

**CITY OF FT. PIERCE POLICE PENSION PLAN  
MINUTES OF MEETING HELD  
November 20, 2002**

Sgt. Tony Hurtado called a meeting of the Board of Trustees to order on November 20, 2002 at 2:16 PM.

**TRUSTEES PRESENT**      Sergeant Antonio Hurtado  
   Bruce Perry  
   Gloria Johnson

**OTHERS PRESENT**      Jonathan Ferguson with  
   Ruden, McClosky, Smith, Schuster & Russell, P.A.  
   Scott Baur, Pension Resource Center  
   Janie Singer, Accounting Clerk  
   Rob Little, Burgess Chamber & Associates

**MINUTES**

A motion was made, seconded, and unanimously approved to accept the Minutes for the meeting of August 15, 2002.

**FINANCIAL REPORT**

Gloria Johnson reviewed a financial statement for the Pension Fund, noting a balance of \$433,997.82 in the Pension Plan checking account with Harbor Federal on October 31, 2002. She also noted several pending lump sum retirement distributions, so the Plan intended to maintain the cash balance until such obligations had been satisfied. A motion was made, seconded, and unanimously approved to accept the financial report as presented.

**BENEFIT APPLICATIONS**

Janie Singer presented one benefit application for approval, a distribution for Mr. Serig. A motion was made, seconded, and unanimously passed to approve the application for benefits for Mr. Serig.

**INVESTMENT MONITOR REPORT**

Rob Little reported on the investment performance on behalf of Burgess Chambers & Associates. The investment managers for the plan strongly outperformed their benchmarks and other managers for the quarter, for both equities and fixed income investments. The under weighting of assets in technology related companies helped the equities to outperform, while the high credit quality of bonds held by the Plan boosted the fixed income securities.

As of the end of the quarter, the Plan had 40.7% of investment assets in equities and 53.7% in fixed income, so the investment policy for the plan mandated an automatic rebalancing of assets. The discussion to hire additional investment managers may satisfy the need to rebalance. The Plan held \$5,594,606 of investment assets as of September 30, 2002. The portfolio complied with all aspects of the investment policy, except that the plan has not met the assumed actuarial rate of return for the past three years due to the extended downturn in the market.

Rob Little then reviewed potential international equity managers for the Plan. The Trustees decided to invite all 4 managers reviewed to the next meeting to make a presentation to the Board, although Rob expressed some doubt that the managers would accept the invitation since the Plan has only \$500,000 to invest with an international manager. The Board noted that the next regular meeting had previously been scheduled for Wednesday, February 19, 2003 at 2 PM.

Jonathan Ferguson noted that an investment in a Real Estate Investment Trust (REIT) as recommended by the investment consultant would require a change to the ordinance. The limitation of 50-60% of plan assets in equities also required an ordinance change for removal. Mr. Ferguson expressed some doubt that he process to change the ordinance would be completed prior to the February meeting, if approved by the Board.

Mr. Ferguson then reviewed the changes and updates to the investment policy recommended by both Burgess Chambers and Noreen Dryer. A motion was made, seconded, and unanimously approved to adopt the revised investment guideline as recommended. A motion was made, seconded, and unanimously approved to recommend to the Commission changes in the ordinance to allow investments in real estate and change the limits on investments in equities.

### **OTHER BUSINESS**

The Board discussed the request for a credit card to make arrangements for attendance at conferences. Sgt. Hurtado recommended reviewing the proposed policy with the Finance Department for Ft. Pierce before the Board proceeded to obtain a credit card. Gloria Johnson noted that the Board may be able to obtain a purchasing card as opposed to a credit card within the current guidelines maintained by the Finance Department. She will report back to the Board on the matter at the next regular meeting.

Helen Donahue sent a memo regarding commission recapture to Tony Hurtado on behalf of Montag & Caldwell. Burgess Chambers had recommended that the Plan establish a commission recapture program through Lynch, Jones, & Ryan. As part of the modifications to the contract with Montag & Caldwell negotiated by Burgess Chambers on behalf of the Board, Montag had direction to execute all trades at no more than \$0.02 per share. Any trades occurring at more than \$0.02 per share required a credit back to the Plan through a commission recapture program. Some discussion followed as to whether Montag & Caldwell would provide best execution through a commission recapture program, since Montag & Caldwell acknowledged sequencing trades on an unrelated

matter with another pension plan. Scott Baur will discuss the matter further with Burgess Chambers prior to the next meeting.

The Board noted that Sgt. Hurtado was reelected to serve another term as Trustees. A motion was made, seconded, and unanimously approved to reappoint Ken Bloomfield as the fifth Trustee to the Board. The administrator briefly discussed the process to distribute any materials for the quarterly meeting. The Board noted that any such materials should go to Janie Singer for distribution to the Trustees.

The board tabled discussion regarding changes to the benefits until the next meeting. Specifically, the plan contemplated reducing the participant contributions. Another participant also posed a question regarding an ex-spouse entitled to a portion of his benefit as part of a divorce settlement, and the ex-spouse subsequently passed away. Sgt. Hurtado will have the participant contact Noreen Dryer directly with the questions.

There being no further business and the next meeting having been previously scheduled for February 19 at 2 PM, the meeting was adjourned at 4:10 PM.

Respectfully submitted,

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Secretary

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fund and its members. The recording itself is the official record for the meeting. The meeting tape is available upon request.