

**PALM BAY POLICE AND FIREFIGHTERS' PENSION PLAN
BOARD OF TRUSTEES
Regular Meeting 11-01**

Held on the 12th day of January 2011 at Robert J. Conlan Professional Center, 1501 R. J. Conlan Blvd., NE, Suite 260, Palm Bay, Florida.

This meeting was properly noticed pursuant to law; the minutes are on file in the Office of the City Clerk, City Hall, Palm Bay, Florida.

Richard B. Adams, Chairperson, called the meeting to order at the hour of 9:03 a.m.

ROLL CALL:

PRESENT

Richard B. Adams, Chairperson, Board Appointee
Timothy W. Lancaster, Vice Chairman, Police Elected
Douglas R. Smith, Secretary, Fire Elected
John J. Mazziotti, Trustee, City Councilmember
Guillermo William Capote, Sr., Trustee, City Councilmember

EXCUSED

Also in attendance was Ms. Kathy Adams, Board Administrator. Firefighter David Ginsburg, President, Palm Bay Professional Firefighters, IAFF, Local 2446, and Ms. Joyce Dias, Human Resource Officer, City of Palm Bay was in attendance.

AGENDA REVISIONS:

Motion by Mr. Capote, seconded by Mr. Smith to add Consent Item No. *10. Review of Correspondence: a) Monthly Bank Statement-STI, 12/31/2010 and b) Monthly Statement-JPMorgan Strategic Property Fund, 12/31/2010; to additionally pull from Consent under Adoption of Minutes: *Regular Minutes 10-13; *Quarterly Minutes 10-15; and *Regular Minutes 10-16 as they were not available for approval; and to approve the Consent Agenda. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

CONSENT AGENDA:

See the above motion under Agenda Revisions.

ADOPTION OF MINUTES:

- *Regular Minutes 10-13**
- *Special Minutes 10-14**
- *Quarterly Minutes 10-15**
- *Regular Minutes 10-16**

The following minutes were pulled from Consent as they were not yet available for approval: *Regular

PBP&F Pension Fund
Regular Meeting 11-01
January 12, 2011

Minutes 10-13; *Quarterly Minutes 10-15; and *Regular Minutes 10-16. Special Minutes 10-14 was considered in one motion under Agenda Revisions and approved as presented.

OLD BUSINESS:

1. **Actuarial Services & Projects: Foster & Foster, Inc.**
 - a. **City of Palm Bay Proposed Ordinance 2010-81, Amendment Implementing Firefighter Pension Changes-Unfair Labor Hearing**-Ms. Adams said there is a hearing scheduled for January 24, 2010 and that she had been notified that Mr. Adams and Mr. Smith would be receiving subpoena from the Union's attorney to appear at the hearing. Mr. Mazziotti inquired as to why they would be called; he understood the Union and the City, but did not see why the pension board would be involved. Ms. Adams said she was not informed why.
 - b. **City of Palm Bay Annual Required Contributions & Additional Required Contribution for the Police Fund**-Ms. Adams discussed attempting to obtain confirmation from the City that the Police underfunding of \$33,151.00 was included in the recent wire received from the City as it was not specifically noted on the wire. She read Mr. Lewis' response. She had been advised by the State to inform Foster & Foster that interest would have to be calculated in the upcoming valuation by Foster & Foster if the amount was paid late or not paid at all. Since clarification could not be obtained from the City she was told to contact Foster & Foster to see if they could determine whether the City made their required contribution plus an amount equal to or above the underfunding. She did not know if there would be a charge for this analysis. Motion by Mr. Lancaster, seconded by Mr. Smith to approve the cost for the contribution analysis by Foster & Foster, if charged. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.
2. **Mr. Gregory R. Miller, Esq., The firms of Beggs & Lane, RLLP; Levin, Papantonio, Thomas, Mitchell, Echsner & Proctor, P.A.; and Ledbetter & Associates, P.A.-Merrill Lynch, Pierce, Fenner & Smith, Inc. and Michael Callaway-Consideration of Amended Attorney-Client Agreement**-The board reviewed the Amended Attorney-Client Agreement to add another legal firm to this action. Mr. Mazziotti asked what the fees and recovery were. Mr. Capote read them from the amended agreement. Mr. Mazziotti asked if they had changed from the original contract and was advised he could review the previous contract. Motion by Mr. Lancaster, seconded by Mr. Capote to approve the amended attorney-client agreement. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.
3. **Pomerantz, Haudek, Grossman & Gross LLP-Authorization for On-line Portfolio View**-Motion by Mr. Smith, seconded by Mr. Capote to approve the on-line portfolio view access for the monitoring company, Pomerantz, Haudek, Grossman & Gross LLP. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.
4. **Cypen & Cypen-Consideration of Increase in Monthly Retainer**-Mr. Mazziotti asked how Mr. Cypen's rates compared to those of other attorneys. Mr. Lancaster and Mr. Smith responded that Mr. Cypen's fees were considerably lower, especially for his level of expertise in the pension field. There was discussion about his involvement with disability hearings; meeting minutes; various member issues; reviewing all contracts; and timely response of requests, in addition to City and Union issues and investment considerations. Motion by Mr. Lancaster, seconded by Mr. Mazziotti to approve Mr. Cypen's

PBP&F Pension Fund
Regular Meeting 11-01
January 12, 2011

monthly retainer fee effective January 1, 2011. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

5. Arthur J. Gallagher Risk Management-Application for Renewal of Fiduciary, Commercial and Excess Liability Insurance-Authorization to Bind and Approval for Payment of \$17,208.94-Mr. Adams said the insurance renewal actually decreased over last year. Ms. Adams said she felt it was due to the installation of a security camera system in the building by the owners. Motion by Mr. Lancaster, seconded by Mr. Mazziotti to approve the authorization to bind and payment of \$17,208.94 to renew the fiduciary, commercial and excess liability insurance. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

6. Update on Ronald C. Giordano, Jr.-Disability Application-Mr. Adams said he met with Mr. Hammond, Attorney, Jackson Lewis LLP. The Motion of Dismiss was denied. The judge felt an evidentiary hearing would be helpful on the final merits. The Plan's feeling is that we still don't know if Mr. Giordano can travel to Florida for the independent medical examination or not. The hearing is scheduled for February 1, 2011. Mr. Hammond will see if it can be rescheduled since all the trustees except for Mr. Mazziotti will be away for training. If not he may need to take affidavits from the board.

7. Fiscal Year-end Audit for 9/30/10-Ms. Adams said the audit presentation will be held during the special board meeting on Friday, January 21, 2011.

8. Review of Approved Board Meeting Schedule for 2011-Ms. Adams said she was bringing this back to the board because Mr. Capote stated he may have a conflict due to his teaching schedule. He stated everything was OK and to leave the previously approved schedule as is.

NEW BUSINESS:

***1. Consideration of Warrants for Payment**

***a) Weather Engineers-\$172.50-Payment for Emergency Service Call for Air Conditioner Repair, System Coolant-**This item was considered in one motion under Agenda Revisions and approved as presented.

***2. New Plan Member Application, Member Beneficiary Changes, Pre-Retirement Death Benefit Option Selection and Retirement Beneficiary Forms-**A new member application/beneficiary form was accepted for Firefighter Carlos Pozo. Member beneficiary forms for retirement purposes were accepted and approved for Police Officer Joseph Eakins and for Firefighter Robbie R. Plante. This item was considered in one motion under Agenda Revisions and approved as presented.

3. Long Range Planning Items-Mr. Adams said he checked out the bank building at the corner of Port Malabar Boulevard & Babcock Street. He went into the attorney's office. The board looked at this building several years ago and it still has problems with leaks, etc. It has very heavy doors and a small conference room that would not be large enough for the pension board meetings. Mr. Adams said he met with Mr. Feldman, City Manager, Palm Bay about the City Hall Annex. Mr. Mazziotti said ground breaking occurred yesterday and it should be open for business in September. Mr. Adams said he was given a copy of the building plans and all the offices are to be occupied except for the bottom floor that is going to be an incubation hub for small businesses. Mr. Mazziotti acknowledged that was the intention of the bottom floor with a common-use conference room and receptionist. He said the plans could be changed. There was discussion about having a similar incubation set-up for the pension office several years ago in the Hilton Rialto Complex in Melbourne with a shared conference room. The board ran into excess fees for additional

scheduling of the conference room and issues with the shared telephone system. That is the primary reason for obtaining the independent space in the Conlan Professional Center. Mr. Adams said the current office space within Conlan could be looked at that could meet growth needs. Mr. Smith said he would want to know the leasing costs. There was further discussion about the current economy and not wanting to incur a rate increase. Mr. Adams said he would follow-up on this issue.

4. Board Business-Ms. Adams advised the board the Internal Revenue Service increased the business mileage rate from fifty cents per mile to fifty-one cents per mile effective January 1, 2011. Ms. Adams said business cards needed to be updated. Mr. Mazziotti said he had business cards with the City, and then commented to order 250. She said she thought orders were made per box of 500. Mr. Mazziotti said he would use his City-issued business cards. Motion by Mr. Smith, seconded by Mr. Capote to approve ordering one box of business cards for each trustee as discussed. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Motion by Mr. Lancaster, seconded by Mr. Capote to approve ordering one box of letterhead stationery. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Mr. Capote discussed the agenda item listing input from active and retired members. Ms. Adams said this item was included at the direction of the board attorney. It was unknown whether it had to do with one of his other clients as anyone attending board meetings were recognized at the time they wanted to speak. Mr. Capote said he did not want it to appear that comments from the public were being excluded. Ms. Adams said she would get with the board attorney for his recommendation. Mr. Adams said the domain name pbpf.com was coming due and that when the board established the pbpf acronym they purchase the .com and .org so no other group would have it. The pbpf.com was expiring this year and was due for renewal. Motion by Mr. Lancaster, seconded by Mr. Capote to renew the domain name pbpf.com for a five year term, if possible. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Ms. Adams discussed that the Florida Public Pension Trustees' Association (FPPTA) changed their recertification fee for new participants in their certification program. For Mr. Adams and Mr. Lancaster it would be a \$100 recertification fee every three years. For newly certified individuals it would now be an annual fee of \$30. The board would receive an invoice for Mr. Smith for \$60.00 and for Ms. Courcier \$30.00 in December 2011, then an annual invoice for \$30.00 for each beginning January 2012. Once any additional trustees or employees received their certification, it would be an annual billing. Mr. Adams provided an update on part-time employee Kristen Courcier and the need for a temporary office clerk. Although this item was not budgeted, Ms. Courcier budgeted salary could be used to offset this expense. Motion by Mr. Lancaster, seconded by Mr. Capote to retain the services of a temporary employee from the same temp agency used previously by the board for a three month period. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

5. Upcoming Events-Educational Opportunities-No one was interest in the JP Morgan Global Real Assets in 3-D conference. Motion by Mr. Smith, seconded by Mr. Capote to approve expenditures for Mr. Adams to attend the 23rd Annual Public Retirement Information Systems Management (PRISM) Conference to be held April 10-13, 2011 in Jacksonville, Florida. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Mr. Lancaster mentioned the National Conference on Public Retirement Systems (NCPERS) and the board's previous attendance at their annual conference when it was held within the State of Florida. Motion

by Mr. Lancaster, seconded by Mr. Capote to approve expenditures to send five trustees to the NCPERS Annual Conference in May. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea. Ms. Adams confirmed all trustees and Ms. Robertson would be attending the upcoming FPPTA school, except for Mr. Adams and Mr. Mazziotti. Mr. Adams will be attending the NCPERS Legislative Conference in Washington DC at that time. Mr. Smith commented that the certification program with the FPPTA was a two-year program and that Mr. Mazziotti had not yet began the program. He discussed clarifying the requirement for continued education and discussed tweaking the investment policy on this issue. Ms. Adams said the Division of Retirement School was coming up and that would be an important school to attend since it deals with Florida State Statutes 175 & 185.

6. Deanna Robertson, Pension Assistant-Six-Month Review-There was discussion about Ms. Robertson's performance and the need for her to double-check her work, especially when dealing with dollar amounts and numbers. It was also noted that Ms. Robertson had only four months of training prior to Ms. Courcier leaving for vacation in November. The board understood that Ms. Courcier and Ms. Robertson were part-time employees. There was discussion from various board members. They each completed an individual performance evaluation on Ms. Robertson. Motion by Mr. Mazziotti, seconded by Mr. Smith to approve Ms. Robertson for a three percent pay increase effective with her six-month anniversary date of January 6, 2011. Motion carried with members voting as follows: Mr. Lancaster, Yea; Mr. Smith, Yea; Mr. Mazziotti, Yea; Mr. Capote, Yea; and Mr. Adams, Yea.

***7. Termination from Employment; Begin Regular Monthly Retirement Distribution; Authorize DROP Distribution-Police Officer Richard M. Woronka**-This item was considered in one motion under Agenda Revisions and approved as presented.

***8. Termination Refund/Rollover/or Vested Termination, If Eligible-Police Officer James J. Mlagan**-This item was considered in one motion under Agenda Revisions and approved as presented.

***9. Termination Refund/Rollover/or Vested Termination, If Eligible-Police Officer Jeffrey A. Hunter**-This item was considered in one motion under Agenda Revisions and approved as presented.

***10. Review of Correspondence:**

a) Monthly Bank Statement-STI, 12/31/2010-The market value of the SunTrust Funds at 12/31/2010 was \$122,484,213.13. The market value of the International Funds, which are part of the SunTrust portfolio, is \$16,179,440.62. The Grand total of all the Funds at 12/31/2010 was \$130,829,866. This item was considered in one motion under Agenda Revisions and approved as presented.

b) Monthly Statement-JPMorgan Strategic Property Fund, 12/31/2010-The market value for the JPMorgan Strategic Property Fund at 12/31/2010 was \$8,345,653.83. This item was considered in one motion under Agenda Revisions and approved as presented.


INPUT FROM ACTIVE AND RETIRED PLAN MEMBERS:

There was no input from any active or retired plan members at this time.

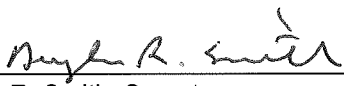
PBP&F Pension Fund
Regular Meeting 11-01
January 12, 2011

ADJOURNMENT:

There being no further business, the meeting adjourned at 10:39 a.m.


Richard B. Adams, Chairperson

ATTEST:


Douglas R. Smith, Secretary