

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
JUNE 22, 2004,
AT 1:30 P.M.**

I. ROLL CALL: 1:30 PM

A. Employees' Retirement Board:

The Vice Chair called the meeting to order at 1:41 p.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Vice Chair), Finance Director Anne Costello, Robert Lepa, and Theresa White. Absent was Mayor Rodney Romano (Chair). Also present were Board Attorney Robert Sugarman and Recording Secretary Evanna Stephenson, City Clerk's Office.

B. Police Retirement Board:

The Vice Chair called the meeting to order at 1:41 p.m.

Trustees present from the Police Retirement Board were Lt. Kenneth White (Vice Chair), Finance Director Anne Costello, and Officer Mark Bouchard. Absent were Mayor Rodney Romano (Chair) and David Vespo. Also present were Board Attorney Robert Sugarman and Recording Secretary Evanna Stephenson.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

- 1. Add: CON C-2, Ratify refunds of pension contributions as reported by Finance Department**

2. Add: NB-A-2, Re-employment of Shannon Bates

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

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

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to accept the agenda as amended.

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

(IV. NEW BUSINESS:)

(C. Employees' and Police Retirement Boards:)

(1.) Larry Cole, Merrill Lynch Consulting Services, to review summary report for quarter ending March 31, 2004

Larry Cole, Merrill Lynch, was present to review the summary report for quarter ending March 31, 2004. He said he didn't recommend any changes to the plan at this time and cautioned against making changes based on performance.

As of March 31, 2004, the Employees' fund had a total market value of \$66,757,020 including accrued income. For the quarter ended March 31st, the fund earned \$1,638,876 and paid out \$5,096 in net distributions for a total increase in value of \$1,633,780 from the previous quarter end.

As of March 31st, 60.7% of the fund was invested in equities including the international and small cap equity portfolios, 37.6% in bonds and 1.6% in cash and equivalents. The allocation to stocks was more aggressive than the median fund in the balanced fund sample, which had 54.4% of its assets invested in stocks.

For the quarter, the fund earned a 2.5% return, which was ranked in the top 40% of other public balanced funds in the sample. The target index was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index which returned 2.5% as well.

As of March 31, 2004, the Police fund had a total market value of \$20,974,660 including accrued income. For the quarter ended March 31st, the fund earned \$491,615 and received \$191,085 in net contributions for a total increase in value of \$682,700 from the previous quarter.

As of March 31st, 60.9% of the fund was invested in equities including the international and small cap equity portfolios, 37.2% in bonds and 1.9% in cash and equivalents. The current allocation to stocks was more aggressive than the median fund in the balanced fund sample, which had 54.4% of its assets invested in stocks.

For the quarter, the fund earned a 2.4% return, which was ranked in the top 46% of the public balanced fund sample. The target index was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index returned 2.5%.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

- 1. Update regarding reimbursement of lodging fees for Theresa White**

CONSENSUS was to request Board Secretary to draft a letter to Pension Resource Center requesting status of payment.

B. Police Retirement Board:

- 1. Discuss appointing Michelle Miclea as alternate clerk to conduct election for Employee member to serve on Board for two-year term to expire August 1, 2006 (Lt. Ken White's term expires 08-01-04)**

Lt. White explained that Lori Kelley had been reassigned to dispatch and might not be available to count the votes on July 16, 2004.

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to appoint Michelle Miclea as alternate clerk to certify results of an election for an Employee member to serve on Board for two-year term to expire August 1, 2006 (Lt. Ken White's term expires 08-01-04)

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

C. Employees' and Police Retirement Boards:

1. Letter from Kenneth Harrison, Sugarman & Susskind, regarding expense fee for DROP participants

The Board Attorney discussed administrative fees assessed to DROP participants. He said the plan had set the fees at 75 basis points, which should be reviewed and subject to increase or decrease annually.

Lt. White suggested decreasing the fees to 50 basis points.

Action: Motion made by Mr. Lepa and seconded by Ms. White, to direct Board Attorney to draft an amendment to the DROP rules.

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

Action: Motion made by Officer Bouchard and seconded Ms. Costello, to direct Board Attorney to draft an amendment to the DROP rules.

Vote: Voice vote showed: AYES: Lt. white, Ms. Costello, and Officer Bouchard. NAYS: None.

Action: Amended motion made by Ms. White and seconded by Mr. Lepa, to direct Board Attorney to draft an amendment to the DROP rules reducing administrative fees from 75 to 50 basis points and requiring review of fees annually, to be effective April 1, 2004.

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

Action: Amended motion made by Officer Bouchard and seconded by Ms. Costello, to direct Board Attorney to draft an amendment to the DROP rules reducing administrative fees from 75 to 50 basis points and requiring review of fees annually, to be effective April 1, 2004.

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

2. Legal opinion from Kenneth Harrison, Sugarman & Susskind, regarding transfer of dispatcher/secretary personnel and letter to Keith Brinkman, DOR, regarding dispatcher/secretary personnel

The Board Attorney said the State is requiring the City to move remaining dispatchers from the Police plan into the Employees' plan. In order to do this, the Board needs to request an impact statement from Actuary, shift assets from one fund into the other, amend Police plan to exclude dispatchers, amend Employees' plan to include dispatchers, and contribution rate and standard benefits needs to be negotiated by the union and City Labor Attorney.

Ms. Costello said she could speak with the Labor Attorney regarding this.

CONSENSUS was to request Board Secretary to draft a letter to Labor Attorney.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. James N. Trombetta, Water Department, requests regular retirement based on Rule of 75, effective July 9, 2004**

Action: Motion made by Ms. White and seconded by Ms. Costello, to grant, with regret, the request of James N. Trombetta, Water Department, based on the Rule of 75, effective July 9, 2004

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

- 2. Add: NB-A-2, Re-employment of Shannon Bates**

The Board Attorney explained if you go back to work as an employee of the City, in the General Employees' plan, your pension would be suspended. The General Employees' plan definition of an employee excludes Firefighters and Police Officers. He said if you are a sworn Police Officer, collecting a pension from the Employees' plan, you could still earn a pension from the Police plan.

B. Police Retirement Board:

- 1. Letter from Robert Sugarman, Sugarman & Susskind, regarding compliance with 2004-21, Laws of Florida and an ordinance amendment permitting certain deductions from monthly retirement payments**

The Board Attorney explained that this bill establishes a premium tax database by the Department of Retirement (DOR). It requires cities and districts to submit address information, including annexations, incorporations, and reorganizations, and other boundary changes. The bill also allows a retiree to authorize the Board to make certain deductions from monthly pension checks, for example: child support, alimony, insurance, legal defense, etc.

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to accept as presented and forward to City Commission for formal consideration.

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

2. Letters to Paul Boyer, City Manager, and Larry Karns, City Attorney, regarding Chapter 2004-21, Laws of Florida

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to receive and file letter to Paul Boyer, City Manager, and Larry Karns, City Manager, regarding Chapter 2004-21, Laws of Florida

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

C. Employees' and Police Retirement Boards:

1. Larry Cole, Merrill Lynch Consulting Services, to review summary report for quarter ending March 31, 2004

Discussed earlier in meeting.

2. Letter from Kenneth Harrison, Sugarman & Susskind, regarding Investment Management Agreements with Davis Hamilton Jackson & Associates

Action: Motion made by Mr. Lepa and seconded by Ms. White, to authorize Chair to sign and execute agreements.

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

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to authorize Chair to sign and execute agreements.

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

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated June 3, 2004, in amount of \$945**
- 2. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated May 31, 2004, in amount of \$2,807**

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

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

B. Police Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated June 3, 2004, in amount of \$1,417.50**
- 2. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated May 31, 2004, in amount of \$1,368**

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

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

C. Employees' and Police Retirement Boards:

- 1. Approve minutes of May 25, 2004, joint meeting, as presented**
- 2. Ratify refunds of pension contributions as reported by Finance Department**

Employees' Pension Fund:

Check Disbursed 05-13-04

Brandon Milliner, Police Evidence Tech, 1 Year/8 Months/10 Days, \$3,059.14, separated April 20, 2004

Check Disbursed 05-28-04

Felipe Sodupe, Utilities - Power Operations, 14 Years/11 Months/8 Days, \$31,147.02, (**\$3,379.55 Old Pension**), separated May 13, 2004

Check Disbursed 05-27-04

Brendan Reilly, Pool & Beach, 9 Months/13 Days, \$1,121.22, separated April 16, 2004

Checks Disbursed 06-10-04

Richard Johnson, Public Works - Parks, 1 Year/1 Month/4 Days, \$1,332.93, separated May 7, 2004

Melissa Strickbine, Library, 10 Months/22 Days, \$375.76, separated April 24, 2004

Maria Lopez, Customer Operations, 1 Year/7 Months/25 Days, \$2,366.76, separated May 28, 2004

Nicole Cunningham, Police – Dispatch, 6 Years/7 Months/3 Days, \$13,630.90, separated May 19, 2004

Police Pension Fund:

Check Disbursed 05-13-04

Delroy Burgess, Police, 3 Months/30 Days, \$791.17, separated April 21, 2004

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

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

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

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

D. Board Attorney's Report:

The Board Attorney explained the FPPTA will be holding an election at the conference in June and recommended appointing one member from each of the boards to vote on behalf of trustees.

Action: Motion made by Ms. Costello and seconded by Ms. White, to appoint Mr. Lepa to vote on behalf of the Employees' Board of Trustees.

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

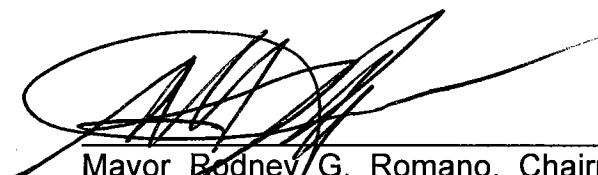
Action: Motion made by Ms. Costello and seconded by Officer Bouchard, to appoint Officer Bouchard to vote on behalf of the Police Board of Trustees.

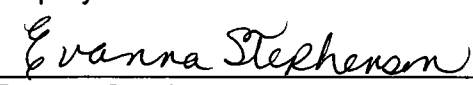
Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, and Officer Bouchard.
NAYS: None.

VI. ADJOURNMENT:

Meeting adjourned at 2:56 p.m.

MINUTES APPROVED: 7-27-04



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.