

***City of Miami Springs Police and Firefighters'
Retirement System
Minutes of the Meeting Held
NOVEMBER 1, 2012***

The regular meeting of the Board of Trustees of the City of Miami Springs Police and Firefighters' Retirement System was called to order at 8:42 AM by Chairman Peter Baan in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Peter Baan, Chair
Oscar Garcia, Trustee
Jonathan Kahn, Trustee
Raymond Buckner, Trustee
Robert Gordon, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Steve Cypen, Cypen & Cypen
Grant McMurry, ICC Capital Management
Brendon Vavrica, Thistle Asset Consulting
Moirra Ramos, City of Miami Springs – Finance Dept.
William Alonso, City of Miami Springs – Finance Dir

The Board welcomed new Trustee Robert Gordon. Mr. Gordon thanked the board and stated that it is his pleasure to serve. Mr. Gordon stated that he has been a resident of Miami Springs for 6 years now, and he works for an investment management firm near by.

INVESTMENT MANAGER REPORT: ICC CAPITAL MANAGEMENT (GRANT MCMURRY)

For purposes of the new Trustee, Mr. McMurry introduced himself and explained what services his firm provides to the board.

Mr. McMurry discussed the current market environment and commented that it is not rebounding as fast as everyone had thought it would, and rates continue to remain low. For the quarter ending September 30, 2012 the total fund net of fees outperformed the benchmark at 4.97% versus 4.73%, but for the fiscal year they were behind at 19% versus the benchmark at 21.35%. There is a total of \$22,293,119 in assets as of September 30, 2012, which is up from \$21,325,175 as of June 30, 2012. Mr. McMurry noted that for the month of October they were up about 60 basis points.

Mr. McMurry discussed some changes that might occur within his Company. He explained that another firm named Munder, based out of California is looking to inquire ICC Capital. Munder handles mutual fund accounts as well as other small products such as small and mid cap, and international. Mr. McMurry stated that they just began the process with Munder and nothing is final as of yet, although it might be by the end of the year. Mr. McMurry explained that the same ICC investment and client service teams, and staff members will more than likely remain the same if Munder does buy out the firm. He also noted that he and Bart McMurry (the portfolio manager for this fund) will still remain with ICC for a couple of years after the transition because of their contacts. Mr. McMurry commented that he is looking forward to this opportunity to expand ICC Capital and that he will update Thistle Assets and the Trustees as more information becomes available.

INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)

Mr. Vavrica stated that ICC Capital's announcement with Munder is all new to them as well, because this is the first time they were hearing of this transition as well. He noted that as

long as ICC's current teams remain in place, then they will still continue to feel comfortable with ICC. Mr. Vavrica commented that they can talk more about this as a Board when the transition actually happens and more details are available.

Mr. Vavrica reviewed the report for the quarter ending September 30, 2012. The total fund net of fees outperformed at 4.98% versus the benchmark at 4.49% for the quarter. For the fiscal year the total fund was behind the benchmark at 18.94% versus 20.11%, but they still had a great fiscal year and beat their assumed rate of return. He reviewed the risk versus reward chart and commented that the fund has strong equities and fixed income, but there is still more room to take more risk and get more returns from it. Mr. Vavrica noted that he does not have a recommendation to rebalance at this time.

Mr. Vavrica explained that he had the revised Investment Policy Guidelines with him today to be approved and executed by the board. He reviewed the revisions of the policy such as changing the benchmark and adding in a line for their new manager Polen Capital to sign. The board reviewed the revisions.

MOTION: Mr. Deal made a motion to approve and authorize the execution of the revised Investment Policy Guidelines as presented by the Plans Investment Consultant.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 5-0.

Lastly Mr. Vavrica explained that at the last special meeting in October the board hired Polen Capital. After the meeting Mr. Vavrica stated that he was able to negotiate their fees down from 60 basis points to 55 basis points. He noted the Mr. Cypen's office is currently working on Polen's contract with the board and will have it completed soon. Along with the contract will be a copy of the revised Investment Policy Guidelines as well.

MINUTES

The board reviewed the minutes of the August 15, 2012 regular meeting.

MOTION: Mr. Kahn made a motion to approve the minutes of the August 15, 2012 regular meeting as amended.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 5-0.

DISBURSEMENTS APPROVAL

Ratification of warrants processed since the August 15, 2012 Meeting

Warrant #	Payee	Amount	Invoice Date
271	Resource Centers, LLC (Inv #11984 - August 2012 Admin Fee)	\$772.72	7/31/12
	Evergreen Insurance Agency (Inv #52518) Fiduciary Liability Insurance Renewal - 8/22/12 to 8/22/13	\$6,281.00	7/25/12
	Cypen & Cypen (Inv #6356 - August 2012 Legal Fee)	\$1,250.00	8/1/12
272	FPPTA - Trustee School Registration for Oscar Garcia (October 7-10, 2012 in Bonita Springs, FL)	\$450.00	9/20/12

	Ellen Schaffer (Invoice #2543) Programming & Consulting Services - Remove Cap on Benefit Multiplier if Hired Before 1/1/80	\$115.00	8/6/12
	Hyatt Coconut Plantation - Hotel Reservation for Oscar Garcia - Confirmation #10730499 (FPPTA Trustee School October 7-10, 2012 in Bonita Springs, FL)	\$597.00	9/9/12
	Gabriel Roeder Smith & Company - Inv #119024 for services rendered through 7/31/12. (Benefit Calcs for Buckner, Clark & Dilling = \$900; Final Charges for Preparation of the 9/30/11 AV Report & Employee Benefit Statements = \$6,870 *includes 3.9% CPI Adjustment)	\$7,770.00	8/13/12
	Gabriel Roeder Smith & Company - Inv #119584 for services rendered through 8/31/12. (Plan Redesign Study)	\$6,172.00	9/13/12
	Resource Centers, LLC - Invoice #11466 (Retirement/DROP Calculation Fee for Kelly)	\$100.00	10/10/11
	Resource Centers, LLC - Invoice #12037 (September 2012 Admin Fee)	\$937.28	8/31/12
	Cypen & Cypen (Invoice #6386) September 2012 Legal Fee	\$1,250.00	9/5/12
	Holland & Knight LLP - Invoice #2819198 for professional services rendered through August 15, 2012 (Pension Plan Compliance Review - IRS Determination Letter).	\$75.00	8/31/12
273	FPPTA - CPPT Certification Fee for Oscar Garcia	\$900.00	10/9/12
	Gabriel Roeder Smith & Company - Inv #119741 for services rendered through 9/30/12. (Plan redesign study - follow up work/questions = \$1,086 & Charges to date for Preparation of the 10/1/2012 Actuarial Valuation Report = \$548)	\$1,634.00	10/4/12
	Cypen & Cypen (Invoice #6413) October 2012 Legal Fee	\$1,250.00	10/1/12
	Holland & Knight LLP - Invoice #2828386 for professional services rendered through September 15, 2012 (Pension Plan Compliance Review - IRS Determination Letter).	\$75.00	9/27/12
	Resource Centers, LLC - Invoice #12096 (October 2012 Admin Fee)	\$948.02	9/28/12
	ICC Capital Management, Inc. Inv #57532649 (10/1/2012 thru 12/31/2012 Quarterly Management Fee)	\$27,980.36	10/3/12

MOTION: Mr. Deal made a motion to approve Warrants 271 through 273.

SECOND: Mr. Gordon seconded the motion.

CARRIED: The motion carried 5-0.

BENEFIT APPROVALS:

• **Applications to Enter the DROP:**

- * Jeffrey Clark
- * Raymond Buckner

• **Application for Retirement (vested deferred):**

- * H. Randall Dilling

MOTION: Mr. Gordon made a motion to approve the applications to enter the DROP for Jeffrey Clark and Raymond Buckner.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 5-0.

MOTION: Mr. Gordon made a motion to approve the application for retirement (vested deferred) for H. Randall Dilling.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 5-0.

OLD BUSINESS

N/A

NEW BUSINESS

Ms. Ross stated that in 2010 legislative passed that would allow Trustees to extend their terms from 2 years to 4 years. Although for this clause to become effective, this language has to be adopted into the Plan's Ordinance. Mr. Baan commented that he will discuss this with Council.

OTHER BUSINESS

Ms. Ross stated that she received a letter from Steve Palmquist with GRS. He will be retiring effective 12/31/2012, but his staff will remain in place and there will be no changes. The board noted that Mr. Palmquist has been basically working with this fund since it was created, and they commended him on his great work and wished him luck in his retirement.

REPORTS

•Administrator: PRC (Audrey Ross)

- Ms. Ross presented the board with the revised agreement between the board and PRC for execution. She noted that the revised agreement reflects a new monthly retainer fee of \$900 effective September 1, 2012.
- Ms. Ross presented the board with the list of the 2013 meeting.

•Attorney (Steve Cypen)

- Mr. Cypen reviewed the memo regarding Salem Trust's class action processing. Salem has never charged for this service in the past, but going forward they are trying to implement a service charge of 20% on all class action recoveries. Mr. Cypen explained that his office along with other pension Attorney's were concerned with this issue and therefore reached out to Salem Trust. Due to the overwhelming responses Salem Trust had received from the letter, they have already sent out another letter stating to disregard to the first letter and business as usual. Mr. Cypen noted that no action is needed at this time.
- Lastly Mr. Cypen his memo regarding the Florida Divisions of Retirement. He noted that the Division is now changing their interpretation of premium tax monies (know as the Naples letter). For years the Division of Retirement has always said that in order for a pension Plan to receive Chapter 175 & 185 monies, they must continue to preserve the benefits that were in place as of March 1999. Now the new Actuary for the Division of Retirement is changing that interpretation because it appears to be inaccurate. Mr. Cypen noted that there is not action needed by this Board at this time. He wanted everyone to become aware of the changes that are going on up in Tallahassee, and he wanted the board and the City to prepare for it in case they receive a letter like Naples as well.

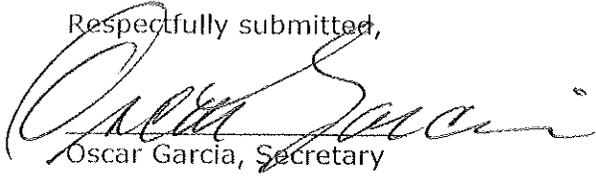
NEXT MEETING DATE

Thursday February 7, 2013 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 9:32 AM.

Respectfully submitted,



Oscar Garcia, Secretary