

**MINUTES OF THE GENERAL EMPLOYEES' PENSION PLAN QUARTERLY BOARD  
MEETING HELD ON TUESDAY, FEBRUARY 23, 2010 AT 10:00 AM IN COMMISSION  
CHAMBERS, CITY HALL, BOYNTON BEACH, FLORIDA**

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**Trustees:** Jerry Taylor, Chair  
Cathy McDeavitt  
Michael Low  
Lisa Jensen  
Laurie Fasolo  
Virginia Shea

**Others:** Jana 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  
Chuck Magazine, Risk Management  
**Members of Public**

**I. OPENINGS:**

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

Chair Taylor called the meeting to order at 10:00 a.m.

**II. AGENDA APPROVAL:**

**A. Additions, Deletions, Corrections**

Ms. McDeavitt suggested moving item; V. Old Business – Treatment of Employee Contributions Not withheld, ahead of the Investment Report. Ms. Shea added to the Agenda under New Business item; Trustee Education – Certification through FPPTA

**Motion**

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

**III. APPROVAL OF MINUTES**

**A.** Regular meeting November 30, 2009.

**Motion**

Ms. McDeavitt moved to approve the minutes of the regular meeting on November 30, 2009. Ms. Lisa Jensen seconded the motion that unanimously passed 6-0.

**V. OLD BUSINESS**

**A. Treatment of Employee Contributions Not Withheld  
Barry Atwood (Finance Director) & Chuck Magazine (Risk Management)**

Mr. Chuck Magazine introduced himself and explained that through some negotiation it is possible that the Employee Pension Plan will be made whole. He explained that the City coverage for liabilities may provide coverage for the City payroll errors. Mr. Atwood suggested tabling this matter until the next Pension Board meeting to work out a settlement, draft an agreement, and report back to the Board. Mr. Kendrick thanked the Board and explained his financial hardship.

**Motion**

Ms. McDeavitt moved to table this item until next Pension Board meeting. Ms. Lisa Jensen 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 high quality large cap stocks did not perform as well as lower quality small cap stocks which had much better returns this quarter therefore Davis Hamilton Jackson outperformed in the last 3 and 5 year periods, but not in the most recent quarter. Ms. Woods believes that the market will rotate to higher quality stocks and they will go forward with positive growth and positive numbers but she does not expect to see big double digit returns as we have seen coming out of this recovery period. Ms. Woods reviewed the performance report for the quarter ending December 31, 2009. The equity portfolio value as of the end of the quarter is \$16,800,542.49 with 98.6% in equities and 1.4% in cash. For the quarter the equity account was 8.0% versus the Russell 1000 growth 7.9% and the S&P 500 6.0%. The fixed income portfolio value as of the end of the quarter is \$15,723,891.14, with 99.2% in fixed income and 0.8% in cash. For the quarter the fixed income account was 1.4% versus the Barclays Capital Aggregate 0.2% and the Barclays Capital Int Gov/Credit at 0.3%. Ms. Woods commented that they are optimistic and think that the financial crisis has been contained.

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

Mr. Swanson explained that we have been in a "bear market" for some time now and it started in October of 2007. Mr. Swanson also commented that this recovery has also been unprecedented. Mr. Swanson commented that the Board should be commended for sticking to the investment policy which has helped the Plan to participate in this recovery and has allowed them to have above average performance in the last 12 months. Mr. Swanson

reported that all the managers for the last 12 months have met or exceeded expectations. Real Estate is the only asset class that continues to struggle. Mr. Swanson reported that the Plan finished in the top 44<sup>th</sup> percentile for the last 12 months ending December 31, 2009. Mr. Swanson reviewed the manager allocations for quarter ending December 31, 2009. Mr. Swanson reported that the total investment earnings for quarter ending December 31, 2009 are \$2,754,744. Domestic Equity was up 6.4% and International Equities was up 2.8%. Mr. Swanson reported that real estate had a negative return and it was down -2.8%. Mr. Swanson reported that the Total Fixed Income was up by 1.3%. Mr. Swanson reported that the portfolio was well positioned for this quarter. Mr. Swanson reviewed the portfolio by manager. Ms. Jensen reported that the City had passed the ordinance amendment with recommended investment changes. Mr. Swanson explained that once the revised investment policy has been signed he will recommend rebalancing towards the Europacific. Mr. Swanson reported that JP Morgan will hold their annual conference on April 28<sup>th</sup> in New York. He suggested that this would be a very good learning opportunity for the Trustees. Ms. Jensen explained that the issue with this is that JP Morgan would need to amend their contract to say that they will include educational conferences since Trustees can not attend for free from a vendor because it is more than what they can accept under their ethical responsibilities. Mr. Swanson will ask JP Morgan for a side letter if possible.

Mr. Swanson recommended increasing commitment to Europacific Growth once the investment policy is signed. He also recommended changing from R5 to R6 shares class. He will request Wachovia to convert shares.

### **Motion**

Ms. Lisa Jensen moved to move from R5 to R6 share class for the Europacific portfolio. Mr. Low seconded the motion that unanimously passed 6-0.

## **VI. NEW BUSINESS**

### **A. Attorney Report**

#### **1. IRS Mileage Memo**

Ms. Jensen reported that the IRS has reduced their mileage rate to \$0.50.

#### **2. Proposed Ordinance Amendments**

Ms. Jensen reported that the proposed Ordinance amendment has been passed on second reading at the most recent City Counsel meeting.

### **B. Administrative Report**

## **1. Results of Election & Certification**

Ms. Martinez reported that Laurie Fasolo has been elected by default to serve on the Pension Board.

### **Motion**

Ms. Lisa Jensen moved to approve the election of Ms. Laurie Fasolo for the Trustee term as an employee representative member who is a member of a bargaining unit. Ms. McDeavitt seconded the motion that unanimously passed 6-0.

## **2. Fiduciary Liability Insurance**

Ms. Martinez reported that she had requested quotes for the renewal of the fiduciary liability insurance from Gallagher and United Members Insurance. She explained that so far she had not received a quote from Gallagher but she did received a quote from United Members in the amount of \$12,235.37 which is less than the \$15,587.00 paid last year.

### **Motion**

Ms. McDeavitt moved to proceed with payment to United Members Insurance in the amount of \$12,235.37 for the Fiduciary Liability Insurance unless Gallagher comes back with a lower rate. Ms. Lisa Jensen seconded the motion that unanimously passed 6-0.

Ms. Martinez reported that there had been three workshops regarding the elective benefits and over 90 members attended. She explained that they had also met with participants on a one to one basis to review their individual cases by appointment. Ms. Martinez reported that they will also be coming monthly to the City to meet with participants by appointment. The next scheduled dates are March 30<sup>th</sup> and April 8<sup>th</sup>.

## **3. Warrant for Invoices**

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

### **Motion**

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

## **4. Benefit Approvals**

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

Ms. McDeavitt moved to approve the Benefit Approval presented by the Administrator. Mr. Low seconded the motion that unanimously passed 6-0.

## **5. Trustee Education – Certification through FPPTA**

Ms. Shea explained that there is a conferences coming up for the FPPTA and a Trustee school in September and she is very interested in becoming certified and would like the Board's approval to begin that process. Ms. Fasolo explained that she would also like to be certified.

### **Motion**

Ms. McDeavitt moved to approve Trustees to participate in the FPPTA Trustee Certification Program offered by the FPPTA. Mr. Low seconded the motion that unanimously passed 6-0.

## **VIII. PUBLIC COMMENTS**

No public comments.

Mayor Taylor reported that this will be his last meeting and wanted to thank everyone for their help and cooperation.

## **IX. ADJOURNMENT**

There being no other business and the next meeting having been previously scheduled for Wednesday, May 19 at 1:30 PM, the Trustees adjourned the meeting at 11:05 a.m.

MINUTES APPROVED: May 19, 2010

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Jose Rodriguez, Chair  
Boynton Beach General Employees' Pension  
Board

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Dixie Martinez, Administrator  
Boynton Beach General Employees' Pension  
Board

