

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

I. ROLL CALL: 1:30 PM

A. Employees' Retirement Board:

The Chairman called the meeting to order at 1:36 p.m.

Trustees present from the Employees' Retirement Board were Mayor Rodney Romano (Chairman), Finance Director Anne Sims (arrived at 1:37 p.m.), Valerie Hurley (Vice Chair), Robert Lepa, 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.

B. Police Retirement Board:

The Chairman called the meeting to order at 1:36 p.m.

Trustees present from the Police Retirement Board were Mayor Rodney Romano (Chairman), Finance Director Anne Sims (arrived at 1:37 p.m.), Lt. Kenneth White (Vice Chair), Officer Mark Bouchard, 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.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

1. Reorder Unfinished Business item C-1, Update from Anne Sims regarding clarification from Stephen Palmquist on items from the Impact Statement for the 3% multiplier, to be discussed between Unfinished Business item B-3 and Unfinished Business item B-4

C. Employees' and Police Retirement Boards:

- 1. Reorder New Business item C-1, Larry Cole, Merrill Lynch, to discuss June 30, 2003 Summary Report, to follow Additions/Deletions/Reordering**

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to accept the agenda, as amended.

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

Action: Motion made by Mr. Vespo and seconded by Lt. White, to accept the agenda, as amended.

Vote: Voice vote showed: AYES: Mayor Romano, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

Anne Sims, Finance Director, arrived at 1:37 p.m.

(IV. NEW BUSINESS:)

(C. Employees' and Police Retirement Boards:)

(1.) Larry Cole, Merrill Lynch, to discuss June 30, 2003 Summary Report

As of June 30, 2003, the General Employees' Pension Fund had a total market value of \$64,026,710 including accrued income. For the quarter ended, the fund earned \$4,817,810 and paid \$31,570 in net distributions for a total increase in value of \$4,786,240 from the previous quarter end.

As of June 30, 2003, 57.7% of the fund was invested in equities including the international and small cap equity portfolios, 40.7% in bonds and 1.7% in cash and equivalents.

For the quarter, the fund earned an 8.1% return, which is ranked in the bottom 12% of other public balanced funds. The target index was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index returned 11.0%.

As of June 30, 2003, the Police Officers' Pension Fund had a total market value of \$19,992,700 including accrued income. For the quarter ended, the fund earned \$1,499.089 and paid \$11,369 in net distributions for a total increase in value of \$1,487,720 from the previous quarter end.

As of June 30, 2003, 58.0% of the fund was invested in equities including the international and small cap equity portfolios, 40.5% in bonds and 1.5% in cash and equivalents.

For the quarter, the fund earned an 8.1% return, which was ranked in the bottom 12% of other public balanced funds. The target index was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index returned 11.0%.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

1. Elect Chairman and Vice Chairman

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to elect Mayor Rodney Romano as Chairman.

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

Action: Motion made by Mr. Lepa and seconded by Ms. White, to elect Valerie Hurley as Vice Chairman.

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

2. Overpayment of pension benefits to the Estate of Mary Lou Scott

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to follow Board Attorney's recommendations to authorize acceptance of \$2,500 from the next of kin and to reserve all other claims against the bank.

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

B. Police Retirement Board:

1. Update from Lt. White regarding the purchase of prior police service

Lt. White gave a brief update regarding the purchase of prior police service. He said he did add Sandra Owens's name to the list forwarded to Stephen Palmquist earlier.

Board Secretary was instructed to forward a list of pensionable compensation to Stephen Palmquist and to Lt. White.

2. Actuarial Impact Statement dated September 4, 2003, from Stephen Palmquist, Gabriel, Roeder, Smith & Company, regarding clarification of the recent Early Retirement Incentive Plan (ERIP)

Action: Motion made by Lt. White and seconded by Mr. Vespo, to receive and file an Actuarial Impact Statement dated September 4, 2003, from Stephen Palmquist, Gabriel, Roeder, Smith & Company, regarding clarification of the recent Early Retirement Incentive Plan (ERIP).

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

3. Email dated September 17, 2003, acknowledging receipt of check and confirming deposit in amount of \$1,710 (Division II 185 minimum benefits)

Action: Motion made by Lt. White and seconded by Mr. Vespo, to receive and file an email dated September 17, 2003, acknowledging receipt of check and confirming deposit in amount of \$1,710 (Division II 185 minimum benefits)

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

(III. UNFINISHED BUSINESS:)

(C. Employees' and Police Retirement Boards:)

(1.) Update from Anne Sims regarding clarification from Stephen Palmquist on items from the Impact Statement for the 3% multiplier

Action: Motion made by Ms. Hurley and seconded by Ms. White, to waive the rules and add an agenda item to consider raising the employees' 3% multiplier.

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

Action: Motion made by Ms. Hurley and seconded by Ms. White, to direct the Board Attorney to draft an ordinance to increase the multiplier to 3% for service prior to October 1, 1997.

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

- 4. Consider an amendment to Chapter 16, Article IV, Division I, Subdivision 2 of the Code of Ordinances amending Section 16-146 to provide for an increase in the multiplier from 2 ¾% to 3% for periods prior to October 1, 1997**

Action: Motion made by Lt. White and seconded by Officer Bouchard, to approve an amendment to Chapter 16, Article IV, Division I, Subdivision 2 of the Code of Ordinances amending Section 16-146 to provide for an increase in the multiplier from 2 ¾% to 3% for periods prior to October 1, 1997 and to forward to City Commission for action.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

C. Employees' and Police Retirement Boards:

- 1. Update from Anne Sims regarding clarification from Stephen Palmquist on items from the Impact Statement for the 3% multiplier**

Discussed earlier in meeting.

- 2. Update regarding an actuarial calculation table for the purchase of military time**

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to direct Stephen Palmquist, to devise a calculation table for the purchase of military time and to divide the cost between both Boards.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to direct Stephen Palmquist, to devise a calculation table for the purchase of military time and to divide the cost between both Boards.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

CONSENSUS was to direct Board Secretary to contact Mr. Palmquist and to move forward with this issue.

3. Summary Plan Description, dated September 2003, from Gabriel, Roeder, Smith & Company

CONSENSUS was direct Board Attorney to review documents before taking formal action.

4. Consider Trustee Education & Travel Expenses Policy Statement

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to adopt the Trustee Education & Travel Expenses Policy Statement, as presented.

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

Action: Motion made by Mr. Vespo and seconded by Officer Bouchard, to adopt the Trustee Education & Travel Expenses Policy Statement, as presented.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

5. Consider an ordinance amendment regarding vesting

Ken Harrison, Board Attorney, explained that this item was the result of questions raised by Mr. Brinkman, Division of Retirement, regarding dispatchers.

Action: Motion made by Mr. Lepa and seconded by Ms. Hurley, to table discussion at this time and to bring back to the next meeting, pending input from Ms. Sims and Ken Harrison, Board Attorney.

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

Action: Motion made by Mr. Vespo and seconded by Officer Bouchard, to table discussion at this time and to bring back to the next meeting, pending input from Ms. Sims and Ken Harrison, Board Attorney.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. Larry Cole, Merrill Lynch, to discuss June 30, 2003 Summary Report

Discussed earlier in meeting.

2. Consider blanket motion for FY 2003 – 2004 regarding attendance at Trustee Schools and Conferences.

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to make it a policy of the Board that the Board will pay for all educational seminars, room, board and per diem in state by previous notification and out of state on a case by case review on the agenda. This will include certification as well as trustee schools and conferences.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to make it a policy of the Board that the Board will pay for all educational seminars, room, board and per diem in state by previous notification and out of state on a case by case review on the agenda. This will include certification as well as trustee schools and conferences.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

3. Consider whether employee contributions can be stopped after entrance into DROP

Ken Harrison, Board Attorney, explained that when you retire you can continue to make pension contributions or can stop at this time. He said if you choose to continue contributing, you can stop contributing any time along the way, but cannot restart contributing again.

4. Notice of new redemption fee, from Merrill Lynch, regarding AIM funds

Action: Motion made by Mr. Lepa and seconded by Ms. Hurley, to receive and file notice of new redemption fee, from Merrill Lynch, regarding AIM funds.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to receive and file notice of new redemption fee, from Merrill Lynch, regarding AIM funds.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

5. Voting proxy from Merrill Lynch, regarding AIM International Growth Fund – Class A

Action: Motion made by Mr. Lepa and seconded by Ms. White, to vote all Ayes for the directors and vote Yes for the proposed move to Delaware, on the voting proxy from Merrill Lynch, regarding AIM International Growth Fund – Class A.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to vote all Ayes for the directors and vote Yes for the proposed move to Delaware, on the voting proxy from Merrill Lynch, regarding AIM International Growth Fund – Class A.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

6. Consider renewal subscriptions for Pensions & Investments Magazine

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to not renew and cancel subscriptions for Pensions & Investments Magazines.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to not renew and cancel subscriptions for Pensions & Investments Magazines.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

CONSENSUS was to direct Board Secretary to write a letter canceling all subscriptions.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated August 31, 2003, in amount of \$1,968 for preparation of an Actuarial Impact Statement regarding an increase in the multiplier to 3% for service prior to October 1, 1997**
- 2. Authorize payment of invoice from Sugarman & Susskind, dated September 3, 2003, in amount of \$945 for retainer fees**

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

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

B. Police Retirement Board:

- 1. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated August 31, 2003, in amount of \$1,910 for preparation of an Actuarial Impact Statement regarding an increase in the multiplier to 3% for service prior to October 1, 1997**
- 2. Authorize payment of invoice from Sugarman & Susskind, dated September 3, 2003, in amount of \$1,417.50 for retainer fees**

Action: Motion made by Lt. White and seconded by Officer Bouchard, to approve Consent Agenda (B), in its entirety, as presented.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

C. Employees' and Police Retirement Boards:

- 1. Approve minutes of August 27, 2003, joint meeting, as presented**

Action: Motion made by Mr. Lepa and seconded by Ms. White, to approve minutes of August 27, 2003, joint meeting, as presented.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to approve minutes of August 27, 2003, joint meeting, as presented.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

2. Ratify refunds of pension contributions for September 2003 as reported by Finance Department

Employees' Pension Fund:

Checks Disbursed

Taya Baldwin, Pool & Beach, 1 Year/9 Months, \$4,584.28, separated from service August 21, 2003

David Hayes, Parks, 2 Months, \$163.41, separated from service August 19, 2003

Clayton Jones, Refuse, 9 Months/8 Days, \$70.24, separated from service July 29, 2003

Check Disbursed

Paul Wayland, Finance, 5 Months/12 Days, \$956.10, separated from service September 2, 2003

Police Pension Fund:

Check Disbursed

Elizabeth Sheehan, Police, 1 Year/9 Months/6 Days, \$6,661.78, separated from service August 19, 2003

Action: Motion made by Mr. Lepa and seconded by Ms. White, to ratify refunds of pension contributions for September 2003 as report by Finance Department.

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

Action: Motion made by Mr. Vespo and seconded by Officer Bouchard, to ratify refunds of pension contributions for September 2003 as report by Finance Department.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Sims, Lt. White, Officer Bouchard, and Mr. Vespo. NAYS: None.

D. Board Attorney's Report:

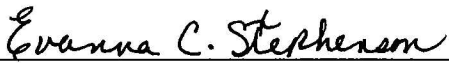
None.

VI. ADJOURNMENT:

Meeting adjourned at 3:15 p.m.

MINUTES APPROVED: 10-28-03



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.