

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT  
CITY HALL ON TUESDAY,  
OCTOBER 26, 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 1:38 p.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Vice Chair), Finance Director Anne Costello, Robert Lepa, and Robert Kahant. Absent was Mayor Rodney Romano (Chairman). 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 Vice Chair called the meeting to order at 1:38 p.m.

Trustees present from the Police Retirement Board were Lt. Kenneth White (Vice Chair), Finance Director Anne Costello, Officer Mark Bouchard, and David Vespo. Absent was Mayor Rodney Romano. 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:**

**Add: NB-A-1, Mark Thiboult, Power Plant, requests entrance into the Deferred Retirement Option Plan (DROP), effective November 1, 2004**

**B. Police Retirement Board:**

**C. Employees' and Police Retirement Boards:**

**Add: UB-C-3, Discussion on DROP regarding sick leave and vacation leave**

**Add: UB-C-4, Clarification of COLA**

CONSENSUS of both boards was to accept the agenda, as amended.

**III. UNFINISHED BUSINESS:**

**A. Employees' Retirement Board:**

- 1. Email from Scott Baur, Pension Resource Center, regarding reimbursement of lodging fees for Jeff Joel, Firefighters' Pension Fund, Division II**

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant, to postpone discussion until the next meeting.

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

**B. Police Retirement Board:**

None.

**C. Employees' and Police Retirement Boards:**

- 1. Letter dated August 3, 2004, from Stephen Palmquist; Gabriel, Roeder, Smith & Company regarding increase of multiplier to 3.25%, 3.50%, 3.75%, or 4.00% for service after October 1, 2004**

Officer Bouchard said he would prepare ballots for the Police Department. They have a meeting on Thursday.

Mr. Kahant asked who would prepare ballots for the employees.

The Board Attorney said he thought the Employees' Board voted it down.

Ms. Hurley said the Employees' Board voted to table it, but did not vote to have any ballot.

The Board Attorney asked the Board Secretary to get minutes from prior meetings. He said they would go on to discuss UB-C-2 and come back to UB-C-1.

- 2. Letter dated September 22, 2004, from Stephen Palmquist; Gabriel, Roeder, Smith & Company, regarding change in actuarial cost method**

Lt. White said the City currently uses a method less popular. He said the accepted method now is the Entry Age Normal Method, which will save both plans money.

Mr. Vespo said he spoke with others at the last school and seventy-five percent (75%) of municipalities in Florida are using the Entry Age Normal Method.

The Board Attorney said Mr. Palmquist recommends changing the to the Entry Age Normal Method.

Action: Motion made by Mr. Vespo and seconded by Officer Bouchard, to direct the Actuary to implement the Entry Age Normal Method.

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

Action: Motion made by Mr. Lepa and seconded by Ms. Costello, to direct the Actuary to implement the Entry Age Normal Method.

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

Mr. Kahant asked questions regarding minimum City contributions.

The Board Attorney said the Board cannot change the ordinance. He said the Board can, however, forward the Actuary's proposal explaining minimum City contributions to the City Commission for consideration.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant, to forward the Actuary's suggestion regarding minimum City contributions to the City Commission for consideration.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Vespo, to forward the Actuary's suggestion regarding minimum City contributions to the City Commission for consideration.

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

**(III. UNFINISHED BUSINESS:)**

**(C. Employees' and Police Retirement Boards:)**

- (1.) Letter dated August 3, 2004, from Stephen Palmquist; Gabriel, Roeder, Smith & Company regarding increase of multiplier to 3.25%, 3.50%, 3.75%, or 4.00% for service after October 1, 2004**

Discussion continued regarding proposed changes to the multiplier.

The Board Attorney said the minutes reflect that the Employees' Board tabled discussion, with no action taken.

Ms. Hurley said she remembered the Employees' Board decided not to put it to a vote.

**Action:** Motion made by Officer Bouchard and seconded by Mr. Vespo, to table discussion at this time and schedule it to be discussed at the next meeting.

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

Ms. Costello said she hopes the employees understand what they are voting for. She said a change could eventually cost the City more money in the future and in 10 to 15 years, the cost could double with the employer accepting the cost.

**Action:** Motion made by Ms. Costello, to receive and file. Motion failed for lack of a second.

Mr. Kahant asked if the Board always had to get an impact statement from the Actuary before approving proposed changes.

Ms. Hurley said a change cannot be approved without first requesting the cost from the Actuary.

**Action:** Motion made by Mr. Lepa and seconded by Ms. Costello, to receive and file.

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

**3. Discussion on DROP regarding sick leave and vacation leave**

Ms. Hurley said it was originally brought up and referred to the Finance Director when the Board Attorney determined that nothing could be done because the personnel policy clearly defined, that upon retirement, a person gets paid for retained sick leave, but it did not address vacation.

Ms. Costello said she remembers discussing it. She said the City doesn't allow participants to keep all of the time because of the liability to the City. She said it would be paid off at a higher rate of pay in later years, and this was an administrative decision.

The Board Attorney said he remembers discussing vacation and sick leave, but did not remember discussing the 80 hours.

Ms. Costello said she spoke with the City Manager, Police Chief, and Fire Chief and they did not see any problems with allowing DROP participants to carry over up to 80 hours of vacation. She said it makes sense to allow participants to have some time on the books.

The Board Attorney said he could amend the DROP Rules to allow participants to carry over up to 80 hours of vacation.

Action: Motion made by Mr. Kahant and seconded by Ms. Costello, to request the Board Attorney amend the DROP Rules to allow participants to carry over up to 80 hours of vacation.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Vespo, to request the Board Attorney amend the DROP Rules to allow participants to carry over up to 80 hours of vacation.

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

#### **4. Clarification of COLA**

The Board Attorney said COLA is tied to performance. It is addressed in Section 16-35 (d) of the Code.

Ms. Hurley said it was based on actuarial gains or losses.

The Board Attorney said the smoothing method could have an affect on it. He said all questions regarding COLA are normally referred to the Actuary.

**IV. NEW BUSINESS:**

**A. Employees' Retirement Board:**

- 1. Mark Thiboult, Power Plant, requests entrance into the Deferred Retirement Option Plan (DROP), effective November 1, 2004**

Mr. Kahant asked if Mark Thiboult would be allowed to carry over up to 80 hours of vacation.

Ms. Hurley said yes because the change is effective as of today. She said the form may not be amended by then, but he can submit a request in writing.

**Action:** Motion made by Mr. Kahant and seconded by Mr. Lepa, to grant with regret, Mark Thiboult's request for entrance into the Deferred Retirement Option Plan (DROP), effective November 1, 2004.

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

**B. Police Retirement Board:**

- 1. Email from Dianne Dyson, Salem Trust, confirming receipt of a check in amount of \$18,392, for annual payment of 185 minimum benefits**

Lt. White said he contacted the Actuary, regarding the last unfunded benefit. He said the Actuary will forward a Supplemental Valuation Report.

**Action:** Motion made by Mr. Vespo and seconded by Officer Bouchard, to receive and file.

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

**C. Employees' and Police Retirement Boards:**

Ms. Hurley said the Boards normally combine November and December meetings. She said the Boards need to amend the agenda to include discussion for combining November and December meetings.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello, to amend the agenda to allow discussion for combining November and December meetings and schedule the November/December meeting to be held December 7, 2004.

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

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to amend the agenda to allow discussion for combining November and December meetings and schedule the November/December meeting to be held December 7, 2004.

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

**1. Quarterly report from Lazard Asset Management for quarter ending September 30, 2004**

CONSENSUS was to receive and file.

**2. Quarterly report from Richmond Capital Management for quarter ending September 30, 2004**

CONSENSUS was to receive and file.

**V. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

**1. Authorize payment of invoice from Sugarman & Susskind, dated October 4, 2004, in amount of \$992.25**

**2. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated September 30, 2004, in amount of \$2,884**

**3. Authorize payment of invoice from Richmond Capital, Inc., for quarter ending September 30, 2004, in amount of \$19,025**

4. **Receive fee advice from Salem Trust, dated October 12, 2004, in amount of \$4,921.88 for custodian services for period July 1 – September 30, 2004**

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

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

**B. Police Retirement Board:**

1. **Authorize payment of invoice from Sugarman & Susskind, dated October 4, 2004, in amount of \$1,488.38**
2. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated September 30, 2004, in amount of \$3,596**
3. **Authorize payment of invoice from Richmond Capital, Inc., for quarter ending September 30, 2004, in amount of \$5,884**
4. **Receive fee advice from Salem Trust, dated October 12, 2004, in amount of \$1,546.09 for custodian services for period July 1 – September 30, 2004**

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

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

**C. Employees' and Police Retirement Boards:**

1. **Approve minutes of September 28, 2004, joint meeting, as presented**

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant, to approve Consent (C), as presented.

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



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

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

**D. Board Attorney's Report:**

The Board Attorney said he had received a card from Davis Hamilton Jackson & Associates announcing a contribution had been made to the Red Cross.

The Board Attorney discussed proposed changes for disability paperwork and suggested the Board Secretary update the forms accordingly.

Action: Motion made by Ms. Costello and Mr. Lepa, to approve changes to disability paperwork as presented by the Board Attorney and request the Board Secretary update the forms accordingly.

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

Action: Motion made by Ms. Costello and seconded by Officer Bouchard, to approve changes to disability paperwork as presented by the Board Attorney and request the Board Secretary update the forms accordingly.

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

The Board Attorney gave an update regarding the transfer of dispatchers, as directed by State. He said the ordinance has passed. A copy needs to be forwarded to Allan Sirmans, Labor Attorney, arrangements need to be made with Salem Trust, and payroll needs to be notified of the transfer to be effective October 24, 2004, as stated by the Finance Director.

The Board Attorney said he had corresponded with Mr. Siedele. He requested the Board Secretary forward a copy to Mike Callaway and Larry Cole, Merrill Lynch.

**VI. ADJOURNMENT:**

Meeting adjourned at 2:54 p.m.

**MINUTES APPROVED:** 12-7-04

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