Notice

St. Pete Beach Fire Pension Board
Quarterly Meeting
April 22, 2010 (8:30 am)

St. Pete Beach City Hall
155 Corey Avenue
St. Pete Beach, FL 33706

Agenda

1. Call Meeting to Order
   - Roll Call
   - Pledge of Allegiance
   - Welcome / Introduction of New Member

2. Payment of Invoices

• Christiansen & Dehner, P.A.	$ 1,175.37
• Salem Trust Company	$ 1,675.00
• The Bogdahn Group	$ 2,550.00
• Capital Management Associates, LLC	$ 3,273.63

3. Reports
   - The Bogdahn Group
   - Salem Trust Company
     a. Securities Monitoring Program
   - Christiansen & Dehner, P.A.
     a. Fee Increase

4. Other Business
   - Board Comments
   - Audience Comments

5. Adjournment

FIREFIGHTER'S PENSION BOARD

MINUTES

April 22, 2010
8:30 am

CALL TO ORDER

The Meeting was called to order by Chairman, Phil Milner.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Bruno Falkenstein
Phil Milner, Chairman
Michael Handoga
Keith Beattie
Michael Terry

ALSO PRESENT

Theresa McMaster, City Clerk

INTRODUCTION OF NEW MEMBER

Chairman, Phil Milner, introduced Michael Terry and welcomed him to the Board.

PAYMENT OF INVOICES

Michael Handoga made a motion that the invoices submitted and the two that will arrive the end of the month be approved for payment. The motion was seconded and carried by unanimous vote.

ANNOUNCEMENT

An announcement was made by Bruno Falkenstein that he bought a car and received a card from the dealer along with the census questionnaire, both of which indicated he lived in *St. Petersburg*. He advised all residents who receive mail with *St. Petersburg* as their address to report it to the City Clerk, as the City may be losing out on some tax revenues as a result of this error.

REPORTS

Tim Nash of **The Bogdahn Group** gave its Quarterly Report. In general, the markets were up and the news was positive. Mr. Nash reported that, being half way through the fiscal year, they are currently at 6.78% about 1¼% behind their 8½% target. The median public plan at this time is at 7.44%.

The Bogdahn Group is recommending to all its clients that CMA be terminated and replaced with a new growth manager. They have hired a "transition manager" to make certain that all securities in the CMA portfolio are sold for the best price and those securities will be moved into a growth fund. The Board will be provided with a list of growth managers to select from and it was agreed that a Special Meeting will be called to discuss the five to seven companies provided by Mr. Nash, then at the July 22nd regular Meeting, the three selected can be interviewed by the Board.

The Bogdahn Group has enrolled in a securities monitoring company, a group of attorneys who will provide information as to all class actions that may arise and which may involve any companies that they are invested in over time. There is no charge for this service. In order to provide information to Bogdahn, they need a list of the stocks and bonds that are owned by this pension and the required authorization to Bogdahn to release the information to them can be done by letter.

Mr. Nash provided the Board with two letters for signature, the first being the official letter of termination to CMA and the second, a letter to Bogdahn authorizing release of portfolio information to the securities monitoring company.

Mr. Nash then brought up the fee schedule this Board has with Bogdahn which has been in effect since 2000 with no changes during that time. The company is proposing a fee increase; they are currently being paid $12,500 a year for consulting services; the new fee would be $15,500 per year, less a $300 discount due to the fact that all three Pension Boards meet on the same day. Currently they are on an "ala carte" contract so that every time a manager is added, there is an additional $2,500 fee and an additional $3,500 for a search. The proposed new fee of $15,200 is a minimum fee, with no "ala carte" charges. This new rate will begin July 1, 2010 and run for three years.

Michael Handoga made a motion to approve the fee increase requested by The Bogdahn Group, upon confirmation that the fee requested is in keeping with other funds similarly situated clients and to further direct Attorney Lee Dehner to prepare a new contract.

After discussion, the motion was withdrawn.

Bruno Falkenstein asked Mr. Nash if there was any room for negotiation. Mr. Nash stated this is where everyone is eventually going. The Board was concerned that the increase requested was large, over 20%, even though it was for a three year period; the Board would like to see a slower increase per year. The Board asked if they have that option. Mr. Nash will take their concerns back to Mr. Bogdahn. This will again be discussed at the Special Meeting to be set in the near future.

Lynn Skinner of **Salem Trust Company** gave its Quarterly Report. For the benefit of the new Board member, she explained that her company is the custodian of the Plan; they hold the assets, make pension payments, pay invoices, etc. Ms. Skinner asked Tim Nash about the securities monitoring company; specifically are they going to file class action suits which her company is presently doing.

Mr. Dehner advised that the current requirements are that a proof of claim be filed with the court that has the class action litigation. It has always been the Custodian's responsibility to do that. In Mr. Dehner's opinion, the value of this supplemental service is one, a backup for Ms. Skinner to determine whether we do have a company in our portfolio that is about to or is defending a class action. Mr. Dehner would like to see Salem Trust continue to file the Proof of Claim. And two, the securities monitoring company would provide updates to the Board that they probably wouldn't receive from Salem on the progress of the litigation and they would receive more information on it than Salem would provide.

Ms. Skinner advised the Board that Salem Trust is also looking at fees and she will be ready to present that at the next regular Board Meeting.

Lee Dehner of **Christiansen & Dehner, P.A.** addressed the Board as to the fees that his firm is currently charging. He advised that his firm is increasing its hourly rate, for everyone, from $290 to $325, which is 12%. He went on to explain that the travel charge and reimbursement for out-of-pocket expenses are split between the three Pensions.

Bruno Falkenstein made a motion that the hourly rate increase requested by Christiansen & Dehner, P.A., from $290 to $325, be approved and every year thereafter there will be a 4% rate increase, unless the Board wishes to bring it up for further discussion. The motion was seconded by Michael Handoga and approved by unanimous roll call vote.

Mr. Dehner explained to the Board that in accordance with Rule 1.4 of the Board's Rules and Operating Procedures, it's provided that every two years, at the October Meeting of the Board, a Chair, a Vice Chair and a Secretary will be appointed.

A motion was made that Phil Milner continue as Chairman for the next two years. The motion was seconded and passed by unanimous vote.

A motion was made that Michael Handoga be appointed Secretary. The motion was seconded and passed by unanimous vote.

After discussion, the Board directed Mr. Dehner to delete the requirement that a Vice Chairman be appointed in this Board's Rules and Operating Procedures.

Mr. Dehner briefly explained the pending matters in Tallahassee for the benefit of Michael Terry. There is no action to be taken at this time.

OTHER BUSINESS

It was brought up by the Board that it would be to their advantage to have a brief summary of what the City has paid in, what the members have put in, and what benefits have been paid out. Michael Handoga will contact the Actuary and request that he prepare the summary.

Chairman Milner advised the Board that there is the State School the 24th, 25th and 26th of May in Tallahassee. Mr. Terry is unable to attend this session but will be available for the next one. Keith Beattie will be attending the May session.

A Special Meeting of the Board will be held June 10, 2010, at 2:00 pm

ADJOURNMENT

Michael Handoga made a motion that the Meeting be adjourned. The motion was seconded and unanimously approved; the Meeting was adjourned.

Theresa McMaster
Theresa B. McMaster, City Clerk

Phil Milburn, Chairman

Minutes approved on: 10-25-2010