

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, MARCH 26, 2003, AT 1:30 P.M.

I. ROLL CALL:

A. Employees' Retirement Board:

The Vice Chairman called the meeting to order at 1:34 p.m.

Trustees present were Vice Chairman John Charest, Finance Director Chuck Powers, Theresa White, and Robert Lepa; Mayor Rodney Romano (Chairman) arrived at 1:49 p.m. Also present were Board Attorney Robert A. Sugarman and Recording Secretary Evanna Stephenson, City Clerk's Office.

Others present were Larry Cole of Merrill Lynch Consulting Services and Jack Hamilton of Davis Hamilton Jackson & Associates.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

Consensus was to waive the rules to add Consent C-2 to the agenda and approve the agenda as set at this time.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

1. Consider allowing purchase of prior police employment

After hearing the discussion with the Police Retirement Board regarding this issue, Mr. Powers noted that the Employees' Retirement Code should also be amended to allow up to a maximum of five (5) years of military service credit to be purchased.

Action: Motion made by Mr. Powers and seconded by Ms. White to amend the General Employees' Code regarding the purchase of credit for military service to five (5) years.

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

C. Employees' and Police Retirement Boards:

None.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. From John Robert Owens, Public Works Department, requesting regular retirement based on the Rule of 20-years and Out, effective March 29, 2003**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to grant, with regret, the request of John Robert Owens, Public Works Department, for regular retirement based on the Rule of 20-years and Out, effective March 29, 2003.

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

- 2. From Tina Piasio, Personnel Department, requesting regular retirement based on the Rule of 75, effective April 25, 2003**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to grant, with regret, the request of Tina Piasio, Personnel Department, for regular retirement based on the Rule of 75, effective April 25, 2003.

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

- 3. From Roberta M. Poirier, Building & Zoning Department, requesting regular retirement based on the Rule of 75, effective March 12, 2003**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to grant, with regret, the request of Roberta M. Poirier, Building & Zoning Department, for regular retirement based on the Rule of 75, effective March 12, 2003.

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

4. From Charles C. Powers, Finance Department, requesting regular retirement based on the Rule of 20-years and Out, effective April 5, 2003

Mr. Powers declared that a conflict did exist and abstained from voting. (See attached form).

Action: Motion made by Mr. Lepa and seconded by Ms. White to grant, with regret, the request of Charles C. Powers, Finance Department, for regular retirement based on the Rule of 20-years and Out, effective April 5, 2003.

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

Mayor Romano arrived at 1:49 p.m.

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 December 31, 2002, and for calendar year January 1, 2002 – December 31, 2002

Larry Cole reviewed the fund valuation for quarter ending December 31, 2002, and for the calendar year January 1, 2002 – December 31, 2002.

As of December 31, 2002, the fund had a total market value of \$60,448,460 including accrued income. This represented an increase in value from the previous quarter of \$2,192,500. The total fund earned \$2,229,513 and paid out \$37,013 in net distributions.

As of December 31, 2002, 47.4% of the total fund was invested in equities including the international and small cap equity portfolios, 51.6% in bonds and 1.0% in cash equivalents. The allocation to stocks was more conservative than the median fund in the balanced fund sample, which had 52.9% of its assets invested in stocks.

For the quarter, the total fund earned a 3.8% return, which ranked in the bottom 35% of other public balanced funds in the sample. The target

index which comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index had a return of 5.5%.

Board Attorney Robert A. Sugarman requested an explanation from PIMCO and Franklin Balance Sheet regarding their performance, along with an opinion from Merrill Lynch.

Consensus was to direct Mr. Cole to invite PIMCO to the next meeting to explain why they were under weighted in corporate bonds.

2. Davis Hamilton Jackson & Associates, report for calendar year January 1, 2002 – December 31, 2002

Jack Hamilton reported on calendar year January 1, 2002 – December 31, 2002. He said the portfolio value on December 31, 2002, was \$9,317,246.43.

3. Annual review of disability retirees

Risk Manager Dave Murphy provided copies of a spreadsheet listing individuals currently eligible for and receiving the City's Duty and Non-Duty Disability Retirement benefits.

Action: Motion made by Mr. Lepa and seconded by Mr. Powers to table action until the April meeting.

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

V. CONSENT AGENDA:

A. Employees' Retirement Board:

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

- 1. Approve amended minutes of February 26, 2003, regular meeting, as submitted**

- 2. Authorize payment of invoice from Sugarman & Susskind, dated February 28, 2003, in amount of \$900.00 for retainer fee for month of March 2003**

Vote: Voice vote showed: AYES: Mayor Romano; Messrs. Charest, Powers, and Lepa; 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 Mayor Romano to approve Consent Agenda (C), in its entirety, as follows:

- 1. Ratify refunds of pension contributions for March 2003 as reported by Finance Department**

Checks Disbursed 03/06/03:

Tito Ruiz, Public Works-Building Maintenance, 14 Years 8 Months 14 Days, \$16,446.15, separated from service January 17, 2003.

David Raskin, Pool & Beach, 3 Years 8 Months 10 Days, \$771.54, separated from service February 18, 2003.

Jeremy Cole, Public Works-Parks Department, 3 Months 27 Days, \$337.16, separated from service February 10, 2003.

- 2. Authorize payment of invoice from Boca Bookbinding, Inc., dated March 18, 2003, in amount of \$208.47 for bookbinding minutes**

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

Mayor Romano departed at 2:39 p.m.


Board Attorney Robert A. Sugarman distributed information clarifying the use of state premium tax revenues to provide extra benefits to police officers as provided in Chapter 99-1, Laws of Florida; proposed changes to Chapter 175 and 185 premium tax revenues and how they were collected and allocated; and proposed House Bill 133 relating to Firefighter and Municipal Police Pensions.

VI. ADJOURNMENT:

A. Employees' Retirement Board:

Meeting adjourned at 2:45 p.m.

MINUTES APPROVED: 04-23-03



Mayor Rodney G. Romano, Chair
Employees' Retirement Board



Evanna C. Stephenson
Recording Secretary

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.