
**MINUTES OF THE GENERAL EMPLOYEES' PENSION PLAN QUARTERLY BOARD
MEETING HELD ON FRIDAY AUGUST 24, 2009 AT 1:30PM IN COMMISSION
CHAMBERS, CITY HALL, BOYNTON BEACH, FLORIDA**

Trustees: Jerry Taylor, Chair
Lisa J Jensen
Michael Low
Sue Kruse
Cathy McDeavitt
Kurt Bressner(1:38 pm)

Others: Janna K Woods, Davis Hamilton Jackson
Jeff Swanson, Southeastern Advisory Services
Bonni Jensen, Perry & Jensen, LLC
Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Barry Atwood, Finance Director
Members of Public

I. OPENINGS:

A. Call to Order – Mayor Gerald (Jerry) Taylor, Chairman

Chair Taylor called the meeting to order at 1:30 p.m.

II. AGENDA APPROVAL:

A. Additions, Deletions, Corrections

Ms. McDeavitt added to the Agenda under New Business item:

D. Saxena White, P.A. - request to make presentation at the November meeting.

Ms. Bonnie Jensen added under Attorney Report items;

3. Discussion regarding the delay and normal retirement under the Pension Plan

4. IRS Determination letter

5. Participant Aurelio Rodriguez

Motion

Mr. Bressner moved to approve the Agenda. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

III. APPROVAL OF MINUTES

A. Regular meeting May 15, 2009.

Motion

Ms. McDeavitt moved to approve the minutes of the regular meeting on May 15, 2009. Ms.

Kruse seconded the motion that unanimously passed 6-0.

IV. INVESTMENT REPORTS

A. Quarterly Investment Review – Davis Hamilton Jackson – Janna Woods (Manager)

Ms. Woods reported that the market recovery that began early March continued into the new quarter as investors gained renewed hope that the worst of the economic downturn is now in the rearview mirror. Ms. Woods reviewed the performance report for the quarter ending June 30, 2009. The equity portfolio value as of the end of the quarter is \$13,872,724.15, with 98.6% in equities and 1.4% in cash. For the quarter the equity account was 14.3% versus the Russell 1000 growth 16.3% and the S&P 500 15.9%. Ms. Woods explained that balance sheets are very important to them and they like to see companies with sustainable earnings. Ms. Woods reported that their companies had beaten their earnings expectations but did not beat the Russell 1000 growth or the S&P 500. She explained that this is consistent with past market recoveries following major, prolonged declines, leadership during the initial advance have been decisively in favor of lower quality stocks. The fixed income portfolio value as of the end of the quarter is \$10,775,018.74, with 99.2% in fixed income and 0.8% in cash. For the quarter the fixed income account was 3.7% versus the Barclays Capital Aggregate and the Barclays Capital Int Gov/Credit at 1.7%. Ms. Woods commented that she does not think that we are quite out of the recession yet, but she believes we are moving out of it and things are beginning to stabilize. Currently they are over weighted in technology, but they are still much diversified within the portfolio. Lastly, Ms. Woods reviewed and gave a background of the top 10 holdings in the portfolio.

B. Quarterly Investment Review – Southeastern Advisory Services – Jeff Swanson (Consultant)

Mr. Swanson reviewed the returns for the quarter ending June 30, 2009. The total funds return for the quarter was 10.4%. Mr. Swanson reported that this is the largest return on record for the Plan. The total domestic equities were slightly behind the index at 16.3% versus 17.2%; the total international equities were behind at 22.1% versus the index at 25.4%. The total real estate was behind at -5.8% versus the index -5.2% and the total fixed income was up at 3.7% versus the index 1.8%. Mr. Swanson reported that the Plan was in compliance with the Policy guidelines. Mr. Swanson reviewed the manager allocations for the quarter. Mr. Swanson reported that the portfolio performed quite well during this recovery period. He explained that as it stands now it appears to be getting to a "V" shape recovery but there are clearly a lot of concerns and they should be prepared for more volatility going forward in either direction. Mr. Swanson reviewed with the Board the returns for each manager.

1. US Core Fixed Income Account Letter (Foreign Bonds)

Mr. Swanson explained that Alliance Bernstein in this letter is asking the Board for a closer definition of the Investments Policy regarding foreign bonds. Mr. Swanson recommended

signing the letter and once the Investment Policy guidelines are revised he will include the language.

Motion

Ms. Lisa Jensen moved to sign the letter provided by Alliance Bernstein to allow them their interpretation of foreign bonds meaning they can be purchased in US dollars. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

2. Review of Letter – Reconciliation Error

Mr. Swanson reported that Alliance Bernstein had identified several errors during their audit resulting in a credit in the amount of \$34,600 with interest back to the Plan. Mr. Swanson explained that apparently these errors had occurred because they were done as manual reconciliations. He explained that they now have procedures in place so that this will not happen again or not go undetected for as long as this did.

Ms. Bonni Jensen had questions about Alliance Bernstein's trading of securities with related companies. She asked Mr. Swanson to request from Alliance Bernstein a letter to the Board explaining the cases where they might trade with a related company and the criteria used when deciding to do so.

V. OLD BUSINESS

A. Scanning Project – Update

Ms. Martinez reported that the scanning project has been completed and all participant files have been scanned. Ms. Martinez explained that the scanning company was offering to come by on a quarterly basis and pick up additional new information received. For this service they will charge .18 per page plus a small additional fee for the pick up. Also, they are offering to sell a program to the Plan that would allow including new information into the already scanned files. If the Board is interested, someone from the scanning company could come to the next Pension Board meeting to give the Board more details.

Mr. Baur explained that the issue is whether the Plan wants to buy this software and add information as receive by the administrator to the data base or they could keep this data base as an archive since all the new information received by the administrator is already scanned and saved electronically. Ms. McDeavitt commented that she will ask the IT Staff to investigate this and figure out if this is something they already have.

VI. NEW BUSINESS

A. Attorney Report

1. Attorney Agreement

Ms. Bonni Jensen reported that her firm changed names due to her partner Jill Hanson's retirement. She explained that the contract needs to be updated to reflect the name change.

Motion

Mr. Low moved to sign the updated contract to reflect the name change. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

2. Addendum – Administrative Agreement

Ms. Bonni Jensen reported that this addendum was to recognize the name change of the administrators firm from Tegrit Plan Administrators to Pension Resource Centers.

Motion

Mr. Bressner moved to approve the first addendum to the Administrative Agreement. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

3. Discussion regarding the delay and normal retirement under the Pension Plan

Ms. Bonni Jensen explained that members have the opportunity to elect to make contributions into the Pension Plan although it is her understanding that no one has at this point opted into saying they do not want to make contributions. This has raised a lot of questions for her. Ms. Jensen explained that the ability to make contributions on a pre tax basis depends upon the fact that the Plan does not allow anybody the option not to make contributions into the Plan. The Plan has also an elective benefit program which is not made on a pre tax basis. Ms. Jensen reported that after speaking with Mr. Atwood her advice to the Board is to delete that provision particularly since no one has opted into it. Ms. Jensen also reported that members although they may have reached their cap for the increase in number of years of service they will receive benefits of the additional salary increases for purposes of calculating their pension benefits. Ms. Bonni Jensen explained that there was also a provision under the delay retirement section dealing with a mandatory retirement at age 70. Ms. Bonni Jensen's recommendation is to make some changes to the language and perhaps maybe delete it.

4. IRS Determination Letter

Ms. Bonni Jensen reported that she had received a couple of questions from the IRS regarding the Determination Letter. She explained that there is a provision in the Plan that references the City of Delray Waste Water Treatment and allows certain individuals who apparently were City employees to move over to the Delray Water Treatment Plan and

become Delray employees. This provision allowed these members to retain credited service in this Pension Plan. Ms. Bonni Jensen's advice is that if it can be determined that no one else would fall under this category and there is no one else who would benefit from it to delete it.

Ms. Jensen also had questions regarding military service. Mr. Bressner advised Ms. Jensen to look into the Differential Wage Policy.

5. Participant Aurelio Rodriguez

Ms. Bonni Jensen explained that at the last Pension Board meeting she had reported that she had seen an article in the paper that talked about one of the members of the Plan who resigned from employment admitting that he had taken money from his employer. She explained that Florida Statute 112.3173 requires forfeiture of a pension benefit in the event that someone either has been convicted of a specific offense or has terminated employment as a result and admitted that they committed this act. Mr. Bressner recommended going forward with an Administrative hearing to review this matter with Mr. Rodriguez. Ms. Bonni Jensen explained in detail the procedures to follow during a 120 Hearing.

Motion

Mr. Bressner moved to go forward with the 120 hearing for Aurelio Rodriguez utilizing the services of a hearing officer. Mr. Low seconded the motion that unanimously passed 6-0.

B. Administrative Report

1. Discussion – Elective Benefit 25 Year Service Requirement

Mr. Baur reported that he had a lot of concerns about the elective benefits in the Plan and the general lack of understanding by the members as to what they actually enrolled in when they selected some of the elective benefits. Mr. Baur explained to the Board the background of the Elective Benefits and how the 25 year elective benefit is calculated. Mr. Baur has screened through all of the participants who elected the 25 year elective benefit to determine participants who would be at a disadvantage having paid for an elective benefit that may never do them any good as opposed to members who signed up for an elective benefit that could perhaps benefit them and there are a lot of people in between where they may get an additional benefit but not very much. The Board discussed what would be the most generous options to offer participants who have paid into these benefits and do not benefit from them. Ms. Jensen will research to see if the contributions paid into these elective benefits were refunded to the participants if they would be allowed to roll it over. Mr. Atwood explained that the rates for the elective benefits were determined years ago and have not been updated by the Actuary.

Motion

Mr. Bressner moved to authorize the Administrator to work with the participants and give them the option of either; receiving a refund of the monies put into the 25 year elective benefit; staying with the 25 year elective benefit; convert those dollars into another elective benefit under the program. Ms. Lisa Jensen seconded the motion that unanimously passed 6-0.

Mr. Atwood asked the Board if they would authorize the Actuary to review the rates for the Elective Benefits.

Motion

Mr. Bressner moved to authorize the actuary to look at the rates and payout of the elective benefits. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

Mr. Baur had additional question regarding a vested deferred member who had purchased the 25 year elective benefit because as a vested differed member they wouldn't derive any benefit from the 25 year elective benefit unless it allowed them to commence the benefit early. The board had a discussion regarding the vested deferred member. Mr. Baur will work on a report of all retired people who may have had an elective benefit previously and who may have no have benefited to the Board at the next Pension Board meeting. Mr. Bressner recommended dealing with current employees first and wait for Mr. Baur's report to see if there is an issue with the retired members.

Mr. Atwood asked if the enrollment for the elective benefits should be delayed until the Actuary looks at the rates. Mr. Bressner advised Mr. Atwood to hold the enrollment for the elective benefits until the Actuary reviews the rates.

Mr. Baur reported the Annual Benefit Statement will be mailed in a couple of days. Ms. Martinez reported that she had attended the open enrollment and had been able to provide information to many participants. Mr. Low explained that there are several employees who are getting ready to retire and need to take time off to from work to drive up to see the Administrator. Mr. Baur suggested that he could come and meet with participants. He explained that it would be easiest to do on an appointment basis and if several people were scheduled on that same day.

2. Warrant for Invoices

The Board reviewed the Disbursements presented for approval by the Administrator.

Motion

Mr. Bressner moved to approve the invoices that were presented by the Administrator. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

3. Benefit Approvals

The Board reviewed the Benefit Approvals presented for approval by the Administrator.

Motion

Mr. Bressner moved to approve the Benefit Approvals which were presented by the Administrator. Mr. Low seconded the motion that unanimously passed 6-0.

4. Approval of Election Notice and Election Ballot

Mr. Martinez reported that the Trustee term for Cathy McDeavitt and Robert Eichorst will expire December 31, 2009 therefore an election needs to be started.

Motion

Mr. Low moved to approve the Election Notice and Election Ballot. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

5. Scheduling of November Pension Board Meeting

Ms. Martinez asked the Board for their approval to reschedule the November Pension Board meeting to November 30, 2009 at 1:30 pm. Mr. Jeff Swanson will be able to attend by conference call. The Board approved to reschedule the Pension Board meeting to November 30, 2009 at 1; 30 pm.

Ms. Martinez reported that she had a recapture agreement with CAPIS ready for execution and Mr. Swanson would provide the details to the Board. Mr. Swanson reviewed the commission recapture agreement with the Board.

Motion

Mr. Low moved to sign the commission agreement with CAPIS. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

C. Board Issues

1. Saxena White, P.A. - request to make presentation at the November's meeting

Ms. McDeavitt explained that she had met with representatives from Saxena White at the recent FPPTA meeting and wanted to know if the Board would be interested in inviting them for a presentation at the November Pension Board meeting. Ms. Jensen explained that there

are several firms who do class action litigations against companies and explained how they find their cases. Mayor Taylor commented that the Board had seen someone who had offered these services before and the Board had discussed it and turned it down at that time. He explained that his feelings had not changed in the matter. Ms. McDeavitt asked the other Board members if anyone else was interested. No other Board members were interested.

VII. PUBLIC COMMENTS

Mr. Stone asked the Board if the City had initiated or instituted any changes regarding the Pension Plan. Mr. Bressner reported that the City had not instituted any changes as of yet.

VIII. ADJOURNMENT

There being no other business and the next meeting having been previously scheduled for Monday, August 24 at 1:30 PM, the Trustees adjourned the meeting at 3:24 p.m.

MINUTES APPROVED: November 30, 2009 _____

Jerry Taylor, Chair
Boynton Beach General Employees' Pension
Board

Dixie Martinez, Administrator
Boynton Beach General Employees' Pension
Board