

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE  
EMPLOYEES' RETIREMENT SYSTEM HELD IN THE CONFERENCE ROOM AT CITY  
HALL ON WEDNESDAY, DECEMBER 12, 2001, AT 1:30 P.M.**

**I. ROLL CALL:**

**A. Employees' Retirement Board:**

The Vice Chair called the meeting to order at 1:31 p.m.

Trustees present Vice Chair John Charest, Finance Director Chuck Powers, Robert Lepa, and Theresa White (arrived at 1:34 p.m.) Absent was Mayor Rodney Romano (Chairman). Also present were Board Attorney Robert A. Sugarman and Recording Secretary Valerie Hurley, City Clerk's Office.

**B. Pertained to Police Retirement Board:**

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

**A. Employees' Retirement Board:**

**B. Police Retirement Board.**

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

Reorder Unfinished Business C-4 and New Business C-1 to follow this item.

**(III. UNFINISHED BUSINESS:)**

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

**(4.) Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to discuss self-directed DROP**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa, to table discussion at this time.

Vote: 4-Aye. Nay-none.

**(IV. NEW BUSINESS:)**

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

- (1.) Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending September 30, 2001**

As of September 30, 2001, the fund had a market value of \$64,594,910 including accrued income. This represented a decrease in value from the previous quarter of \$7,486,880 due to investment earnings and cash flow. The total fund earned -\$3,983,688 and paid out \$3,503,192 in net distributions.

As of September 30, 2001, 53.4% of the fund was invested in equities, 45.3% in bonds, and 1.2% in cash and equivalents. The allocation to stocks was only slightly more aggressive than the median fund.

For the quarter, the fund earned a -5.7% return, which ranked in the Bottom 46% of other public balanced funds.

**III. UNFINISHED BUSINESS:**

**A. Employees' Retirement Board:**

None.

**B. Police Retirement Board:**

**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**

Action: Motion made by Mr. Lepa and seconded by Mr. Powers, to table discussion at this time.

Vote: 4-Aye. Nay-none.

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

Action: Motion made by Mr. Powers and seconded by Mr. Lepa, to receive and file the letter.

Vote: 4-Aye. Nay-none.

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**

Action: Motion made by Mr. Powers and seconded by Ms. White, to receive and file the letter.

Vote: 4-Aye. Nay-none.

4. **Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to discuss self-directed DROP**

Discussed earlier in meeting.

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

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

1. **From City Clerk Barbara A. Forsythe, requesting (begging, pleading, cajoling, whining and groveling for) regular retirement based on the Rule of 20-years and Out, effective January 1, 2002**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to grant, with regret, the request of City Clerk Barbara A. Forsythe, for regular retirement based on the Rule of 20-years and Out, effective January 1, 2002.

Vote: 4-Aye, Nay-none.

**2. From Mark Myhre, Pool & Beach, requesting regular retirement based on the Rule of 20-years and Out, effective January 5, 2002**

Action: Motion made by Mr. Powers and seconded by Ms. White to grant, with regret, the request of Mark Myhre, Pool & Beach, for regular retirement based on the Rule of 20-years and Out, effective January 5, 2002.

Vote: 4-Aye, Nay-none.

**B. Pertained to Police Retirement Board:**

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

**1. Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending September 30, 2001**

Discussed earlier in meeting.

**V. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

Action: Motion made by Mr. Powers and seconded by Ms. White, to approve Consent Agenda (A), in its entirety, as follows:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated October 3, 2001, in amount of \$750.00 for retainer fee for month of October 2001**
- 2. Receive fee advice from PIMCO (Oppenheimer Capital), dated September 30, 2001, in amount of \$32,882.00 for investment management services for quarter ending September 30, 2001**
- 3. Receive fee advice from Salem Trust, dated October 15, 2001, in amount of \$2,691.76 for custodian services for quarter ending September 30, 2001**

4. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated October 22, 2001, in amount of \$18,444.63 for investment management services for quarter ending September 30, 2001**
5. **Authorize payment of invoice from Lazard Asset Management, dated October 19, 2001, in amount of \$18,710.94 for investment management services for quarter ending September 30, 2001**
6. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated October 31, 2001, in amount of \$3,759.00 for first of three payments for October 1, 2001, Actuarial Valuation Report calculated as 25% of fee for last Report (\$15,035)**
7. **Authorize payment of invoice from Sugarman & Susskind, dated October 3, 2001, in amount of \$750.00 for retainer fee for month of November 2001**
8. **Approve minutes of November 29, 2000, regular meeting, as submitted**
9. **Approve minutes of August 1, 2001, special meeting, as submitted**

Vote: 4-Aye, Nay-none.

**B. Pertained to Police Retirement Board:**

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

Action: Motion made by Mr. Powers and seconded by Ms. White, 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 10/04/01:

Leonard Lockhart, Sewer Collection, 2 Years/4 Months/4 Days, \$4004.03, separated from service September 21, 2001.

Checks disbursed 10/04/01:

Leanne Pearson, City Clerk's Office, 2 Months/12 Days, \$293.72, separated from service September 28, 2001.

Hipolito Robles, Golf Course, 2 Months/13 Days, \$273.88, separated from service August 28, 2001.

Mindi Lockhart, Customer Service, 2 Years/10 Months/5 Days, \$2,855.93, separated from service September 21, 2001.

Jessie Barrera, Cemetery, 5 Months/2 Days, \$478.72, separated from service September 6, 2001.

Check disbursed 10/18/01:

Jimmy Cabrera, Waste Removal, 3 Months/19 Days, \$416.40, separated from service October 10, 2001.

Checks disbursed 11/15/01:

Ben S. Smith, Pool & Beach, 1 Year/1 Month/21 Days, \$1,855.28, separated from service November 3, 2001.

Kenneth Dockswell, Parks Department, 2 Months/24 Days, \$355.45, separated from service October 17, 2001.

Leonard Green, Waste Removal, 12 Days, \$16.44, separated from service October 20, 2001.

Checks disbursed 11/29/01:

Justin Capodiecici, Pool & Beach, 1 Year;3 Months/7 Days, \$1,956.03, separated from service September 29, 2001.

Scott Hersey, Water Treatment, 8 Days, \$59.04, separated September 18, 2001.

Michael Gersely, Water Treatment, 1 Year/1 Month/19Days, \$2,538.82, separated November 22, 2001.

Jimmy L. Graham, Parks Department, 5 Months/29 Days, 485.50, separated November 13, 2001.

Checks disbursed 11/29/01:

Kenneth C. Boone, Trolley, 2 Years/2 Months/24 Days, \$1,812.21, separated November 11, 2001.

2. **Approve minutes of November 29, 2000, special meeting, as submitted**
3. **Approve minutes of August 8, 2001, joint workshop meeting, as submitted**

Vote: 4-Aye. Nay-none.

**VI. ADJOURNMENT:**

**A. Employees' Retirement Board:**

Meeting adjourned at 3:00 p.m.

**B. Pertained to Police Retirement Board:**

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

  
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Mayor Rodney G. Romano, Chair  
Employees' Retirement Board

for   
\_\_\_\_\_  
Valerie Hurley, Secretary  
Employees' 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.