

**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, OCTOBER 31, 2001 AT 1:30 PM.**

**I. ROLL CALL:**

**A. Pertained to Employees' Retirement Board:**

**B. Police Retirement Board:**

The Vice Chair called the meeting to order at 1:46 p.m.

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

**II. ADDITIONS/DELETIONS/REORDERING:**

**A. Pertained to Employees' Retirement Board:**

**B. Police Retirement Board:**

**1. Add: Consent B-4**

Action: Motion made by Mr. Powers and seconded by Lt. White, to table all action items until December 12, 2003 meeting.

Vote: 3-Aye, Nay-None.

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

**III. UNFINISHED BUSINESS:**

**A. Employees' Retirement Board:**

**B. Police Retirement Board:**

None.

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

- 1. Consider amendment of Section 16 -151 (c) (d) – Severance benefits, per Ordinance No. 90-4 and actuarial study for lowering age for vested termination benefit to normal retirement age or lowering normal retirement age to 55 or both**

2. **Receive and file letter dated October 25, 2001, from Michael Callaway, Vice President, Merrill Lynch Consulting Services, regarding self-directed DROP**

There was discussion regarding the self-directed DROP and the Fire Department's fixed rate of 7%.

Mr. Sugarman, Board Attorney, discussed the 8 ½% assumption or less, assumption in long run, and control ability to switch.

Lt. White suggested regulating the DROP and change to a fixed rate. It's a choice of guaranteed rate or take a chance and then switch to a money market fund.

At 2:16 p.m., the Board took a short break.

At 2:18 p.m., the meeting resumed.

Mr. Powers discussed Phase II Lake Worth Generation (aka AES). He said approximately 34 – 35 employees would break-off from the City and work for Lake Worth Generation, a separate entity. It will take approximately 3 years to construct and most of the City employees working at the power plant have 80% with 10 years or more.

Mr. Sugarman, Board Attorney, said the City needs to decide what they want to do for these employees, direct Mr. Palmquist do a cost analysis, get money from AES, and open a lay-off window and offer extra benefits to these employees.

3. **Receive and file letter dated October 8, 2001, from J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, regarding actuarial study for proposed amendment to Pension Code allowing actuarial gains in excess of stated Consumer Price Index (CPI) to be carried forward for future COLAs**
4. **Consider revised option form for duty and non-duty disability retirement**

#### **IV. NEW BUSINESS:**

##### **A. Pertained to Employees' Retirement Board:**

**B. Police Retirement Board:**

None.

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

1. Consider canceling December 26, 2001, regular meeting or rescheduling November 28, 2001, and December 26, 2001, regular meetings to December 12, 2001

**V. CONSENT AGENDA:**

**A. Pertained to Employees' Retirement Board:**

**B. Police Retirement Board:**

1. Authorize payment of invoice from Sugarman & Susskind, dated October 3, 2001, in amount of \$2,171.31 for retainer fee for month of October 2001 (\$1,100), medical records for Conroy's request for disability retirement (\$78.16), and IME appointment (\$675.00) and medical records (\$318.15) for Viera's request for disability retirement
2. Authorize payment of invoice from PIMCO (Oppenheimer Capital), dated September 30, 2001, in amount of \$10,166.76 for investment management services for quarter ending September 30, 2001
3. Receive fee advice from Salem Trust, dated October 15, 2001, in amount of \$829.23 for custodian services for quarter ending September 30, 2001
4. Authorize payment of invoice from Davis Hamilton Jackson & Associates in amount of \$5,696.67

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

1. Ratify refunds of pension contributions as reported by Finance Department

Mr. Sugarman, Board Attorney, discussed tax laws for 415s and 457s. He said 415s do not affect the Police, but the pension cap still applies to the Employees'. 457s have also changed to \$11,000 per year to be rolled-in with Division 2 & DROP pay with only one (1) administrative fee assessed.

**VI. ADJOURNMENT:**

**A. Pertained to Employees' Retirement Board:**

**B. Police Retirement Board:**

The meeting adjourned at 3:02 p.m.

**MINUTES APPROVED:** 7-23-03

  
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Mayor Rodney G. Romano, Chair  
Police Retirement Board

for   
\_\_\_\_\_  
Valerie Hurley, Board 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.