

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
MARCH 18, 2010**

A quarterly meeting of the Board of Trustees was called to order on March 18, 2010 at 11:00 A.M. in the Second Floor Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

TRUSTEES PRESENT

Brian Humm
John Schramm
Daniel Flaherty
Gloria Johnson

OTHERS PRESENT

Bonnie Jensen, Law Office of Perry & Jensen
Burgess Chambers, Burgess Chambers & Associates
Nick Schiess, Pension Resource Center
Lloyd Stamy, CS McKee Investment Managers
Christine Luna, City of Ft. Pierce

PUBLIC COMMENTS

There were no public comments.

APPOINTMENT OF FIFTH TRUSTEE

It was noted that the term of office for the position of Fifth Trustee had expired. Daniel Flaherty appeared before the Board to express his interest in the position and presented notification of his support by the Union. A discussion ensued and a few Trustees expressed their preference that an active member be appointed as Fifth Trustee. John Schramm made a motion to appoint Daniel Flaherty as Fifth Trustee. Gloria Johnson seconded the motion, approved by the Trustees 3-0. The Trustees recognized the exemplary performance and dedication of Ken Bloomfield and John Schramm made a motion to authorize the expense of an honorary plaque for Mr. Bloomfield. Gloria Johnson seconded the motion, approved by the Trustees 4-0.

TRUSTEE ELECTIONS

Nick Schiess reported that the term of office for the position of Trustee currently held by Brian Humm expired on December 31, 2009. He reported that an election had been conducted and since only Mr. Humm had been nominated he was therefore re-elected by default for another term of office which expires on December 31, 2011. Mr. Schiess presented the nomination forms for inspection. John Schramm made a motion to certify the election results. Gloria Johnson seconded the motion, approved by the Trustees 4-0.

APPOINTMENT OF BOARD OFFICERS

John Schramm made a motion to appoint Brian Humm as Chairperson. Gloria Johnson seconded the motion, approved by the Trustees 4-0. John Schramm made a motion to appoint Daniel Flaherty as Secretary. Gloria Johnson seconded the motion, approved by the Trustees 4-0.

MINUTES

John Schramm made a motion to approve the minutes for the meetings held December 17, 2009 and January 18, 2010. Gloria Johnson seconded the motion, approved by the Trustees 4-0.

INVESTMENT MANAGER REPORT: CS MCKEE

Lloyd Stamy appeared before the Board on behalf of CS Mckee Investment Managers to provide a report on the large cap, small cap and fixed income portfolios as of December 31, 2009. He reported that the calendar year performance for the large cap portfolio was 33.73% versus 26.96% for the index. Mr. Stamy reported that the calendar year performance for the small cap portfolio was 26.12% versus 27.17% for the index. He reported that the calendar year performance for the fixed income portfolio was 7.05% versus 6.26% for the index. Mr. Stamy reviewed in great detail the investment strategy and process, portfolio construction, holdings, sector allocations, risk and reward measurements and long-term performance for each of the three investment portfolios.

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 December 31, 2009. He reported that for the quarter, the investment return for the total portfolio was 2.7% versus 3.5% for the index and for the calendar year was 18.5% versus 21.6% with the underperformance attributable to an underweight in the equity allocation. However, the conservative strategy of the portfolio had resulted in favorable performance of the portfolio over the long-term.

Mr. Chambers reviewed the performance of the individual investment products in great detail, noting all was satisfactory. He then reviewed the asset allocation, noting a slight underweight in international equities. Mr. Chambers discussed the market and environmental factors pertaining to international equities and recommended a slow rebalancing back to the target allocation.

Mr. Chambers provided a copy of notification dated February 11, 2010 of the State's new requirements for the divestiture of scrutinized companies to the manager of the international mutual fund product, The Vanguard Group.

Mr. Chambers concluded his report with a review of the compliance checklist, noting all was satisfactory except some of the performance had not been met. It was noted that due to the recent market volatility, some of the shorter term objectives were unattainable.

APPEAL OF KEVIN FITZGERALD

The Board reviewed an Order issued by the Administrative Law Judge as a result of the appeal hearing conducted for Kevin Fitzgerald on the date of January 18, 2010. It was noted that the Judge had issued an Order recommending the denial of Mr. Fitzgerald's appeal on the basis that the records did not support that he had met the ten-year service requirement for a vested deferred benefit. Brian Humm stated for the record that Mr. Fitzgerald's situation was exacerbated by poor advice received many years ago from a Union representative and that he had not witnessed similar treatment of any other officer by the City. A discussion arose regarding the accuracy of the refund of Mr. Fitzgerald's refund of pension contributions and Christine Luna agreed to research the matter. It was noted that the Order had been provided to Mr. Fitzgerald and no objection to the Order had been received from Mr. Fitzgerald. Gloria Johnson made a motion to accept the recommender Order issued by the Administrative Law Judge thereby denying Mr. Fitzgerald's appeal to reverse the Board's prior determination that he was not eligible for benefits. John Schramm seconded the motion, approved by the Trustees 4-0.

APPEAL OF XAVIER EVANS

The Board reviewed an Order issued by the Administrative Law Judge as a result of the appeal hearing conducted for Xavier Evans on the date of January 18, 2010. It was noted that the Judge had issued an Order recommending the denial of Mr. Evan's appeal for reversal of the Board's prior determination of the forfeiture of his benefits under State Statutes. It was noted that the Order had been provided to Mr. Evans and no objection to the Order had been received from Mr. Evans. Gloria Johnson made a motion to accept the recommended Order issued by the Administrative Law Judge thereby denying Mr. Evan's appeal to reverse the Board's prior determination of the forfeiture of his benefits under State Statutes. John Schramm seconded the motion, approved by the Trustees 4-0.

FINANCIAL REPORT

Christine Luna presented the financial report. The market value of the Plan's assets as of December 31, 2009 was the amount of \$8,639,953.79. The income for the quarter was \$300,022.80 and expenses, including benefit payments, were the amount of \$371,261.04.

ATTORNEY REPORT

Bonni Jensen announced that the a favorable Tax Determination Letter had been awarded by the Internal Revenue Service, however, a few minor revisions were required to the Ordinance which have already been submitted to the attorney for the City.

As a legislative update, Ms. Jensen reviewed numerous proposed changes to the State Statutes.

ADMINISTRATIVE REPORT

Nick Schiess agreed to provide the necessary Statements of Financial Interests to the new and exiting Trustees and also a list of educational conferences to all Trustees.

OTHER BUSINESS

The Board discussed the funding deficiency of the Plan and the recent poll conducted of the active members on possible remedies of the situation. Brian Humm reported that the clear majority of active members were not interested in any measure that would reduce benefits so therefore the option of increasing employee contributions was the only possible remaining measure. He reported that both Unions also supported this measure. It was noted that with recently awarded favorable Tax Determination Letter would permit the deduction of employee contributions before tax, which would offset some of the effect of increasing the rate of employee contributions. Gloria Johnson made a motion to increase the employee contribution rate by 1% with all contributions to be deducted on a pre-tax basis. John Schramm seconded the motion, approved by the Trustees 4-0. It was noted that the funding situation must be frequently revisited to ensure that the increased contributions were sufficient to properly fund the Plan.

It was noted that the actuarial cost study on the effects of adding a Deferred Retirement Option Plan would be presented at the next meeting.

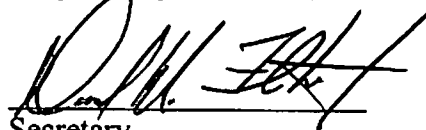
BENEFIT APPROVALS

Gloria Johnson made a motion to approve the lump sum benefits of Robert Sandifer pending calculation by the Actuary. John Schramm seconded the motion, approved by the Trustees 4-0.

The next meetings were scheduled for June 4, September 16 and December 16, 2010 at 11:00 AM.

There being no further business, the meeting adjourned at 12:24 P.M.

Respectfully submitted,


Secretary