bogush opposed to the motion.**

9. Initial hearing for LOD disability applicant J. Armao, TPD. Noted receipt of Medical Board reports, Medical Director's summary, disability application and qualifying letter, summary review outline prepared by Independent Medical Case Manager, injury report(s), post-offer pre-employment physical, job description and disability application process timeline.

Mr. Armao was sworn in. **Mr. Hamlin made a motion, seconded by Ms. Miller, and by unanimous vote that there is a disability that permanently incapacitates Mr. Armao physically from the regular duties of a police officer. Mr. Hamlin made a motion, seconded by Ms. Miller, and by unanimous vote that the board find that the disability occurred in the service/line of duty. Mr. Hamlin made a motion, seconded by Ms. Miller, and by unanimous vote to grant a line of duty disability pension to Mr. Armao for a shoulder injury effective close of business today.**

Old Business

10. Update on request for information regarding malpractice of past pension fund professional(s) contracted by the Board and possible avenues for recovery, requested by Trustee M. Hamlin at 5/22/2008 board meeting. Noted receipt of email dated 7/10/08 from A. Kluger regarding fee quote as requested by R. Cohen based upon 6/26/2008 board direction.

Mr. Cohen stated that he wrote back to Mr. Kluger and asked what his hourly rate was. Mr. Kluger wrote back that it is \$675, but would charge \$500 for this engagement. Mr. Lynch stated that there would be a cap of \$5,000 on the work. **Ms. Fox made a motion to receive and file item 10.** During discussion, Mr. Moors asked for clarification on the amount that 5,000 dollars, not 5,000 hours, is the cap for this work. Mr. Lynch stated that he believed the direction at the last meeting was not to move forward, but to get a fee quote. Ms. Fox stated that the discussion dealt with whether or not there were damages, and it sounds as if that cannot be determined at this time. So, until we get all the pieces of the puzzle, she doesn't think the board can make an informed decision about any of this. Mr. Hamlin asked if all the

legal bills we've paid up to now would be considered damages. Mr. Cohen answered yes, and that the actuarial bills on this would likely be as well -- it depends on the result of the litigation. We just don't know right now. Mr. Hamlin asked if we could be reimbursed for all the legal fees we've paid already. Mr. Cohen stated, yes, the legal fees and actuarial fees will likely be the losses that we've had. Mr. Hamlin asked what the statute of limitations is. Mr. Cohen stated it's two years for professional malpractice. Mr. Cohen stated he believed the statute of limitations started to run on June 18, 2007, the date the litigation was filed. Mr. Cohen then spoke about when the cause of action accrues. **The motion was seconded by Ms. Miller to receive and file item 10. The motion passed by a vote of 6-3 with Mr. Bogush, Ms. Fox, Mr. McRae, Mr. Meier, Ms. Miller, and Mr. Moors in favor of the motion, and Mr. Hamlin, Mr. Lynch, and Mr. Walker opposed to the motion.**

11. 13th Check

- a. Eligible Surviving Spouse 13th Check Designation of Beneficiary form prepared by Board Counsel as requested at 6/26/2008 board meeting for board approval.
- b. Draft revised P&P 425A – 13th Check Designation of Beneficiary to incorporate 13th Check – Eligible Surviving Spouse for 11a above.

Mr. Lynch and Ms. Campbell discussed the specific changes that need to be made to the policy, and Mr. Cohen talked about some of the changes he made to carry out the board's wishes. There was discussion regarding amending P&P 425, #5d and 8b, to track the P&P 425A language on surviving spouse designation of beneficiaries just approved. (Import paragraph 4 from P&P 425A in to P&P 425 just approved at #5d and 8b). **Motion made by Mr. Walker, seconded by Mr. Moors and by unanimous vote to approve 11a. and b. and make amendments to policies 425 and 425A as discussed and agreed.** Mr. Lynch noted that forms will be mailed to all eligible widows after the forms are finalized, printed, copied, folded, stuffed, etc. and that the work has already started.

12. Status of inquiry into TFR retro merit increases from 9/30/2007 collective bargaining agreement expiration and possible interest question(s).

Ms. Campbell stated that the primary question Mr. Bogush asked at the last board meeting was if his payments were coded as pensionable income. Ms. Campbell stated that yes, the retro payments that she reviewed were coded as pensionable, pension contributions were withheld from these retro payments on Friday June 27, 2008, and the city match took place the next business day, on Monday June 30. **Ms. Fox made a motion, seconded by Mr. Hamlin and by unanimous vote to receive and file item 12.**

New Business

13. Actuarial issues

- a. Noted receipt of letter dated 6/27/2008 from Buck Consultants regarding key personnel.
Mr. Lynch stated that item 13a referred to the official notice that Jennifer Beattie is taking over for Jim Donofrio. **Motion by Ms. Fox, seconded by Mr. McRae and by unanimous vote to receive and file item 13a.**

- b. Authorized 5 year experience study for 9/30/2002 – 9/30/2007 timeframe – \$16,400 per contract.
Mr. Lynch referred to item 13b and stated that it is time for the 5 year experience study. Ms. Campbell stated that it would be the prudent course of action, and that it was written into the RFP as well as the contract. She referred to the upcoming rule-making workshop and stated that an experience study would help us with the changes that may be coming. **Motion by Ms. Fox, seconded by Ms. Miller and by unanimous vote to approve item 13b.**

- c. Reported on 7/14/2008 rulemaking workshop by Division of Retirement regarding 60.T of Florida Administrative Code (FAC) (actuarial rules).

- d. Noted receipt of email dated 7/17/2008 from Finance Director B. Wise from FGFOA regarding rulemaking workshop.

Mr. Lynch referred to item 13c, reporting on the rule-making workshop. Mr. Cohen stated that this is a big issue that has hit the state in the last couple of weeks. He stated that we're governed by Chapters 175 and 185. That means we deal with the Division of Retirement, Municipal Police and Fire office and Ms. Shoemaker. Another statute that in the state that we're governed by (as are all other governmental pension plans) is Chapter 112, Part VII. We are required under the Florida constitution to fund our pension plan. The legislature has passed Chapter 112, part VII in an attempt to carry out that portion of the provision. It requires certain things regarding actuarial valuations, giving rulemaking authority to the Department of Management Services to make rules to carry out the statute's requirements. Sweeping revisions have been proposed and were published in Florida Administrative Weekly. There was a rulemaking workshop in Tallahassee the Monday following the 4th of July, 2008. They've agreed to hold another workshop September 10, 2008 in Orlando. At the initial workshop, which was well-attended, there was unanimous opposition from a number of groups: Fire Union, League of Cities, actuaries, pension board trustees, and attorneys. Everyone was very concerned. Revisions will increase cost of reporting, the use of different mortality tables will increase the costs, etc. Mr. Cohen stated that the more people that attend the next rulemaking workshop, the better. **Motion by Mr. Moors, seconded by Mr. McRae and unanimous vote to receive and file items 13c and d.**

14. Committee meeting notices and minutes.

- a. Noted receipt of memo dated 4/14/2008 from Plan Administrator to Board Counsel regarding possible Sunshine Law violation related to committee meeting notices, minutes and potential cure.
- b. Noted receipt of letter dated 7/18/2008 from Board Counsel in response.

Ms. Campbell indicated that the questions posed on page two of memo were serious enough to bring to the board's attention. She advised that the first priority was confirming legally whether we are in compliance at the present time. Also, what needs to be done to address the past issues, how do we protect the board, and what are the possible ramifications? She advised that these came to her attention courtesy of Dennis Ribaya through an extensive public records request. She looked back to prior to her (Ms. Campbell) joining the staff, and found that the committee notices/postings are spotty, at best. There were a number of times when the board would stay after a board meeting to hold a committee meeting, or other impromptu committee meetings were held with no notice and no minutes. She added that when we consult with legal counsel on public records issues, one of the purposes is for the added protection for the board.

Mr. Cohen added that we need to post notices of committee meetings and have minutes of them which is being consistently done now. Ms. Miller noted that failure to post notices of committee meetings stopped when Ms. Campbell was hired--Ms. Campbell cured that practice immediately. Mr. Bogush asked if there was some reason why that issue could not have been put on the agenda to discuss instead of contacting board counsel. Mr. Lynch informed Mr. Bogush that under policy the authority is granted to the plan administrator to handle business with the attorney between board meetings. Mr. Bogush stated he thinks there should be a dollar limit on how much can be spent without board approval with chairman's emergency authority. **Motion by Ms. Fox, seconded by Ms. Miller and by unanimous vote to receive and file item 14a and b.**

15. Plan C participants

- a. Noted receipt of memo dated 6/9/2008 from Plan Administrator to Board Counsel regarding three Plan C participants.
- b. Noted receipt of letter dated 7/18/2008 from Board Counsel in response.

Ms. Campbell advised that there was an inquiry posed by Mr. Passow, one of the Plan C participants. This is a perennial question that comes up whenever a 13th Check is paid. She explained that the reason this issue needs to be addressed is because the 13th Check is now funded differently (based purely on investment returns) than in the past. Mr. Cohen pointed out that there is also an issue with uniformity of benefits. Ms. Miller asked if the opinion of counsel, based on the current funding criteria for the 13th Check, is that Plan C participants should now be eligible for the 13th Check. Mr. Cohen said yes.

[Mr. Lynch left the meeting at 2:35 p.m. and returned at 2:36 p.m.]

Mr. Cohen talked about the three plan C participants and the history behind this issue. He went on to explain the concept of novation. He then discussed the idea of a “uniform” retirement system. Mr. Cohen discussed the difference between two of the participants, both of whom signed a new contract, and the third participant, who had not because he retired on disability in 1998. He stated that there are three key areas in favor of the Plan C participants. 1) the issue of novation (not applicable to Mr. Alatorre), 2) the requirement of uniformity, and 3) the concept of liberal construction. Mr. Cohen then discussed the different scenarios under which different participants signed different contracts. He covered the various pros and cons of paying out the various 13th Checks to the three Plan C participants. He said that Mr. Alatorre would have gotten five checks, but two of them were funded with contributions and Mr. Cohen stated he doesn't think those two funded with contributions should be paid to Mr. Alatorre. He also stated that he would not pay any past 13th Checks without a complete release from each of the three participants.

Mr. Meier inquired as to whether Mr. Cohen was recommending that the three participants be included in future 13th Checks because of potential legal issues. Mr. Cohen stated that the question is whether the three participants are entitled to the 13th Checks or not. He went on to say that the two who signed the newest contract have more entitlement than Mr. Alatorre, but he believes Mr. Alatorre should now be eligible. Mr. Walker asked what account the 13th Checks would be paid from. Mr. Cohen stated the 13th Check account. Ms. Campbell asked Mr. Cohen and Mr. Lenker if they could be paid as an administrative expense since there is now a change in trustee and legal counsel opinion. Mr. Lenker reminded the board that there is only one fund, and all of the money is invested as one pool of assets.

Ms. Fox stated that she thinks we should pay the 13th Checks in question because it's the fair and the right thing to do. Mr. Lynch concurred. Mr. Walker stated he's opposed because it hurts the participants who did sign the contracts and who did pay the additional contributions. Mr. Lynch went on to say that there are about 1,200 retired members that did not make a higher contribution rate for the 13th Check and did not sign a contract for a 13th Check— he thinks everyone should be treated the same. Ms. Miller clarified that those 1,200 did not sign contracts because they were already retired.

Ms. Campbell stated that part of the uniformity issue is that when we file our annual report with the state and actuarial valuations with the state actuary, these three people are segregated. **Ms. Miller made a motion that if Mr. Cohen's legal opinion supports the recommendation at the top of page 6, Items 1-3 and items a, b, and c. that the board adopt those recommendations with waivers and releases to be prepared by Mr. Cohen.** Mr. Cohen advised that he does agree with the recommendations.

Mr. Cohen stated he believes it is within the board's discretion to pay this. Ms. Fox and Mr. Cohen discussed the role of a fiduciary. Mr. Cohen advised that he is a fiduciary for every single client and that he owes his clients a duty of loyalty, best judgement and zealous representation. Mr. Bogush asked if Mr. Cohen believes this would be in violation of Chapters 175 and 185, and Mr. Cohen stated he does not. **Mr. Bogush seconded the motion. Mr. Lynch recommended amending the motion to also include receiving and filing item 15a and b. The motion maker and seconder agreed.**

During discussion, Mr. Meier stated that he doesn't want to give the three participants anything from the past, but is willing to give them the benefit going forward as long as they sign a release. Mr. Lynch stated that there is a danger in that the 13th Check that just got paid would probably be subject to lawsuit. **Upon voting, the motion carried by a vote of 5-4 with Mr. Bogush, Ms. Fox, Ms. Miller, Mr.**

Moors, Mr. Lynch in favor of the motion, and Mr. Hamlin, Mr. Meier, Mr. McRae, and Mr. Walker opposed to the motion.

[Recess 2:56 p.m. – 3:07 p.m.] [Mr. Hamlin left the meeting at 3:06 p.m.]

16. Committee #2 report. None.
17. Noted that annual pre-retirement workshops are scheduled for 8/11/2008 2:00 p.m. and 8/12/2008 10:00 a.m. at the Tampa Convention Center. Consideration of adding post-retirement component to future workshops conducted by Jeff Helms, CFP. Ms. Campbell stated that the pre-retirement workshop is scheduled for 8/11 and 8/12, including Jeff Helms as a presenter. She suggested a continuing education session for the board of trustees to address issues such as estates, probate, limits, etc. The presenter could be a Mr. Cohen or a specialist. She added that if it goes well, we could consider expanding our pre-retirement workshop platform to include post-retirement. She stated that since Mr. Helms is already scheduled under contract for each quarter, he could add an additional workshop. There would be no additional cost because we already have the room scheduled. Mr. Lynch expanded on possibilities included in special topics (Medicare, social security) for possible future workshops. Ms. Fox stated that she thinks it's a good idea. She thinks the workshops should be geared toward defining terms and vocabulary, and the topics should focus on filling in the gaps (i.e., what happens with social security, or with estates). There was no board motion.
18. Chair's call for any new business items from trustees to be placed on next agenda. None.
19. Noted receipt of listing of upcoming conferences. Disclosure of planned attendance, if any.
Mr. Lynch noted that the rulemaking workshop (from item 13c) will coincide with the Annual Police Officers' & Firefighters' Pension Conference September 10, 2008 in Orlando. The following disclosed attendance for the 40th Annual Police Officers' & Firefighters' Pension Conference: Mark Bogush, Jennifer Campbell (as well as 2-3 staff members), Patrick Lynch. Tentative disclosures are: Sharon Fox, Mark McRae, John Moors, and Tracy Walker.
The following disclosed attendance for the FPPTA Trustees School in October: Mark Bogush, Jennifer Campbell (as well as 2-3 staff members), Mark McRae, and Tracy Walker. Tentative disclosures are: Sharon Fox and John Moors. **Motion by Mr. Moors, seconded by Ms. Fox and by unanimous vote to receive and file item 19.**
20. **Continuing Professional Education** by Jay Bowen of Bowen, Hanes & Co. Powerpoint presentation to be made at board meeting, general topics to include: fundamental top down approach, asset allocation, portfolio holding examples: home run, strike out and line drive.
Mr. Bowen presented the Bowen Hanes philosophy and fundamental top down approach, as well as the past and current performance of the fund. He also discussed market influences and the current environment. He discussed the following in his presentation:
 - Following a Dollar from Beginning to End through the fund.
 - Investment Process from the Top Down – how the investment process begins with global trend analysis, consideration of all variables, then to selection of the industry in which to invest, then to company selection for investment.
 - Mr. Bowen analyzed our investment with four companies in detail as some specific examples– Inco, Flour, Eastman Kodak, and Colgate.
 - Mr. Bowen discussed the company's strategy for fixed income and the securities to employ their approach. He then focused on fixed income investing in detail.

- Mr. Bowen discussed the comparison of fund performance in three overall 11-year periods: 1) 09/30/1974 to 09/30/1985; 2) 09/30/1985 to 09/30/1996; and 3) 09/30/1996 to 09/30/2007. He also discussed the hypothetical returns for 09/30/2007 to 09/30/2018 based on an average of the previous three 11-year periods. He focused on the compounding effect.
- Mr. Bowen gave his opinion on some entities that he feels “feed on” pension funds (brokers, consultants, etc.).
- Mr. Bowen summarized with a snapshot of the overall gains to the fund in both dollars and percentages.

The presentation was followed by a question and answer period. Mr. Walker asked Mr. Bowen if the fund should consider reducing its 65% allocation to equities to 45-50% since the plan is so mature (now more retirees and DROP drawing out benefits than active members paying in). Mr. Bowen strongly advised against reducing the equity commitment since the laser focus of the board since 1974 has been to maximize the equity exposure, and that asset allocation has been the strongest contributor to the fund’s long term success. Ms. Campbell advised that since this fund is not cash-poor--the fund is able to meet every single payroll and distribution easily without liquidating any holdings or affecting the asset allocation.

Mr. Cohen pointed out that this fund has the lowest contribution rate in the state. **Motion by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 20.**

[Mr. Meier left the meeting at 3:27 p.m.]

[Ms. Miller left the room from 3:35 p.m. and returned at 3:40 p.m.]

21. Request to address the board by retiree L. Vincent regarding attached letter dated 7/1/2008 from James B. Loper to L. Vincent regarding PRAA. (request received 7/8/2008 11:35 a.m.). Mr. Vincent declined to address the board. Mr. Lynch advised that Mr. Vincent expressed concern that based upon this letter, it appears that Mr. Loper is holding himself out as still representing the board as board counsel. **Motion by Ms. Fox, seconded by Mr. Moors and by unanimous vote to receive and file item 21.**

22. Noted receipt of request to address the board dated 7/15/2008 from retiree D. Ribaya regarding Buck report of 5/29/2008. (request received 7/15/2008 9:51 a.m.)

a. Noted staff redistribution to board of Buck Consultants 5/29/2008 actuarial certification for fiscal year ended 9/30/2007 13th Check for board reference for this agenda item.

Mr. Ribaya provided a handout, which included three documents – exhibit one, exhibit two, and a question regarding one of the figures on the May Buck report. Mr. Lynch stated it would take some time to respond noting that this is a question for the actuary. Ms. Miller clarified what she believed the question would be and that it be posed to the actuary to respond at no additional charge to the board.

Motion by Ms. Miller, seconded by Mr. Walker and by unanimous vote to refer the question to the actuary. Motion by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 22.

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

[Recess from 4:27 p.m. - 4:32 p.m.]

23. Chair’s report. None.

24. Attorney’s report. None.

25. Plan Administration.

- a. 2008 Board meeting schedule:
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 advised that the results are back from the 20% random sample for the bi-ennial disability re-evaluations. Dr. Bohnker gave the all clear (continued disability) except for one disability re-evaluation. Dr. Bohnker wants to examine (single physical exam by Medical Director, not a three member medical board) Kevin Jackson, who retired in 1989 at age 26. There is very little recent or current treatment records to review. Abbie Bennowitz and Glen Clegg, who are not part of the random sample, also received the all clear from the Medical Director. Mr. Walker asked where we stand on Clegg and Bennowitz. Ms. Campbell stated that although they were not part of the 20%, they will receive a copy of their all clear letter. Ms. Miller asked if Ms. Campbell would include a copy of these letters in the next board package, and Ms. Campbell stated she would.

Ms. Campbell described some of the activity that is taking place at the pension fund office – it's not your father's pension fund any more. There has been a large number of call ins and walk ins and public records requests, noting that the DROPs that got DROPPed are very active again, unhappy and demanding of the pension office—with some requests for records related to collective bargaining or bills/contracts that never made it through Tallahassee. Ms. Campbell advised that most questions, walk-ins and appointments are not simple any more. They take longer and longer the more complex the plan and contract becomes. For example, a walk-in may come in and ask to change their beneficiary, when in reality what they mean is I want to make an optional form of payment selection and name this person as my joint annuitant—staff has to listen carefully, interpret, repeat back to get to the point the person really means. She stated that there has been a surge in public records requests for copies of pension contracts, DROP paperwork, and a variety of other requests from individual retiree files. She went on to describe some other types of time-consuming activities, such as processing disability applications and inadequate disability paperwork (qualifying letters), subpoenas for records, subpoenas for depositions, subpoenas for trial testimony, and the preparation required in advance, etc.

Ms. Campbell pointed out that the office is experiencing the yearly September surge for people needing estimates, DROP entry, or DROP exit, and the upcoming projects and priorities include trustee elections and open enrollment for health insurance.

Public Comments Limited to two (2) minutes per person and maximum of ten (10) persons. None.

Litigation

26. 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. No activity.

Mr. Lynch advised that there is one item remaining from the first lawsuit, and that was the Motion for Sanctions. A hearing was scheduled August 27 at 1:30, but today we received a settlement offer for the

Motion for Sanctions from the Retiree's Association for the board's consideration. Mr. Lynch advised that Mr. Vincent said that they have a check in hand if the board accepts their offer today. They would present the check today and then the fund submits the appropriate releases once the check clears.

Ms. Miller asked Mr. Cohen if he has reviewed this and he stated he has. Ms. Miller asked if this issue should be considered in executive session. Mr. Cohen stated that if the board has questions or wants to know what the recommendations are, it should be done in executive session. He stated that he has spoken to Mr. Gonyea, who has taken the lead in this motion. Mr. Cohen stated that he has Mr. Gonyea's recommendations and can relay them to the board, but would not do that in open session unless the board directs him to do so.

Mr. Cohen, Ms. Miller, and Mr. Lynch then discussed the various options and constraints around having the executive session. Mr. Cohen stated that if the board wants to waive attorney / client privilege, then the conversations could take place in open session. Mr. Lynch set out the advantages of making the decision right away. Ms. Fox expresses her reluctance to waive the privilege. Ms. Miller stated that an executive session was her preference since there is a lack of clear consensus. Ms. Campbell, Mr. Cohen and the board members discussed scheduling of the executive session. **Motion by Ms. Miller, seconded by Mr. Moors to schedule an executive session as soon as possible. The motion passed by a vote of 6-1 with Mr. Bogush, Ms. Fox, Mr. McRae, Ms. Miller, Mr. Moors, and Mr. Walker in favor of the motion, and Mr. Lynch opposed to the motion. Motion by Ms. Miller, seconded by Ms. Fox and by unanimous vote to receive and file item 26.**

27. 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. Noted receipt of letter dated 7/3/2008 from Board Counsel Cohen to Buck Consultants General Counsel regarding possible conflict of interest inquiry. Mr. Cohen stated there is no final answer yet, but we have sent the letter. **Motion by Ms. Miller, seconded by Mr. Moors and by unanimous vote to receive and file item 27.**

28. Noted receipt of Pena Lawsuit, Case No. 08-013997, Fred Pena, 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 (served 7/16/2008 11:35 a.m.) [First Amended Complaint].

Mr. Cohen stated that we received the lawsuit a week ago yesterday and that there is a 20 day deadline (08/05/2008) to respond in writing to the complaint. He stated the reason for the 20 days is so that a suit can be analyzed and responses formulated. He then requested that the board authorize counsel to file all appropriate defenses. He stated that we have requested the fiduciary liability insurance carrier to permit Mr. Gonyea to represent us in this lawsuit, but we are unsure as to whether the carrier will respond prior to the August 5 deadline. Mr. Cohen recommended that the board have Mr. Gonyea in on this lawsuit. Mr. Lynch concurred. Ms. Campbell clarified that on the last two lawsuits, Mr. Gonyea was paid by the insurance company after we met the deductibles.

Mr. Walker asked what the suit is about. Mr. Cohen stated it isn't very clear, and that it requires further analysis, and conversations (including with Mr. Lenker). He said there hasn't been time yet for careful study. Ms. Miller asked if Mr. Cohen would be prepared to discuss this at the executive session to be scheduled ASAP as previously discussed today. Mr. Cohen stated he would not due to the small amount of time allotted. He stated also that if the board gives authority to file appropriate documents, it will be done by Mr. Cohen's office and /or Mr. Gonyea's office by 08/05/2008. **Motion by Ms. Miller, seconded by Mr. Walker and by unanimous vote to direct legal counsel to file the appropriate documents by the appropriate deadlines and to schedule an executive session after the next regular board meeting on 08/28/2008.**

Mr. Walker asked Mr. Cohen if Mr. Loper is allowed to sue us when he was our last attorney. Mr. Cohen stated that there is no prohibition on representing somebody against a former client, but there are very significant limitations on representing somebody against a former client if the attorney was involved in the same or a substantially related matter. **Motion by Ms. Fox, seconded by Ms. Miller and by unanimous vote to hire Mr. Gonvea as co-counsel in this matter even if the insurance carrier declines coverage or declines to assign Mr. Gonvea.**

Motion to adjourn was made by Mr. Walker. The meeting was adjourned at 5:00 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.