

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND  
MINUTES OF MEETING HELD  
AUGUST 22, 2008**

A quarterly meeting of the Board of Trustees was called to order on August 22, 2008 at 1:00 P.M. in the Engineering Department Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

**TRUSTEES PRESENT**      Kenneth Bloomfield  
                                 Brian Humm  
                                 Tara McFarlane  
                                 John Schramm  
                                 Gloria Johnson

**OTHERS PRESENT**      Sidney Taylor, Burgess Chambers & Associates  
                                 Nick Schiess, Pension Resource Center  
                                 Bonni Jensen, Hanson, Perry, & Jensen P.A.  
                                 Steve Palmquist, Gabriel, Roeder, Smith, & Co.  
                                 Christine Luna, City of Ft. Pierce

**PUBLIC COMMENTS**

There were no public comments.

**MINUTES**

Kenneth Bloomfield made a motion to approve the minutes for the meeting held May 23, 2008. Tara McFarlane seconded the motion, approved by the Trustees 5-0.

**FINANCIAL REPORT**

Christine Luna presented the financial report. The market value of the Plan's assets as of June 30, 2008 was the amount of \$8,424,324.77. The income for the period of March 31, 2008 through June 30, 2008 was the amount of -\$41,465.99 and expenses including benefit payments were the amount of \$65,377.11.

**INVESTMENT CONSULTANT REPORT**

Sidney Taylor appeared before the Board on behalf of Burgess Chambers & Associates to provide a report on the investment performance of the portfolio for the quarter ending June 30, 2008. The investment earnings for the quarter were the amount of -\$31,718 representing a -0.4% investment return versus -0.1% for the index. The return for the fiscal year-to-date was -6.2%. Mr. Taylor discussed economic and market factors and attributed the recent market volatility to an irrational market and a credit market crisis caused by recent defaults of sub-prime mortgages. He then reviewed the performance of the individual investment products and asset allocation and advised that no changes were recommended at this date. Mr. Taylor reviewed the compliance checklist noting that all items are in compliance, however, the performance objectives of a 7.5% return averaged over the prior five years have not been met. Mr. Taylor was questioned regarding the

3.4% actual allocation of the REIT asset class allocation as it was lower than the 8.0% target allocation and he recommended maintaining the current allocation until settling of the market volatility occurs. Mr. Taylor was then questioned regarding expectations of the market and he anticipated continued volatility until at least after the upcoming presidential election and negative market sentiment subsides.

### **ATTORNEY REPORT**

Bonni Jensen provided and discussed the recently adopted federal legislation Heroes Earnings Assistance and Relief Tax Act of 2008 that established new mandatory and permissive benefit improvements to the Plan. She discussed the mandatory required provisions including survivorship benefits for members called to active duty that are equivalent to the death benefits already provided under the Plan for service related deaths. She advised that provisions within the Plan already existed for service credit for active military duty pursuant to State Statutes. Ms. Jensen advised that supplementary compensation issued to members while in active military duty must be considered pensionable income and Gloria Johnson confirmed that this was already in effect. She advised that must the benefits must be implemented no later than the year 2011 and would be retroactive back to January 1, 2007. Ms. Jensen then discussed the permissive provisions including extending the disability provisions to members disabled while in active military service and also the salary averaging period to be the best three of the last ten years. She recommended the adoption of the minimum required provisions. Ken Bloomfield made a motion to adopt the mandatory requirements specified within the new legislation and the permissive benefit of extending the disability provisions to members disabled while in active military service. Tara McFarlane seconded the motion, approved by the Trustees 5-0. Steve Palmquist discussed the amendment of the salary averaging period to the best three of the last ten years and advised that this amendment would be of no financial impact to the Plan. Gloria Johnson made a motion to amend the Ordinance to establish a salary averaging period of the best three of the last ten years. Ken Bloomfield seconded the motion, approved by the Trustees 5-0. Ms. Jensen advised that clarification regarding some provisions within the Act was pending and additional information would be presented to the Trustees as it became available.

Ms. Jensen discussed the State Division of Retirement's proposed changes to Chapter 60T of the Florida Administrative Code in great detail and the substantial impact upon the funding and administration of the Plan, if adopted. The Trustees discussed attending the next scheduled workshop by the State.

Ms. Jensen discussed the filing for a Tax Determination Letter from the Internal Revenue Service noting that the City had intended to file contingent upon the Board joining for a joint filing for the Letter. John Schramm made a motion to join the City in the filing for a Tax Determination Letter. Ken Bloomfield seconded the motion, approved by the Trustees 5-0.

### **OTHER BUSINESS**

The Board noted that Ordinance L-34 was adopted on August 18, 2008 establishing State mandated minimum benefits. Steve Palmquist reviewed the history of the funding of the Plan noting that annual funding shortages of approximately 2.5% of payroll have been

covered with credit from the Plan's reserve account and unless additional contributions were received the reserve account would be depleted within the next few years. A lengthy discussion arose regarding alternatives to bridge the gap between revenues and costs. Gloria Johnson made a motion to authorize Mr. Palmquist to prepare examples of alternative plan designs. Ken Bloomfield seconded the motion, approved by the Trustees 5-0. It was noted that these options would be provided to the Union and membership polled on the options.

The Board considered the issuance of death benefits to the beneficiary of deceased member Eric Pierre Jerome. Bonnie Jensen advised that the City's Retirement and Benefit Plan had issued death benefits, however, the provisions of the Police Pension Plan were different and since Mr. Jerome was not vested the only benefits that can be issued to his beneficiary is a return of his contributions to the Plan. Gloria Johnson made a motion to issue the amount of \$13,216.52 that Mr. Jerome contributed to the Plan to his beneficiary. Ken Bloomfield seconded the motion, approved by the Trustees 5-0.

There being no further business and the next meeting scheduled for December 5, 2008, the meeting adjourned at 3:10 P.M.

Respectfully submitted,

---

Secretary