

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
OF THE
TAMPA FIREFIGHTERS & POLICE OFFICERS PENSION BOARD
3001 North Boulevard
Tampa, FL 33603 (813) 274-8550
Thursday, November 20, 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, November 20, 2008 at 1:30 p.m. for a regular meeting with the following members present:

Patrick Lynch, Chairman	Mark McRae
John Moors, Secretary	Jimmy Meier
Mark Bogush	Cindy Miller
Sharon Fox	Tracy Walker
Patrick (P.J.) Gray	

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

Welcomed newly elected police trustee Sgt. P. J. Gray for the term 11/1/2008 – 10/31/2011.

Election of Board Officers

It was moved by Mr. Meier, seconded by Mr. Moors to nominate the same slate of officers for the next term. It was moved by Mr. Walker to nominate Mr. Bogush for Chairman. There were no further nominations. The votes for the three officers were taken separately. Upon voting, Mr. Lynch was elected Chairman by a vote of 5 – 4 with Ms. Fox, Mr. Gray, Mr. Lynch, Mr. Meier, and Mr. Moors and in favor of Mr. Lynch as Chairman and Mr. Bogush, Mr. McRae, Ms. Miller, and Mr. Walker in favor of Mr. Bogush.

It was moved by Mr. Meier to nominate Mr. Walker for Vice Chairman. Mr. Walker declined the nomination. It was moved by Mr. Walker and by unanimous vote to nominate and elect Mr. Bogush as Vice Chair.

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

Minutes

1. Approved minutes of October 23, 2008 board meeting. **It was moved by Mr. Moors, seconded by Mr. Meier and by unanimous vote to approve the minutes of the October 23, 2008 board meeting as written.**
2. Approved minutes of Steering Committee meeting held November 7, 2008. **It was moved by Ms. Miller, seconded by Mr. Meier and by unanimous vote to approve the minutes of the November 7, 2008 Steering Committee 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]. Mr. Bogush

requested further discussion of item 5a. **It was moved by Ms. Miller, seconded by Mr. Gray and by unanimous vote to approve Consent Agenda items 3, 4, 6, and 7.**

3. Ratified pension benefits
4. Approved payment to Counsel R. Cohen for legal services rendered during October 2008 in the amounts of:
 - a. \$18,221.37 General Counsel
 - b. \$1,330.00 Maxey lawsuit
 - c. \$1,755.00 Parker lawsuit
 - d. \$3,890.00 Pena lawsuit
5. Noted receipt of investment performance report for the month ended 10/31/2008. Market value of *investments* as of 10/31/2008 was \$1,176,199,859.74. Investment return as of 10/31/2008 was -15.5% so far this fiscal year.

[item 5a was removed from the Consent Agenda for further discussion]

6. Noted receipt of letter dated 10/28/2008 from investment manager Jay Bowen of Bowen, Hanes & Co. regarding BH&Co. view of economy, market and portfolio.
7. Admitted Tampa Fire Rescue members to pension fund effective 11/17/2008 contingent upon: 1) furnishing a list of all medical providers and authorizations to obtain such medical records; and 2) passing a complete medical examination:
 - Arias, Alberto
 - Azzariti, Daniel R.
 - Brister, Timothy L.
 - Chang, Shaun A.
 - Collins, John S.
 - Harmon, Tanja R.
 - McDaniel, Summer
 - Mosley, Willie E.
 - Ranon III, Joseph A.
 - Smith, Tony B.
 - Vesely, Charles R.

[item 5a was removed from the Consent Agenda for further discussion, item taken out of order]

- 5a. Addendum to 10/31/08 Investment Report. Mr. Bogush noted that this addendum report no longer includes performance percentages, and he would like them to be included in the reports again. Mr. Lynch concurred. **It was moved by Ms. Miller, seconded by Mr. Moors and by unanimous vote to request Bowen, Hanes & Co. to include performance percentages in future addenda.**

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

8. Presentation of the financial statements for the month ended 9/30/2008 and fiscal year ended 9/30/2008 prepared by Mark Lenker of Nobles, Decker, Lenker & Cardoso. To be distributed and reviewed at meeting by Mr. Lenker. Mr. Lenker distributed the *annual* financial statements for the fiscal year ended 9/30/2008 and the *monthly* financial statements for the month ended 9/30/2008.

Mr. Lenker compared his report to the Bowen, Hanes report. He noted that the Bowen, Hanes report does not include non-investible assets (this building, for example), accrued dividends and interest, pending trades or receivables and payables. Mr. Lenker said that he included an accrual from the state of Florida that was received just after fiscal year end. He advised that there is a \$10 million difference between the reports because of these items. He advised that he reconciles the investment manager's report and custodian's report on a monthly basis. Mr. Lenker advised the board that this was a bad year. He went through his report, discussing items in detail and comparing them to last year's figures.

Mr. Lenker discussed two indices, the S&P 500 which Bowen, Hanes uses and the Dow Jones Industrial Average. He noted that both indexes are down 22%, as well as the overall market. Mr. Lenker compared and discussed net investment income, contributions, benefits paid, and administrative costs. He covered cash equivalents, equities, corporate bonds, government bonds, and partnerships.

Mr. Lenker said that looking at the five year average for total assets (2004 – 2008), the net was positive. Mr. Lenker answered questions from the board. The market value of assets as of 9/30/2008 were \$1,402,387,404. **It was moved by Ms. Miller, seconded by Ms. Fox and by unanimous vote to receive and file item 8.**

9. Board approval of the following DROP statement components as per board policy and procedure:
- DROP investment return calculation for fiscal year ended 9/30/2008. To be distributed and reviewed at meeting by Mr. Lenker. Mr. Lenker distributed the DROP investment return calculation for the fiscal year ended 9/30/2008, reviewing and explaining each component. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to approve the DROP investment return calculation of -14.07% for the fiscal year ended 9/30/2008 as prepared by Nobles, Decker, Lenker & Cardoso.**
 - DROP administrative fee calculation for fiscal year ended 9/30/2008. To be distributed and reviewed at meeting by Mr. Lenker. Mr. Lenker distributed the DROP administrative fee calculation for the fiscal year ended 9/30/2008, reviewing and explaining each component. The calculated figure was 0.0006 for fye 9/30/2008, the same as the previous fiscal year. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to approve the DROP administrative fee calculation for the fiscal year ended 9/30/2008 at 0.0006 as calculated by Nobles, Decker, Lenker & Cardoso.**

Old Business

10. Noted receipt of pre-retirement workshop flyer by Jeff Helms. Workshops to be held at The Corporate Training Center at Hillsborough Community College, 39 Columbia Drive, Tampa, FL 33606 on the following dates and times:

Monday, December 1, 2008	10:00 am – 1:00 pm
Monday, December 1, 2008	7:00 pm – 9:30 pm
Tuesday, December 2, 2008	10:00 am – 1:00 pm
Tuesday, December 2, 2008	2:00 pm – 5:00 pm

Mr. Lynch advised that Mr. Helms has incorporated discussion of “turbulent times” into his presentation. Ms. Miller asked if the workshop counts as Continuing Professional Education (CPE) for trustees, and Ms. Campbell advised that it does and the workshops would be noticed and posted in an abundance of caution in the event that more than one trustee is in attendance. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 10.**

New Business

11. Steering Committee report. Draft minutes #2 on agenda above.

Ms. Miller noted that the minutes are appropriate and a good summary. Ms. Miller advised that the Steering Committee attempted to identify the means to use if a member is facing a life expectancy of six months to a year. She said that the committee wanted to make sure that they are acting as appropriate fiduciaries. She added that this was something we want to be sensitive about. She said that the committee had decided to absorb administrative fees for calculations in these cases. Ms. Miller pointed out that this does not apply to people who have already entered DROP or retired, it would be prospective in these limited cases. She recommended that Ms. Campbell and Mr. Cohen be charged with development of all appropriate forms necessary to authorize a lump sum distribution for a terminally ill member. She added that the request from the member would have to go to the Medical Director.

Discussion followed about the administrative fee/costs. Ms. Fox said that because it is a lump sum distribution, she doesn't think charging a fee would be detrimental to the member from a financial standpoint. She said she thinks we should charge a fee. Ms. Campbell said that in other plans that she is familiar with, if a member asks for an actuarial calculation they bear the cost of the actuarial calculation. She said she made the recommendation that this board absorb the \$200 fee in these particular cases. Mr. Lynch said that he supports absorbing the cost. Mr. Moors added that he is concerned that we would be setting a precedent for absorbing administrative fees. Mr. Cohen added that in disability cases, the board absorbs the medical board costs. Ms. Campbell pointed out that in the three lump sum payments (estates, designated beneficiary) we have done to-date, the board has absorbed the administrative fee. Mr. Cohen said that he doesn't think making the decision to absorb the costs in these cases would set a precedent.

It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to have Ms. Campbell and Mr. Cohen develop forms and policy for board approval.

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

Ms. Miller undisclosed for the Division of Retirement conference in Orlando Dec. 1-3. Mr. Gray advised that he may attend the IIR conference in December in California. Mr. Bogush and Mr. Moors said they both disclosed for the Division of Retirement conference in Orlando and they both have their conference packages. **It was moved by Ms. Miller, seconded by Mr. Gray and by unanimous vote to receive and file item 12.**

13. Chair's call for any new business items from trustees to be placed on next agenda. None.

[Brief recess at 2:18 p.m. for Public Comment cards to be turned in Board reconvened at 2:24 p.m.]

14. Chair's report. None.

15. Attorney's report.

Mr. Cohen advised that there was a hearing on a motion for a protective order. He said the son of a deceased member took Ms. Campbell's deposition, then subpoenaed Ms. Helena Basford for a deposition. He advised that he filed a motion for a protective order and the motion was granted, and no further depositions are to be taken at this time.

Ms. Campbell advised that there is a deposition that may be taken of the Medical Director in a non-hire situation from approximately two years ago. That is supposed to take place between now and the end of the year.

16. Plan Administration.

a. 2008 Board meeting schedule:

December 18, 2008 *early due to holidays

b. 2009 dates

January 22, 2009

February 26, 2009

March 26, 2009

April 23, 2009

May 28, 2009

June 25, 2009

July 23, 2009

August 27, 2009

September 24, 2009

October 22, 2009

November 19, 2009 *early due to holidays

December 17, 2009 *early due to holidays

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

Ms. Campbell updated the board on the following items:

- Board packages are now on email and available on the F&P website
- November's pension payroll was due at the same time as board packages
- Health insurance open enrollment is completed
- External auditors from Ernst & Young are on-site here at the pension office, and they are progressing more rapidly than last year
- Litigation deadlines are being met
- On-going T&I Enterprise Content Management (ECM) presentations are being attended by pension staff and BPMN is in process
- DROP calculations and statements are now with Mr. Lenker
- COLA will be on the December agenda

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

Mr. David Keene addressed the board members regarding item 4 on the agenda. He said that for first 20 years the board had a city attorney assigned by the city at no cost to the fund. He advised that the Coniglio decision allowed the board to hire an attorney in 1979 if there was a conflict of interest, and that Mr. Loper was hired. He advised that what's happening now in the market is something we've never seen before. Mr. Keene recommended having a city attorney attend the board meetings because he believes the fund is going to have

trouble meeting its obligations. He said that a city attorney needs to be here unless there is a definite conflict of interest and that he thinks that the city attorney should start working with the actuary.

Litigation

17. 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 10/31/2008 from P. Gonyea transmitting Order Granting Plaintiff's Motion for Class Certification and Certifying Class.

Mr. Cohen advised that plaintiff's counsel is working on the notice. Mr. Lynch asked if we have an anticipated date and Mr. Cohen advised no. He added that the ball is in their court. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 17.**

18. 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. Noted receipt of:

a. Letter dated 10/21/2008 from P. Gonyea transmitting Plaintiff's Amended Fifth Motion for Sanctions.

b. Notice of Hearing on Defendant's Motion to Disqualify James B. Loper, Esq. As Counsel of Record. **It was moved by Ms. Miller, seconded by Mr. Walker and by unanimous vote to receive and file item 18.**

Motion to adjourn was made by Ms. Miller at 2:33 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.

Patrick S. Lynch, Chairman

John Moors, Secretary

Jennifer Molitor
Recording Secretary