

**CITY OF FT. PIERCE POLICE OFFICERS' RETIREMENT TRUST FUND  
MINUTES OF MEETING HELD  
DECEMBER 15, 2011**

A quarterly meeting of the Board of Trustees was called to order on December 15, 2011 at 11:10 A.M. in the 1st Floor Engineering Conference Room located at the Fort Pierce City Hall, Fort Pierce, Florida.

**TRUSTEES PRESENT**

Brian Humm  
Daniel Flaherty  
John Schramm  
Gloria Johnson

**OTHERS PRESENT**

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

**PUBLIC COMMENTS**

There were no public comments.

**MINUTES**

The Trustees reviewed the minutes of the meetings held August 15, 2011 and September 15, 2011. Gloria Johnson made a motion to approve the minutes of the meetings held August 15, 2011 and September 15, 2011. 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 September 30, 2011 was the amount of \$9,051,418.65. For the fiscal year, the income was \$739,342.39 and expenses, including benefit payments, were the amount of \$195,763.20.

**BENEFIT APPROVALS**

The Trustees were considered an application to enter the DROP received from Hall Solomon. It was noted that the records indicated that Mr. Solomon had separated from service and after reemployment repaid his withdrawn pension contributions from the general Retirement and Benefit Plan but not the Police Supplemental Plan. A lengthy discussion ensued regarding Mr. Solomon's employment history and the processes in place back then for restoring service credit after reemployment. It was noted that Mr. Hall did not meet the eligibility requirements to enter the DROP without credit for his first term of service. Bonni Jensen discussed the appeal and hearing process should Mr. Solomon's application be denied. John Schramm made a motion based upon the records and Plan provisions to deny Mr. Hall's application to enter the DROP and send him

notice of the appeal procedures. Daniel Flaherty seconded the motion, approved by the Trustees 4-0.

### **INVESTMENT CONSULTANT REPORT**

Burgess Chambers appeared before the Board on behalf of Burgess Chambers and Associates to provide a report on the performance of the investment portfolio for the quarter ending September 30, 2011. He reported that for the quarter, the investment return of the portfolio was -10.3% versus -10.1% for the index and for the fiscal year was -0.6% versus 0.9% for the index. Mr. Chambers discussed the underlying reasons behind the recent remarkable market volatility and anticipated a dramatic rebound.

The Trustees expressed concerns regarding the allocation to international equities given the publicity and fear of a potential financial crisis in Europe. Mr. Chambers explained that the geographical allocation of the international equity fund was diversified far beyond the troubled region and the allocation itself was very important in the portfolio. He discussed the long-term underperformance of the international fund manager and advised that while overall most managers had similar investment performance, he would research alternative products for consideration at the next meeting.

Mr. Chambers reviewed the asset allocation, noting all was satisfactory. He concluded his report with a review of the compliance checklist and discussed in detail the performance of the CS McKee large cap equity portfolio. He explained that the relatively lower rankings against the peer group were primarily attributable to style drift by other managers into better performing mid cap equities and to a much lesser extent stock selection. Mr. Chambers reported that the manager's relative performance and rankings have recently improved.

### **ATTORNEY REPORT**

Bonni Jensen reviewed new proposed State Legislation and the potential impact on the Plan.

It was noted that the proposed Ordinance increasing the employee contribution rate had been passed by City Council.

A discussion arose regarding the effective date of the new limitations on compensation for the determination of benefits within Senate Bill 1128, which is generally the effective the date the next collective bargaining agreement is ratified. Ms. Jensen was questioned regarding the effective date if two Unions are present and she responded that while no official rule has been published by the State, one of the many different interpretations is that the changes become effective after adoption of the last collective bargaining agreement.

Ms. Jensen reviewed clarification issued by the State Commission on Ethics on the information that must be disclosed on the Financial Disclosure Forms completed annually by the Trustees.

## **ADMINISTRATIVE REPORT**

Nick Schiess requested clarification on whether the extension of Trustee term limits to four years within the recently adopted ordinance Amendment was applicable to the current Trustee terms. The Board determined that the four year terms would commence prospectively.

A discussion arose regarding granting the Administrator authorization with the Plan's custodian to make purchases of the mutual fund for DROP participants. Gloria Johnson made a motion to authorize SunTrust to accept direction from the Pension Resource Center to make purchases of a mutual fund for DROP participants. John Schramm seconded the motion, approved by the Trustees 4-0.

## **OTHER BUSINESS**

Nick Schiess reported that Tara McFarlane had relocated and resigned as Trustee. He agreed to notify the City and request a replacement.

There being no further business and the next meeting scheduled for March 15, 2012, the meeting adjourned at 12:25 P.M.

Respectfully submitted,

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Secretary