

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE RETIREMENT SYSTEM HELD IN THE CONFERENCE ROOM AT CITY HALL ON WEDNESDAY, JULY 19, 2000 AT 1:30 PM.

I. ROLL CALL:

B. Police Retirement Board:

The Chairman called the meeting to order at 1:33 PM.

Trustees present were Mayor Thomas Ramiccio (Chairman), Deputy Chief Patrick Hampshire (Vice Chairman), Finance Director Chuck Powers, Lt. Kenneth White, and Mr. Philip Blumel. Also present were Board Attorney Robert Sugarman and Recording Secretary Valerie Hurley, City Clerk's Office.

II. ADDITIONS/DELETIONS/REORDERING:

A. Pertained to Employees' Retirement Board.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

None.

III. UNFINISHED BUSINESS:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

1. Receive and file letter dated June 15, 2000, from J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, re the actuarial study for deleting contingency language as requested by the Division of Retirement, allowing payment of a pro-rated benefit when a person first retires and implementing the proposed COLA.

Action: It was moved by Mr. Powers, seconded by Mr. Blumel, to receive and file letter dated June 15, 2000, from J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, regarding the actuarial study for deleting contingency language as requested by the Division of Retirement, allowing payment of a pro-rated benefit when a person first retires and implementing the proposed COLA.

Vote: All Aye.

2. **Receive and file letters dated June 1, 2000, from Kenneth Harrison, Esq., Sugarman & Susskind, to Milton A. Galbraith, Jr., City Attorney, City of Lake Worth; dated June 22, 2000, from Patricia F. Shoemaker, Division of Retirement; dated June 30, 2000, from Valerie Hurley, Board Secretary, to Patricia F. Shoemaker, Division of Retirement; dated July 6, 2000, from Reynaldo Velazquez, Acting City Attorney, City of Lake Worth, to Patricia F. Shoemaker, Division of Retirement; and dated July 6, 2000, from Patricia F. Shoemaker, Division of Retirement, re Chapter 185 amendments.**

Action: It was moved by Mr. Powers, seconded by Mr. Blumel, to receive and file letters dated June 1, 2000, from Kenneth Harrison, Esq., Sugarman & Susskind, to Milton A. Galbraith, Jr., City Attorney, City of Lake Worth; dated June 22, 2000, from Patricia F. Shoemaker, Division of Retirement; dated June 30, 2000, from Valerie Hurley, Board Secretary, to Patricia F. Shoemaker, Division of Retirement; dated July 6, 2000, from Reynaldo Velazquez, Acting City Attorney, City of Lake Worth, to Patricia F. Shoemaker, Division of Retirement; and dated July 6, 2000, from Patricia F. Shoemaker, Division of Retirement, regarding Chapter 185 amendments.

Vote: All Aye.

C. **Employees' and Police Retirement Boards:**

None.

V. NEW BUSINESS:

A. Pertained to Employees' Retirement Board.

- 1. From Daniel B. Derringer, Jr., Utilities Department, requesting inclusion of Retained Sick Leave and Vacation Leave when calculating pension benefit for employees currently eligible to retire and eligible to retire in the next five years; and requesting a re-evaluation during the final year for the next five-year period.**

Mr. Derringer asked the Board to request an actuarial study to determine the cost of including Retained Sick Leave (up to the 480-hour cap) and Vacation Leave (up to a 288-hour cap) when calculating an employee's pension benefit. Benefit calculations for employees hired prior to October 1979 included Overtime, Retained Sick Leave and Vacation Leave, with no cap on the vacation hours. He pointed out that all employees hired after October 1997 would retire with a 60% multiplier after 20 years of service. He provided a list of employees currently eligible to retire and those eligible to retire in the next five years. If the Board approved the change, he requested another study during the final year for the next five-year period.

Mr. Derringer believed this change would provide an added incentive for employees not to abuse sick time, adding that overtime was often needed to cover employees who were out sick. Mr. Powers indicated that sick leave abuse should be addressed by management, rather than providing an incentive through the Retirement System.

Mr. Powers stated that the Code was changed after an actuarial study in 1979 to determine cost saving measures for the Retirement System, declaring that his priority was to protect the system and implement low cost changes. He believed the Fire Department had requested a similar study and the cost for 65 employees was approximately \$80,000 per year.

Mr. Sugarman advised that, if the Board recommended the change (which was a mandatory subject of bargaining), the City Commission would need the consent from the various unions.

Action: It was moved by Lt. White, seconded by Deputy Chief Hampshire, to request an actuarial study for the inclusion of Retained Sick Leave up to 480 hours and Vacation Leave up to 288 hours when calculating pension benefits.

Vote: 3/2 – Aye; Messrs. Powers and Blumel – Nay; motion carried.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. Request for joint workshop meeting of Trustees of Employees', Police, and Firefighters' Retirement Boards with City Commission, to review Actuarial Valuation Report for year ended September 30, 1999 with Gabriel, Roeder, Smith & Company (Stephen Palmquist, Actuary).

CONSENSUS was to schedule the joint workshop meeting for Wednesday, August 23, 2000, at 1:30 PM, with the regular meeting to immediately follow, to review the Actuarial Valuation Report for the year ended September 30, 1999.

VI. CONSENT AGENDA:

A. Pertained to Employees' Retirement Board.

B. Police Retirement Board:

Action: It was moved by Mr. Powers, seconded by Mr. Blumel, to approve Consent Agenda (B), in its entirety, as follows:

1. Approve minutes of October 27, 1999 Regular Meeting, as submitted.
2. Approve minutes of December 8, 1999 Regular Meeting, as submitted.
3. Approve minutes of May 24, 2000 Regular Meeting, as submitted.
4. Approve minutes of June 21, 2000 Special Meeting, as submitted.
5. Authorize payment of invoice from Sugarman & Susskind, dated June 2, 2000, in amount of \$1,100.00 for retainer fee for month of June 2000.
6. Authorize payment of invoice from Sugarman & Susskind, dated June 28, 2000, in amount of \$1,100.00 for retainer fee for month of July 2000.

7. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated June 30, 2000, in amount of \$2,626.00 for final payment for October 1, 1999 Actuarial Valuation Report (\$1,776), individual Employee Benefit Statements (\$280), and review of ordinances drafted by Board Attorney and opinion letter dated 6/15/00 (\$570).**

Vote: All Aye.

C. Employees' and Police Retirement Boards:

Action: It was moved by Mr. Powers, seconded by Deputy Chief Hampshire, to approve Consent Agenda (C), in its entirety, as follows:

1. **Ratify refunds of pension contributions as reported by Finance Department, as follows:**

Checks Disbursed 5/18/00:

Sean P. Pope, Police Department, 2Y/11M/7D, \$5,932.91, separated from service 5/9/00.

Patrick P. Colasuonno, Police Department, 11M/17D, \$1,954.94, separated from service 5/10/00.

Vote: All Aye.

Board Attorney Robert Sugarman reported on the following new legislation:

House Bill 2433 – allowed for the adjustment of the 1997 base year revenue (referenced in F.S. 175 and 185) based on amended returns filed by insurance companies before February 28, 2001.

Senate Bill 372 - amended Chapter 112, Florida Statutes, re modification to procedures for the investment of public funds.

CONSENSUS was to direct the Board Attorney to contact Michael Callaway, Merrill Lynch Consulting Services and the Investment Managers, requesting them to review the Investment Guidelines to comply with Senate Bill 372.

House Bill 181 - required financial disclosure forms to be filed before a newly elected or appointed trustee was seated and trustees leaving the Board were required to file a final report within 60 days.

VII. ADJOURNMENT:

B. Police Retirement Board:

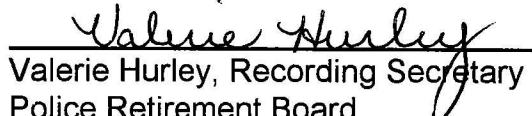
The meeting adjourned at 2:10 PM by unanimous vote of those members present, on a motion by Deputy Chief Hampshire, seconded by Mr. Blumel.

MINUTES APPROVED:

10/25/00



Mayor Thomas M. Ramiccio, Chair
Police Retirement Board



Valerie Hurley, Recording Secretary
Police Retirement Board

A tape recording of this meeting will be available in the Office of the City Clerk for two years after approval of these minutes.