

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
DECEMBER 12, 2008**

A quarterly meeting of the Board of Trustees was called to order on December 12, 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

Burgess Chambers & Frank Wan, 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 August 22, 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 September 30, 2008 was the amount of \$8,391,910.73. The income for the period of July 1, 2008 through September 30, 2008 was the amount of \$41,711.68 inclusive of the annual State distribution of premium tax revenues in the amount of \$345,471.58, which was offset by a decline in the market value of the investment portfolio. Expenses, including benefit payments, were the amount of \$74,134.77.

INVESTMENT CONSULTANT REPORT

Burgess Chambers and Frank Wan 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 September 30, 2008. The investment earnings for the quarter were the amount of -\$430,777 representing a -5.2% investment return. The best performing asset categories were the Vanguard REIT with 5.4% return and the CS McKee fixed income with a 0.2% return. The return for the fiscal year was -11.1%, which exceeded the performance of most other pension plans.

Mr. Wan discussed the recent market volatility. He then discussed economic and market factors and expressed his belief that much of the negative market sentiment had already been priced into the market. Mr. Wan reviewed the asset allocation of the portfolio and recommended that no changes occur until after the market settles. Gloria Johnson reported that the amount of \$491K was held within the Plan's money market vehicle and questioned whether it should be invested. Mr. Chambers recommended that the funds remain in the money market vehicle, given the recent market volatility. A lengthy discussion ensued regarding the cash flow requirements, available funds for investment, and also proper procedure for the reallocation of the portfolio. Gloria Johnson made a motion to grant Burgess Chambers the authority to provide direction on rebalancing the portfolio as needed within the target asset allocations specified within the Investment Policy Statement. Ken Bloomfield seconded the motion, approved by the Trustees 5-0.

ATTORNEY REPORT

Bonni Jensen provided and discussed a draft proposed Ordinance amendment, including revisions of provisions for disability benefits and salary averaging period, and then additions that established benefit improvements required by the recently adopted federal legislation Heroes Earnings Assistance and Relief Tax Act of 2008. A discussion arose regarding whether earnings for special duty details were pensionable wages and the Trustees specifically did not want to exclude these earnings if the participants were performing official police business. A correction was noted to the Amendment and Ms. Jensen agreed to revise the Amendment for the next meeting.

Ms. Jensen discussed the annual reporting requirements to the State on the Plan's assets deposited with Qualified Public Depositories. Gloria Johnson agreed to complete and submit the required filing.

ADMINISTRATIVE REPORT

Nick Schiess announced that the Pension Resource Center entered into a strategic partnership with the Michigan Employee Retirement System that resulted in the new entity Tegrit Plan Administrators. Mr. Schiess agreed to provide Ms. Jensen with additional information and a new Agreement at the next meeting, if necessary.

OTHER BUSINESS

Steve Palmquist appeared before the Board on behalf of Gabriel, Roeder, Smith & Company to present optional plan designs. He 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. The alternative Plan designs outlined in his correspondence dated November 25, 2008 included decreasing the multiplier for future years of service from 1.0% down to 0.6%, establishing a fixed rate benefit of approximately \$81.00 per year of service prospectively and lastly, the implementation of a share plan. A lengthy discussion ensued regarding the optional plan designs present by Mr. Palmquist plus an additional option of increasing employee contributions from 3.0% to 6.0%. Bonni Jensen advised that the majority of the

members must approve by a vote of the selected option. Brian Humm agreed to poll the membership on the options.

There being no further business and the next meetings scheduled for March 19, 2009, June 18, 2009, September 17, 2009 and December 17, 2009, the meeting adjourned at 3:10 P.M.

Respectfully submitted,

Secretary