

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON WEDNESDAY,
APRIL 23, 2003,
AT 1:30 P.M.**

I. ROLL CALL:

A. Employees' Retirement Board:

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

Trustees present from the Employees' Retirement Board were Mayor Rodney Romano (Chairman), Vice Chairman John Charest, Acting Finance Director Anne Sims, and Theresa White. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, and Recording Secretary Evanna Stephenson, City Clerk's Office. Absent was Robert Lepa.

Others present were Larry Cole of Merrill Lynch Consulting Services and Jim Leavy of PIMCO.

B. Police Retirement Board:

Trustees present from the Police Retirement Board were Mayor Rodney Romano (Chairman), Deputy Chief Patrick Hampshire (Vice Chairman), Acting Finance Director Anne Sims, Lt. Kenneth White, and David Vespo. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, and Recording Secretary Evanna Stephenson, City Clerk's Office.

Others present were Larry Cole of Merrill Lynch Consulting Services and Jim Leavy of PIMCO.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

1. **Add: New Business item A-1, Consider a request from Phil Donovan, Utilities Department, to purchase 1 year 7 months of military service in the amount of \$16,691**

B. Police Retirement Board:

1. **Add: New Business item C-1, Authorize outgoing board and new board secretaries to attend the conference in Orlando**

C. Employees' and Police Retirement Boards:

Action: Motion made by Ms. White and seconded by Ms. Sims to approve the Employees' Retirement Board agenda as amended.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Mr. Charest, and Ms. White. NAYS: None.

Action: Motion made by Deputy Chief Hampshire and seconded by Mr. Vespo to approve the Police Retirement Board agenda as amended.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Mr. Vespo, Lt. White, and Deputy Chief Hampshire. NAYS: None.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. **Mr. Jim Leavy, PIMCO, to review bond performance for year ending January 1, 2002 – December 31, 2002**

Mr. Leavy, PIMCO, said the goal of the Quality Bond portfolio was to achieve reasonably consistent and adequate return over the longer term (3 – 5 years) in excess of the return of the target index and to obtain protection of the assets against the inroads of inflation. He said absolutely safety of assets was paramount.

Investors' risk appetites were revived in the fourth quarter, calming the financial market turmoil that produced a flight to safe assets, especially treasuries, in the previous two quarters. The return to normalcy had come amid heightened confidence that U.S. and to a lesser extent, European policymakers would protect the global economy against the risks of deflation.

The powerful treasury rally stalled during the final quarter as investors regained interest in credit-sensitive fixed income assets as well as non-U.S. bonds. The 10-year treasury yield ended 2002 at 3.81 percent, up 22 points during the quarter. 2002 was a difficult period for financial assets and fixed income securities weathered the storm relatively well.

While treasuries and top quality assets generally outperformed in 2002, corporate and lower grade bonds regained some ground on a relative basis in the final quarter.

Mortgages outpaced treasuries on a like-duration basis for the quarter and the year. Mortgages held up well even though refinancings remained rapid.

Corporate bonds, especially BBB-rated and high yield issues, outperformed during the quarter. Companies continued to cut capital spending, limit stock buybacks, and repair balance sheets.

2. Letter dated April 3, 2003, from Maggi Steiner, Franklin Templeton Investments, regarding the Franklin Balance Sheet Investment Fund

Larry Cole, Merrill Lynch, said performance was not good in the third quarter. The stock fund consisted of 34% cash. Ideally, only 5% cash should be in the fund. He suggested staying with the fund a few more quarters before making the decision to withdraw to avoid a 1% penalty fee.

3. Annual review of disability retirees

Consensus was to direct Board Secretary to write a letter to Michael Shields informing him that the next Retirement Board agenda will include a letter to suspend payment of benefits if annual paperwork was not on file.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. Consider a request from Phil Donovan, Utilities Department, to purchase 1 year 7 months of military service**

Ms. Sims said Mr. Donovan wanted to make a lump sum payment in the amount of \$12,000 and pre-taxed payments up to two (2) years on the balance.

Action: Motion made by Ms. Sims and seconded by Mr. Charest to approve the request and amortization schedule.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Mr. Charest, and Ms. White. NAYS: None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

- 1. Authorize the outgoing board and new board secretaries to attend the conference in Orlando**

Action: Motion made by Mr. Charest and seconded by Ms. White to authorize the outgoing board and new board secretaries to attend the conference in Orlando and to divide the cost between the two (2) pension funds.

Vote: Voice vote from the Employee' Retirement Board showed: AYES: Mayor Romano, Ms. Sims, Mr. Charest, and Ms. White. NAYS: None.

Action: Motion made by Deputy Chief Hampshire and seconded by Lt. White to authorize the outgoing board and new board secretaries to attend the conference in Orlando and to divide the cost between the two (2) pension funds.

Vote: Voice vote from the Police Retirement Board showed: AYES: Mayor Romano, Ms. Sims, Mr. Vespo, Lt. White, and Deputy Chief Hampshire. NAYS: None.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Approve minutes of December 4, 2002, regular meeting, as submitted**
- 2. Approve minutes of March 26, 2003, regular meeting, as submitted**
- 3. Authorize payment of invoice from Sugarman & Susskind, dated April 9, 2003, in amount of \$900 for retainer fee for month of April 2003**
- 4. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated March 31, 2003, in amount of \$1343, a portion of October 1, 2002, Actuarial Valuation Report cost (\$908) and review Excess Benefit Plan (\$435)**

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

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Mr. Charest, and Ms. White. NAYS: None.

B. Police Retirement Board:

- 1. Approve minutes of December 4, 2002, regular meeting, as submitted**
- 2. Approve minutes of March 26, 2003, regular meeting, as submitted**
- 3. Authorize payment of invoice from Sugarman & Susskind, dated April 9, 2003, in amount of \$1,350 retainer fee for month of April 2003**
- 4. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated March 31, 2003, in amount of \$2,227, a portion of October 1, 2002, Actuarial Valuation Report cost (\$799), preparation of 6a for inclusion in the 2002 Annual State Report (\$550) and Impact Statement regarding minimum benefits of Chapter 185 (\$878)**

Action: Motion made by Deputy Chief Hampshire and seconded by Mr. Vespo to approve Consent Agenda (B), in its entirety.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Mr. Vespo, Lt. White, and Deputy Chief Hampshire. NAYS: None.

C. Employees' and Police Retirement Boards:

1. Ratify refunds of pension contributions for April 2003 as reported by Finance Department

Checks Disbursed 04/03/03:

Vanessa Mitcheltree, Customer Service, 2 Years/7 Months/10 Days, \$3,505.75, separated from service March 5, 2003.

Checks Disbursed 04/12/03:

Dallas Parker, Building & Zoning, 1 Year/2 Months/7 Days, \$1,345.16, separated from service April 11, 2003.

Ryan Keith, Pool & Beach, 2 Years/3 Months/14 Days, \$1,935.81, separated from service March 23, 2003.

Checks Disbursed 04/12/03:

Linda Pope, Police Department, 4 Months/26 Days, \$561.08, separated from service January 21, 2003.

Brandt Lee Sellari, Police Department, 10 Months/8 Days, \$1,773.33, separated from service March 21, 2003.

Action: Motion made by Mr. Charest and seconded by Ms. White to approve Consent Agenda (C), in its entirety.

Vote: Voice vote from the Employees' Retirement Board showed: AYES: Mayor Romano, Ms. Sims, Mr. Charest, and Ms. White. NAYS: None.

Action: Motion made by Deputy Chief Hampshire and seconded by Mr. Vespo to approve Consent Agenda (C), in its entirety.

Vote: Voice vote Police Retirement Board showed: AYES: Mayor Romano, Ms. Sims, Mr. Vespo, Lt. White, and Deputy Chief Hampshire. NAYS: None.

Mr. Harrison, said he had information pertaining to the Police Board, regarding deductions for employee contributions for people called away to military service. The City had been paying these employees a supplemental pay, which was the difference between military pay and what they would have been paid if they had stayed with the City. Some employers had been deducting employee contributions out of this supplemental pay. The State of Florida has now said that this was inappropriate because 185025D, which pertained to people that, had been called away for military service. This is now official.

He updated the Board regarding overpayment of pension benefits to the Estate of Mary Lou Scott. He said lawsuits have been filed against both the bank and the granddaughter demanding restitution. The bank had responded claiming no liability, while the daughter said she had documentation, but failed to produce any.

He updated the Board regarding Senate Bill 330 and House Bill 133. These bills establish electronic data banks where insurance premiums would be properly coded and checked. The Senate Bill was in appropriations and the House Bill had cleared the first committee.

Mr. Harrison presented an ordinance deleting the words police officer and providing for the purchase of credit for prior military service, increasing the maximum credit for prior service from four (4) to five (5) years, providing for the purchase of credit for prior military service and prior law enforcement service, providing payment of full actuarial costs of prior service credit by the participant, providing for severability of provisions, repealing all ordinances in conflict with, providing for codification, and providing for an effective date of this ordinance amendment.

Action: Motion made by Mr. Charest and seconded by Ms. White to approve ordinance as amended and to forward to Actuary.

Vote: Voice vote from the Employees' Retirement Board showed: AYES: Mayor Romano, Ms. Sims, Mr. Charest, and Ms. White. NAYS: None.


Action: Motion made by Lt. White and seconded by Deputy Chief Hampshire to approve ordinance as amended and to forward to Actuary.

Vote: Voice vote Police Retirement Board showed: AYES: Mayor Romano, Ms. Sims, Mr. Vespo, Lt. White, and Deputy Chief Hampshire. NAYS: None.


VI. ADJOURNMENT:

Meeting adjourned at 2:21 p.m.

MINUTES APPROVED: 5-28-03



Mayor Rodney G. Romano, Chairman
Employees' & Police Retirement Boards



Evanna Stephenson, Recording Secretary
Employees' & Police Retirement Boards

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.