
**MINUTES OF THE GENERAL EMPLOYEES' PENSION PLAN QUARTERLY BOARD
MEETING HELD ON MONDAY MAY 23 AT 1:30 PM IN COMMISSION CHAMBERS,
CITY HALL, BOYNTON BEACH, FLORIDA**

Trustees: Kurt Bressner
Cathy McDeavitt
Michael Low
Virginia Shea
Lisa Jensen

Others: Jeff Swanson, Southeastern Advisory Services
Bonni Jensen, Perry & Jensen, LLC
Dixie Martinez, Resource Centers
Scott Baur, Resource Centers
Joe Lawrence, Alliance Bernstein
Barry Atwood, Finance Director
Members of Public

I. OPENINGS:

A. Call to Order – Cathy McDeavitt, acting as Chair.

Cathy McDeavitt called the meeting to order at 1:33 p.m.

II. AGENDA APPROVAL:

A. Additions, Deletions, Corrections

Deletions – Actuarial Valuation Report. This item will be reviewed at the next Pension Board meeting on August 22, 2011.

Motion

Mr. Bressner moved to approve the Agenda as amended. Ms. Shea seconded the motion that unanimously passed 5-0.

III. APPROVAL OF MINUTES

A. Regular meeting February 16, 2011.

Motion

Mr. Bressner moved to approve the minutes of the regular meeting on February 16, 2011. Ms. Shea seconded the motion that unanimously passed 5-0.

IV. INVESTMENT REPORTS

A. Quarterly Investment Performance Report – Alliance Bernstein Joe Lawrence.

Mr. Joe Lawrence reported that the economic recovery remains intact despite multiple first quarter crises. He reported that significant recent turmoil added to strains around the world which may affect the path of economic growth but not derail it. He noted that emerging markets continue to lead. He explained that while rising oil prices are a concern, energy has become a smaller portion of consumer spending over the past four decades. He noted that dividend yields and Treasury yields have converged for the first time in nearly 50 years. He reported that for quarter ending March 31, 2011 the Plan outperformed the benchmark by 0.1%. He reported that investor's fears have driven stocks to trade based on macroeconomic concerns rather than on company fundamentals. He reported that as of March 31, 2011 the Fixed Income portfolio outperformed the index at 0.9% versus the benchmark at 0.4%. He reported that corporate balance sheets overall are healthy, although there is some concern about Europe and yield spreads remain wider than average, especially among financials.

B. Quarterly Investment Performance Report: (Investment Consultant) Southeastern Advisory Services: Jeff Swanson

Mr. Swanson reported that so far the fiscal year return for the Plan is 10.8%. He reported that the first quarter of 2011 presented multiple headwinds to global investors. He noted that the U.S. economy's recovery from recession actually picked up a bit of steam. He reported that as private sector employment continued its recovery, the official U.S. unemployment rate ended the quarter at 8.8%, down from the year-end 2010 level of 9.4%. He reported that as of March 31, 2011 the total value of the plan including the R&D account was \$98,713,836. Mr. Swanson reported that the Total Domestic Equity was slightly behind at 6.5 % versus the index at 6.7% and Total International Equities were behind at 2.8% versus the index at 3.4%. Total Real Estate was up 3.5% versus the index at 3.4% and Total Fixed Income was up 0.8% versus the index at 0.4%. Mr. Swanson reviewed each manager individually. He reported that the Plan is doing very well. He reported that generally when they put a manager under watch they are under watch for about a year. Alliance Bernstein should be coming out of the watch by the next quarter.

V. OLD BUSINESS

No old business

VI. CORRESPONDENCE

No correspondence

VII. NEW BUSINESS

A. Actuarial Valuation Report as of October 1, 2010 – Presented by Duane Howison, GRS.

Item will be reviewed at the next Pension Board meeting on August 22, 2011.

B. Vendor Presentations:

1. Administrator – Scott Baur, Pension Resource Centers

Mr. Baur listed some of the duties as the Plan's administrator. He reported that his firm provides for the administration of meeting materials; communication and coordination with service providers; communication with members; processing of benefits; maintaining physical and electronic records for the Plan; maintaining the Plan financials; paying invoices and making benefit payments; they also process trustee elections, trustee travel and conference arrangements and reimbursements. The Board thanked Mr. Baur and Ms. Martinez for the work that they do for the Plan.

2. Attorney – Bonni Jensen, Law Offices of Perry & Jensen

Ms. Jensen listed some of her duties as the Plans legal counsel. She reported that her firm provides written and verbal legal opinion on; Plan documents; State and Federal Laws. They draft Pension Plan documents for example; ordinances, resolutions; special acts; policies; procedures and forms. They also draft and review written correspondence on behalf of the Board as well as contract with service providers. She reported that her firm is partnering with Klausner & Kaufman, P.A. to better service their pension clients. She reported that there will be no change to their relationship. She noted that this new venture will be called Klausner Kaufman Jensen & Levinson. The Board thanked her for all the work that she does for the Plan.

3. Investment Consultant – Jeff Swanson, Southeastern Advisory

Mr. Swanson reported that his firm is an independent, privately owned provider of investment performance evaluation and related investment consulting services. He reported that they are the consultants for approximately \$4 billion in client assets. He reported that Wilshire Cooperative is a member firm and that they have extensive public fund experience. He reported that their primary services are; portfolio construction; performance evaluation; strategic asset allocation; investment policy; manager research and manager search. The Board thanked **him** for all the work that **he** does for the Plan.

C. Administrator Report

1. Warrant for Invoices

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

Motion

Ms. Lisa Jensen moved to approve the invoices that were presented by the administrator. Mr. Low seconded the motion that unanimously passed 5-0.

2. Benefit Approvals

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

Motion

Mr. Low moved to approve the Benefit Approval presented by the Administrator. Ms. Shea seconded the motion that unanimously passed 5-0.

D. Attorney Report

1. Auditor RFP

Ms. Jensen reviewed with the Board the six proposals that they received in response to the auditor RFP. Ms. Jensen as well as Mr. Baur reported that both have worked with all of the firms that answered the RFP. The Board had a brief discussion regarding the proposals.

Motion

Mr. Bressner moved to authorize the Plan's attorney to seek a three year contract with a two one year extensions Cherry, Bekaert & Holland, LLP with the understanding that they can terminate it at any term and to go for no more then five years. Ms. Shea seconded the motion that unanimously passed 6-0.

2. SB 1128 – Changes to the Law

Ms. Jensen reported that the proposed Senate Bill 1128 relates to all public retirement plans – Police and Fire plans subject to 175 and 185, General Employee plans, and small changes to the Florida Retirement System (FRS). She reported that the actuarial valuation report will have to have an additional page to comply with some of the changes. She reported that effective July 1, 2011 local governmental Plans will not be allowed to include **over 300 hours of** any overtime, unused leave or any other form of compensation beyond base hourly or annual salary. She noted that Plans that are subject to collective bargaining are not subject to the provisions of this subsection until the first agreement is negotiated after July 1, 2011. She reported that the collective bargaining agreement provision has been interpreted by the state and she is expecting written provisions. As she understands it if there is a collective

bargaining agreement in place, when the next collective bargaining agreement is entered into would be when these rules would be applicable to the Pension Plan. She reported that the City of Boynton does have a collective bargaining unit and it may be expected that the Plan treats all participants in the collective agreement the same as the participants outside of the collective bargaining agreement so that if there is a collective bargaining agreement it would apply to everyone. Mr. Bressner reported that the City's situation is a little different because they have three bargaining units that are impacted by the legislation. He reported that the City has the NCFNO Blue Collar and the NCFNO White Collar bargaining units and their contracts terminate September 30, 2011. However the City also has some participants that are in the PBA contract which does not end until October of 2012 or 2013. Therefore he believes they will end up with a bifurcated Plan and for some employees the procedures and effective dates may be different. He believes there are about three to four participants of the Plan in the PBA contract. Ms. Jensen reported that once this passes into law she will be able to get some guidance from the State. She reported that the actuarial or cash surplus in the plan may not be used to pay expenses outside of the Plan. Also a Plan may not temporarily reduce the contributions required to fund the normal cost

3. Statement of Policy to Determine Final Average Monthly Compensation.

Ms. Jensen reported that at the last Pension Board meeting they had discussed the issue of developing a policy to determine the final average salary. She reported that the Policy has been drafted and that the Plan administrator has reviewed it. She reported that the Plan will first determine the employee's earnings for the highest 60 consecutive months in the last 120 months, then the sick and vacation lump sum payout will be added to determine the final average salary. She believes this represents the Board's determination at the last meeting. Ms. Jensen reported that once SB 1128 passes into law and the bargaining agreements go into effect they will have to revisit this particular issue.

Motion

Mr. Low moved to approve the Statement of Policy to Determine Final Average Monthly Compensation. Ms. Lisa Jensen seconded the motion that unanimously passed 5-0.

E. Board Issues

Ms. Shea requested that the copies for the meeting materials be printed front and back to save on paper.

VIII. PUBLIC COMMENTS

Member of Public, Don Johnson asked Mr. Bressner to comment on the recommendation from the Financial Advisory Committee to lay off the 53 members currently in the DROP Plan.

Mr. Bressner reported that there is one person who is a member of the Financial Advisory Committee who reported on that as a component of possible discussion. He reported that the

Financial Advisory Committee does not have the authority to do anything other than make recommendations to the City Commission. He explained that on June 6th the Financial Advisory Committee is going to be meeting again. He noted that Mr. Johnson is welcomed to attend the meeting and participate.

Ms. McDeavitt announced that this will be Mr. Bressner's last Pension Board meeting. She expressed her gratitude for all of the years of service to this Board. Mr. Bressner thanked the Board for all of their hard work and their participation.

Ms. Bonni Jensen reminded the Board to file Form 1.

IX. ADJOURNMENT

There being no other business and the next meeting having been previously scheduled for Monday, August 22 at 1:30 PM, the Trustees adjourned the meeting at 2:54 pm.

MINUTES APPROVED: August 22, 2011

Jose Rodriguez, Chair
Boynton Beach General Employees' Pension
Board

Dixie Martinez, Administrator
Boynton Beach General Employees' Pension
Board