

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
APRIL 27, 2004,
AT 1:30 P.M.**

I. ROLL CALL: 1:30 PM

A. Employees' Retirement Board:

The Chair called the meeting to order at 1:35 p.m.

Trustees present from the Employees' Retirement Board were Mayor Rodney Romano (Chair), Valerie Hurley (Vice Chair), Finance Director Anne Sims, Robert Lepa, and Theresa White (arrived at 1:53 p.m.). 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 Chair called the meeting to order at 1:35 p.m.

Trustees present from the Police Retirement Board were Mayor Rodney Romano (Chair), Lt. Kenneth White (Vice Chair), Finance Director Anne Sims, David Vespo, and Officer Mark Bouchard (arrived at 1:41 p.m.). Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, and Recording Secretary Evanna Stephenson.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

Action: Motion made by Ms. Sims and seconded by Ms. Hurley, to approve the agenda as presented.

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

B. Police Retirement Board:

Action: Motion made by Ms. Sims and seconded by Mr. Vespo, to approve the agenda as presented.

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

C. Employees' and Police Retirement Boards:

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to add discussion regarding administrative fees assessed to DROP accounts to be discussed at Unfinished Business C-8.

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

Action: Motion made by Mr. Vespo and seconded by Lt. White, to add discussion regarding administrative fees assessed to DROP accounts to be discussed at Unfinished Business C-8.

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

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

- 1. Letter dated April 16, 2004, from Marcus Braswell, Sugarman & Susskind, regarding final payment of \$1,500 for overpayment of pension to the estate of Mary Lou Scott**

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to receive and file letter dated April 16, 2004, from Marcus Braswell, Sugarman & Susskind, regarding final payment of \$1,500 for overpayment of pension to the estate of Mary Lou Scott.

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

- 2. Update from Theresa White regarding reimbursement of lodging fees**

CONSENSUS was to defer this item to the next meeting unless Ms. White arrives at this meeting, at which time, the item will be discussed.

- 3. Email from Andrew Baldassi, T & D/Line, regarding recoupment of pension contributions**

Action: Motion made by Ms. Sims and seconded by Mr. Lepa, to receive and file email from Andrew Baldassi, T & D/Line, regarding recoupment of pension contributions.

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

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. Thomas Franzese and Rich Tutino, Lazard, to review fund valuation

Ms. Hurley said she would like to finish all business before the Mayor had to leave if there isn't any objection.

CONSENSUS was to defer this item to be discussed at the end of the meeting.

Officer Bouchard arrived at 1:41 p.m.

2. Letter dated April 7, 2004, from Larry Cole, Merrill Lynch, regarding trading issues

Action: Motion made by Ms. Hurley and seconded by Ms. Sims, to receive and file letter dated April 7, 2004, from Larry Cole, Merrill Lynch, regarding trading issues.

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

Action: Motion made by Lt. White and seconded by Mr. Vespo, to receive and file letter dated April 7, 2004, from Larry Cole, Merrill Lynch, regarding trading issues.

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

3. Letter dated March 26, 2004, from Stephen Palmquist, Gabriel, Roeder, Smith & Company regarding increase of multiplier to 3¼% and 3½%

Officer Bouchard said he had met with the body and was asked to get figures for 3¼%, 3½%, and 4% from this day forward instead of retroactive.

Ms. Hurley asked if we would also need to request 3¾%.

Lt. White explained that it wouldn't cost any more to request 3¾% along with the other amounts requested.

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to direct Actuary to do a study increasing the multiplier to 3¼%, 3½%, 3¾%, and 4% from this day forward.

Vote: Voice vote showed: AYES: Mayor Romano, Ms. Hurley, and Mr. Lepa. NAYS: Ms. Sims.

Action: Motion made by Officer Bouchard and seconded by Lt. White, to direct Actuary to do a study increasing the multiplier to 3¼%, 3½%, 3¾%, and 4% from this day forward.

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

4. Consider an ordinance amendment to provide for the crediting of total city employment for pension purposes, to comply with Division of Retirement direction and provide ten (10) year certain and life as an alternative form of benefit

The Board Attorney explained this ordinance amends text in both plans regarding the transfer of funds from one plan to another and provides ten (10) year certain and life as an alternate form of benefit in the Police plan (185 benefit).

Lt. White reminded the Board Secretary that notice would need to be sent to Division II requesting transfer of funds for these 185 benefits along with the \$1,710, each year, which had already been approved prior to this.

Action: Motion made by Ms. Hurley and seconded by Mr. Lepa, to approve proposed amendments, request impact statement from Actuary, and forward to City Commission for formal consideration.

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

Action: Motion made by Lt. White and seconded by Officer Bouchard, to approve proposed amendments, request impact statement from Actuary, and forward to City Commission for formal consideration.

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

5. Discuss amendments to the Trustee Education & Travel Expenses Policy Statement

Ms. Hurley said she had originally addressed this subject because of the letter from the City Clerk, regarding duties of the Board Secretary.

The Board Attorney said he had tried to incorporate the mandatory education policy with issues regarding reservations, changes to reservations, and cancellation fees.

Mayor Romano recapped the discussion by stating the Board Secretary would make reservations one time within a specified time, and after that, it would be the responsibility of the trustee to make reservations, changes, and cancellations, with any fees assessed. He also said the Board Secretary would not give interpretations of the pension plans, but would direct inquiries and calls to one of the trustees.

CONSENSUS was to make this Board policy.

Ms. White arrived at 1:53 p.m.

Action: Motion made by Ms. Hurley and seconded by Ms. Sims, 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 Lt. White 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, Mr. Vespo, and Officer Bouchard. NAYS: None.

6. Letter dated March 31, 2004, from Kenneth Harrison, Sugarman & Susskind, regarding meeting scheduling

Action: Motion made by Ms. Hurley and seconded by Ms. White, to receive and file letter dated March 31, 2004, from Kenneth Harrison, Sugarman & Susskind, regarding meeting scheduling.

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 Lt. White, to receive and file letter dated March 31, 2004, from Kenneth Harrison, Sugarman & Susskind, regarding meeting scheduling.

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

7. Letter dated April 6, 2004, from Kenneth Harrison, Sugarman & Susskind, regarding DROP questions from Bob Marquis

Action: Motion made by Ms. Hurley and seconded by Ms. Sims, to receive and file letter dated April 6, 2004, from Kenneth Harrison, Sugarman & Susskind, regarding DROP questions from Bob Marquis and direct Board Secretary to forward a copy to Mr. Marquis.

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

8. Discuss administrative fees assessed to DROP accounts

Lt. White said he had questions regarding administrative fees assessed to DROP accounts because officers were being charged fees based on balances in their DROP accounts and some of them were paying up to \$500 quarterly. He said he had emailed Stephen Palmquist, Actuary, and Larry Cole, Merrill Lynch, asking if the fees were assessed for the cost of administering the plan.

The Board Attorney said when the plan was written, the Board opted to charge administrative fees of .0075 annually or .001875 quarterly for balances in DROP accounts and to off-set administrative cost.

Mr. Lepa said it might be used to off-set fees charged by managers on the total amount of the fund and nobody should ride free.

CONSENSUS was to direct Lt. White to contact Larry Cole, Merrill Lynch, to get this in writing and to schedule this at the next meeting.

Mayor Romano relinquished chair and exited the meeting at 2:02 p.m.

(III. UNFINISHED BUSINESS:)

(A. Employees' Retirement Board:)

(2.) Update from Theresa White regarding reimbursement of lodging fees

Ms. White said Jeff Joel, Division 2 Fire Pension, should be reimbursing the fund for lodging fees. She said the check should come from the Pension Resource Center.

CONSENSUS was to schedule this at the next meeting.

(III. UNFINISHED BUSINESS:)

(C. Employees' and Police Retirement Boards:)

(1.) Thomas Franzese and Rich Tutino, Lazard, to review fund valuation

As of December 31, 2003, the Employees' fund had a total market value of \$12,678,106. As of December 31, 2003, the beginning value was \$9,363,706; net additions/withdrawals was \$784,686; income earned was \$224,461; and capital appreciation was \$2,305,253.

As of December 31, 2003, the Police fund had a total market value of \$3,995,399. As of December 31, 2003, the beginning value was \$3,083,075; net additions/withdrawals was \$111,520; income earned was \$70,470; and capital appreciation was \$730,334.

Mr. Lepa said Lazard's performance was lower than other funds.

Mr. Vespo said he was impressed with Lazard's performance so far.

Lt. White commented that Lazard had stayed within the guidelines.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

None.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Richmond Capital Management, dated March 31, 2004, in amount of \$18,997**
- 2. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated March 31, 2004, in amount of \$1,340**
- 3. Receive fee advice from Salem Trust, dated April 21, 2004, in amount of \$4,972.37 for custodian services for period January 1 – March 31, 2004**

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

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

B. Police Retirement Board:

- 1. Authorize payment of invoice from Richmond Capital Management, dated March 31, 2004, in amount of \$5,875**
- 2. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated March 31, 2004, in amount of \$1,340**

3. **Receive fee advice from Salem Trust, dated April 21, 2004, in amount of \$1,562.11 for custodian services for period January 1 – March 31, 2004**

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

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

C. Employees' and Police Retirement Boards:

1. **Approve minutes of March 23, 2004, joint meeting, as presented**
2. **Ratify refunds of pension contributions as reported by Finance Department**

Employees' Pension Fund:

Checks Disbursed 03-04-04

Lori Lekas, Police Dispatch, 11 Months/2 Days, \$1,356.51, separated from service February 19, 2004

Robert Kibler, Refuse Collection/Disposal, 4 Years/7 Months/12 Days, \$7,290.20, separated from service February 11, 2004

Johnathan Leahy, Customer Data Processing, 1 Year/5 Months/4 Days, \$4,221.98, separated from service February 20, 2004

Checks Disbursed 03-18-04

Nancy Miller, Utilities Administration, 2 Years/1 Day, \$4,319.28 (ROLLOVER), separated from service January 23, 2004

Sabrina Ambrose, Customer Service, 1 Year/4 Months/4 Days, \$1,728.34, separated from service March 4, 2004

Check Disbursed 04-01-04

Gary Bussa, Building Maintenance, 4 Months/10 Days, \$384.42, separated from service March 13, 2004

Checks Disbursed 04-15-04

Jason Barquin, Pool & Beach, 6 Months/4 Days, \$1,091.72, separated from service October 19, 2003

Wesley Pabst, Public Works/Parks, 1 Year/2 Months/6 Days, \$1,360.43, separated from service April 2, 2004

Maximino Galarza, Public Works/Streets, 5 Months/21 Days, \$538.01, separated from service March 29, 2004

Frederick Blimegger, Pool & Beach, 4 Months/3 Days, \$632.53 **(ROLLOVER)**, separated from service March 16, 2004

Police Pension Fund:

Check Disbursed 03-04-04

William Jurison, Police Dept, 5 Years/4 Months, \$12,657.33, separated from service February 19, 2004

Check Disbursed 03-18-04

Sanjay Raja, Police Dept, 3 Years/11 Months/2 Days, \$9,530.77 **(ROLLOVER)**, separated from service February 1, 2004

Checks Disbursed 04-01-04

Christopher Jackson, Police Dept, 4 Years/4 Months/25 Days, \$10,697.97 **(ROLLOVER)**, separated from service March 25, 2004

Angel Gines, Police Dept, 8 Months/5 Days, \$1,091.72 **(ROLLOVER)**, separated from service February 21, 2004

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

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

Action: Motion made by Officer Bouchard and seconded by Mr. Vespo, to approve Consent Agenda (C), in its entirety, as presented.

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

D. Board Attorney's Report:

The Board Attorney said he received an email from Andrea Stanwick, Finance, regarding transfer of dispatchers/secretaries from the Police Plan into the Employees' Plan. He reminded the Board that this issue continues to come up every year.

Action: Motion made by Mr. Vespo and seconded by Ms. Sims, to direct Actuary to prepare impact statement for cost of transferring six (6) dispatchers/secretaries from the Police Plan into the Employees' Plan.

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

The Board Attorney discussed the legislative session regarding premium tax database and definitions of additional benefits. He said the bill had passed both houses, had gone for signature, but had not been signed.

The Board Attorney mentioned a Louisiana Attorney General's opinion regarding DROP programs and said questions had been raised regarding, if a DROP participant's fund loses money, hadn't the pension benefit been diminished? The opinion stated it was a violation of the Louisiana constitution and statute.

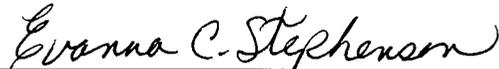
VI. ADJOURNMENT:

Meeting adjourned at 3:21 p.m.

MINUTES APPROVED: 5-25-04



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.