

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
DECEMBER 17, 2009**

A quarterly meeting of the Board of Trustees was called to order on December 17, 2009 at 10:00 A.M. in the Engineering Department Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

TRUSTEES PRESENT Brian Humm
Tara McFarlane
John Schramm
Ken Bloomfield
Gloria Johnson

OTHERS PRESENT Bonnie Jensen, Law Office of Perry & Jensen
Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Christine Luna, City of Ft. Pierce

PUBLIC COMMENTS

There were no public comments.

MINUTES

John Schramm made a motion to approve the minutes for the meeting held September 17, 2009. Gloria Johnson 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, 2009 was the amount of \$8,717,150.59. The income for the fiscal year was \$764,727.84 and expenses, including benefit payments, were the amount of \$429,902.00.

INVESTMENT CONSULTANT REPORT

Burgess Chambers appeared before the Board on behalf of Burgess Chambers and Associates to provide a report on the investment performance of the portfolio for the quarter ending September 30, 2009. He reported that for the quarter, the investment return for the total portfolio was 10.7% versus 13.3% for the index with the underperformance attributable to an underweight in the equity allocation. However, the conservative strategy of the portfolio resulted in favorable performance of 2.6% versus 0.5% for the index for the fiscal year, which was well above average for public pension plans.

Mr. Chambers reviewed the performance of the individual investment products in great detail noting all was satisfactory. He then reviewed the asset allocation and recommended a gradual reallocation from fixed income to international, mid cap and large cap equities

in the near future. Mr. Chambers was questioned regarding the market and whether the timing was appropriate for increasing the equity allocation. He discussed economic and market conditions and anticipated continued growth of equities over bonds. Mr. Chambers concluded his report with a review of the compliance checklist, noting all was satisfactory except the performance of the CS McKee equity portfolio did not meet the performance objectives. He reviewed the long-term performance of the manager noting that their overall performance was satisfactory especially given the recent market volatility. Mr. Chambers recommended the retention of the manager and the Board agreed.

ATTORNEY REPORT

Bonni Jensen announced that the proposed Ordinance Amendment revising the provisions of the Plan in response to recent changes in State legislation had been scheduled for review by the Board of Trustees of the Retirement and Benefit Plan, which was the procedure before presentation to City Council.

Ms. Jensen discussed the administrative hearings scheduled for Xavier Evans and Kevin Fitzgerald.

Ms. Jensen reported that she was collaborating with Burgess Chambers on the correspondence to the international equity fund manager in response to the divestiture of scrutinized companies as required by recent State legislation.

ADMINISTRATIVE REPORT

There were no administrative matters to report.

OTHER BUSINESS

The Board discussed the funding deficiency of the Plan and a discussion ensued regarding the alternatives of increasing employee contributions to 6.0%, or reducing the multiplier to 0.6% for future years of service. Brian Humm recommended that a written invitation should be provided to the Union to discuss the matter with the Trustees and also a notification should be provided to the membership informing them of the funding deficiency and possible corrective measures in full detail. Mr. Humm requested permission to personally send both notifications after review by the Attorney, and the Board agreed.

The Trustees discussed the possible implementation of a Deferred Retirement Option Plan. A question arose whether a DROP would have a favorable impact on the costs of the Plan because members entering the DROP potentially might do so at a lower final average salary than those officers who did not enter the DROP. Gloria Johnson made a motion to authorize an actuarial cost study on the impact of implementing a DROP. Ken Bloomfield seconded the motion, approved by the Trustees 5-0.

The meetings for the 2010 calendar year were scheduled for March 18, June 4, September 16 and December 16, 2010 at 11:00 AM.

There being no further business, the meeting adjourned at 1:15 P.M.

Respectfully submitted,

Secretary