

CITY OF FT. PIERCE POLICE PENSION PLAN
MINUTES OF MEETING HELD
May 21, 2003

Sgt. Tony Hurtado called a meeting of the Board of Trustees to order on **May 21, 2003** at 2:11 PM.

TRUSTEES PRESENT

Sergeant Antonio Hurtado
Brain Humm
Bruce Perry
Gloria Johnson

OTHERS PRESENT

Patrick Pinkney, Ruden, McClosky, Smith, Schuster & Russell, P.A.
Scott Baur and Nick Schiess, Pension Resource Center
Rob Little, Burgess Chambers & Associates
Janey Singer, City of Ft Pierce

MINUTES

A motion was made, seconded, and unanimously approved to accept the Minutes for the meeting of February 19, 2003 as amended.

FINANCIAL REPORT

Janey Singer reviewed a financial statement for the Pension Fund, noting a balance of \$456,668.68 in the Pension Plan checking account with Harbor Federal as of May 23, 2003 with a pending \$260,000 transfer to Suntrust. A motion was made, seconded, and unanimously approved to accept the Treasury Report.

INVESTMENT MONITOR REPORT

Rob Little reported on the investment performance on behalf of Burgess Chambers & Associates. First quarter investment earnings were positive at 0.6 % compared to the benchmark return of -1.2% and the total market value of the Fund as of April 30, 2003 was \$5,761,402. Earnings were boosted by a bond return of 1.4% while equity performance was -0.2%. Mr. Little reviewed the compliance checklist noting all items were in compliance with the Fund's investment objectives with the exception of meeting a three-year rolling return of 7.5% which no other fund has met either.

Although investment returns overall have been poor, the Fund has outperformed the benchmark for the last three consecutive years. Mr. Little reported equity performance has outperformed the S&P 500 crediting the investment manager Montag & Caldwell with great stock selection and fund management. The fixed income portfolio did slightly under-perform the benchmark, Mr. Little added.

Since the first quarterly report was published, investment earnings have been very positive and the Fund's total market value as of this meeting date was up to \$5,990,641.

For the long term, Mr. Little expects lower bond yields and recommends a little more weight in equities. Expected gains in the equity portfolio and lower bond yields will likely have a rebalancing effect anyway and Mr. Little recommended waiting to rebalance the asset allocation. Mr. Little also noted that a weakening dollar should help performance in international equities.

OTHER BUSINESS

As a matter of information, Mr. Scott Baur informed the Board of the FTTPA Conference in June and disbursed the registration forms and other related materials pertaining to the conference.

Also disbursed were Financial Disclosure forms which are required by the State and Mr. Baur noted that the forms must be filed by July 1, 2003.

NEW BUSINESS

Mr. Brian Humm introduced a letter submitted by a participant requesting that the Fund allow the purchase of service credits with a buy-back of prior military service like that available with the Ft. Pierce General Employees' Pension Fund. Ms. Gloria Johnson, also a member of that Board, reported that the General Employees' Fund does allow the Buy-Back of up to three years. Subsequent discussion arose to the cost to the plan and the calculation and collection of contributions.

A motion was made, seconded, and unanimously approved to refer this matter to the Actuary for a cost study.

As a matter of conscience, Mr. Humm questioned how upgrades to hotels at eligible pension conferences should be handled. Ms. Johnson reported that the City typically reimburses the standard rate and any upgrades are borne by the individual. A question arose to the number of eligible conferences per year and the answer was three per year.

OLD BUSINESS

Addressed was the issue of additional benefits and Supplemental health benefit to help defray the cost of medical insurance until the retiree is of age to qualify for Medicare. The Board directed Janey Singer to contact the actuary to determine the number of participants that would be eligible for this benefit. Additional discussion was given to the subject regarding this benefit for those participants choosing lump-sum pension distributions. The Board directed the Attorney to research this matter and report to Janey Singer.

There being no further business and the next meeting having been previously scheduled for February 19 at 2 PM, the meeting was adjourned at 4:50 PM.

Respectfully submitted,

Secretary