

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, SEPTEMBER 25, 2002, AT 1:30 P.M.

I. ROLL CALL:

A. Employees' Retirement Board:

The Vice Chair called the meeting to order at 1:37 p.m.

Trustees present were Vice Chair John Charest, Finance Director Chuck Powers, Theresa White and Robert Lepa. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, and Recording Secretary Valerie Hurley, City Clerk's Office. Absent was Mayor Rodney Romano, Chairman.

B. Pertained to Police Retirement Board:

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

1. Add: New Business item A-5, From Mary V. Henline, Finance Department, requesting entrance into the Deferred Retirement Option Plan (DROP), effective October 12, 2002

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

1. Reorder New Business item C-1, Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending June, 30, 2002, to follow Additions/Deletions/Reordering

Consensus was to adopt the agenda as modified.

(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 June 30, 2002

As of June 30, 2002, the Employee' Pension fund had a total market value of \$64,188,310 including accrued income. This represented a decrease in value from the previous quarter of \$3,927,950. The fund earned -\$2,592,164 and paid out \$1,335,786 in net distributions.

As of June 30, 2002, 52.3% of the fund was invested in equities including international equity, 46.2% in bonds and 1.6% in cash and equivalents.

For the quarter, the fund earned a -3.9% return, which ranked in the top 18% of other public funds. The target was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government Corporate Index returned -5.4%.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

1. Discuss overpayment of pension benefits from Estate of Mary Lou Scott

Mr. Harrison said the granddaughter had hired an attorney, which had been in contact with him. The attorney said the granddaughter had notified the bank when Mary Lou Scott had passed away and that she had gone in to close out other accounts. At that time, the bank did not inform her of this account and left it open. He said she was asked to provide documentation, but had failed to provide any. Letters have been sent to both the bank and the granddaughter trying to resolve this issue.

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

1. Consider letter dated September 4, 2002, from Kenneth R. Harrison, Sr., Esq., Sugarman & Susskind, regarding notice to DROP participants of fixed rate account availability

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to approve the DROP Resolution and notice to DROP participants, as amended.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: None.

There was a brief discussion regarding scheduling of the next meeting.

Consensus was to schedule the next meeting on Wednesday, October 30, 2002, at 1:30 p.m., at which time the Board will consider amending the DROP rules.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. From Beatrice N. Purcell, Library, requesting regular retirement
based on the Rule of 75, effective September 30, 2002**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to grant, with regret, the request of Beatrice N. Purcell, Library, for regular retirement based on the Rule of 75, effective September 30, 2002.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: None.

- 2. From Steven Williamson, Public Works Department, requesting
regular retirement based on the Rule of 20-years and Out,
effective October 31, 2002**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to grant, with regret, the request of Steven Williamson, Public Works Department, for regular retirement based on the Rule of 20-years and Out, effective October 31, 2002.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: None.

- 3. Consider request to transfer of pension contributions from
General Employees' Retirement System to the Police Retirement
System for Callie Culpepper**

Action: Motion made by Mr. Powers and seconded by Ms. White to approve transfer of pension contributions from General Employees' Retirement System to the Police Retirement System for Callie Culpepper.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: None.

(IV. **NEW BUSINESS:**)

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

IV. **NEW BUSINESS:**

A. **Employees' Retirement Board:**

4. **Consider accepting Anthony Vargas's pension contributions from the Police Retirement System to the General Employees' Retirement System**

Action: Motion made by Mr. Powers and seconded by Ms. White to approve accepting Anthony Vargas's pension contributions from the Police Retirement System to the General Employees' Retirement System.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: None.

5. **From Mary V. Henline, Finance Department, requesting entrance into the Deferred Retirement Option Plan (DROP), effective October 12, 2002**

Action: Motion made by Mr. Powers and seconded by Ms. White to grant the request of Mary V. Henline, Finance Department, for entrance into the Deferred Retirement Option Plan (DROP), effective October 12, 2002.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: 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 June 30, 2002**

Discussed earlier in the meeting.

2. Consider blanket motion for FY 2002 – 2003 regarding attendance at Trustee Schools and Conferences

Action: Motion made by Mr. Powers and seconded by Ms. White to approve blanket motion for Trustees to attend conferences sponsored by FPPTA and Division of Retirement.

Vote: Voice vote showed: AYES: Messrs. Powers, Charest, and Lepa; and Ms. White. NAYS: None.

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 September 10, 2002, in amount of \$900.00 for retainer fee for month of September 2002**
2. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated August 31, 2002, in amount of \$9,671.00 for final payment for October 1, 2001, Actuarial Valuation Report (\$8,094); Individual Employee Benefit Statements (\$1,077)); impact statement for fixed 7% interest rate on DROP accounts (\$250), and impact statement for purchasing reserve military service (\$250)**
3. **Receive fee advice from PIMCO (Oppenheimer Capital) for investment management services for quarters ending: March 31, 2001- \$8,655.96; June 30, 2001-\$33,747.79; September 30, 2001-\$32,882.00; December 31, 2001-\$32,897.64; and June 30, 2002-\$33,030.31**
4. **Authorize payment of invoice from FedEx, dated August 27, 2002, in the amount of \$13.52 for package to Sugarman & Susskind**

Vote: Voice vote showed: AYES: Messrs. Powers, Lepa, and Charest; and Ms. White. NAYS: None.

B. Pertained to Police Retirement Board:

C. Employees' and Police Retirement Boards:

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

1. Ratify refunds of pension contributions for August 2002 as reported by Finance Department

Checks Disbursed 09/05/02:

Oleg V. Chtchetnikov, Pool & Beach, 6 Months/18 Days, \$812.42, separated from service August 22, 2002

Vote: Voice vote showed: AYES: Messrs. Powers, Lepa, and Charest; and Ms. White. NAYS: None.

VI. ADJOURNMENT:

A. Employees' Retirement Board:

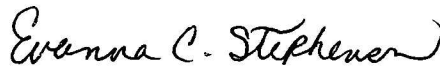
Meeting adjourned at 2:57 p.m.

B. Pertained to Police Retirement Board:

MINUTES APPROVED: 6-25-03



Mayor Rodney G. Romano, Chair
Employees' Retirement Board



Evanna Stephenson, Recording Secretary
Employees' Retirement Board

Minutes transcribed by: Evanna C. Stephenson, City Clerk's Office.

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