

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND
MINUTES OF MEETING HELD
DECEMBER 16, 2010**

A quarterly meeting of the Board of Trustees was called to order on December 16, 2010 at 11:05 A.M. in the First Floor Engineering Department Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

TRUSTEES PRESENT

Brian Humm
John Schramm
Daniel Flaherty
Gloria Johnson
Tara McFarlane

OTHERS PRESENT

Bonni 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.

FINANCIAL REPORT

Christine Luna presented the financial report. The market value of the Plan's assets as of September 30, 2010 was the amount of \$8,936,085. The income for the quarter was \$764,792 and expenses, including benefit payments, were the amount of \$56,624.

MINUTES

John Schramm made a motion to approve the minutes for the meeting held September 16, 2010. Gloria Johnson seconded the motion, approved by the Trustees 5-0.

BENEFIT APPROVALS

There were no benefit approvals for consideration.

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 investment portfolio for the quarter ending September 30, 2010. Mr. Chambers reported that for the quarter, the investment return for the total portfolio was 8.2% versus 9.5% for the index, and for the fiscal year was 8.5% versus 11.3% for the index 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 reported that the new convertible bond product had been funded. He reviewed the asset allocation and the available cash balance. It was noted that there were not any pending lump sum distributions and Mr. Chambers recommended the transfer of \$200K from cash to the new convertible bond product and \$150K to the Vanguard mid cap fund. Daniel Flaherty made a motion to rebalance the portfolio pursuant to the recommendation of the Investment Consultant. Gloria Johnson seconded the motion, approved by the Trustees 5-0.

Mr. Chambers agreed to provide a revised Investment Policy Statement at the next meeting.

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

ATTORNEY REPORT

Bonni Jensen discussed the status of the proposed Ordinance Amendment to implement a DROP along with an increase in employee contributions. She reported that while the matter was subject to collective bargaining, the City and one Union had expressed no interest in bargaining or objection to the Amendment. However, she reported that the IUPA bargaining unit had expressed an objection to the Amendment. Ms. Jensen reported that she had discussed the necessity of increasing employee contributions with the attorney for the IUPA bargaining unit and hoped for quick resolution of the matter. Daniel Flaherty agreed to discuss the matter with the IUPA members.

Ms. Jensen reported the successful negotiation of an agreement with the ICMA Retirement Corporation to provide a self-directed DROP, however, the best available administration fee was seventy basis points. A discussion arose regarding the administration fee, which was considered high. It was noted that the potential group of DROP participants was very small, which made it difficult to find favorable pricing on the fees. A discussion arose regarding requesting proposals from alternate providers, selection of a money market fund alternative or potentially commingling the DROP assets with the Plan and offering the same investment return attained on the Plan's investment portfolio. Nick Schiess agreed to research and provide cost information on the DROP record keeping services offered by the Pension Resource Center.

Ms. Jensen discussed the necessity of adopting a formal records request policy. She provided and reviewed a copy of the City's public records request policy noting that the Board could simply adopt the same provisions. John Schramm made a motion to adopt a public records request policy that mirrors the City's public records request policy. Daniel Flaherty seconded the motion, approved by the Trustees 5-0.

ADMINISTRATIVE REPORT

Nick Schiess reported that the term of office for Trustee John Schramm would expire December 31, 2010 and an election would be conducted.

OTHER BUSINESS

There was no other business.

The meetings for next year were scheduled for March 17, June 16, September 15 and December 15, 2011, all at 11:00 AM.

There being no further business, the meeting adjourned at 12:47 P.M.

Respectfully submitted,

Secretary