

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
FEBRUARY 22, 2005,
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 Valerie Hurley (Vice Chair), Finance Director Anne Costello, Robert Lepa, and Robert Kahant. Absent was Mayor Rodney Romano. Also present were Board Attorney Robert Sugarman, Esquire and Board Attorney Kenneth Harrison, Esquire 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 Lt. Ken White (Vice Chair), Finance Director Anne Costello, and Officer Mark Bouchard. Absent were Mayor Rodney Romano and David Vespo. Also present were Board Attorney Robert Sugarman, Esquire and Board Attorney Kenneth Harrison, Esquire and Recording Secretary Evanna Stephenson, City Clerk's Office.

Board Attorney Robert Sugarman introduced Pedro Herrera, a new associate of Sugarman & Susskind.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

None.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

1. Memo dated December 13, 2004, regarding state required database contact person

Board Attorney Robert Sugarman explained the State had requested a contact person to verify information for the database. He said it should be a City official.

Ms. Costello said it should be someone from the building department.

CONSENSUS – direct Board Secretary to forward another memo to the City Manager requesting a person be designated as the point of contact.

2. Review amendment to Retirement Option Form

Board Attorney Kenneth Harrison explained it was necessary to amend the Retirement Option Form. He said the plans have enough differences, and it was necessary for each plan to have its own form.

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to approve the Retirement Option Form as presented.

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

3. Letters dated December 8, 2004, and January 12, 2005, from Lazard regarding commissions and company updates

The Board Attorney explained the letters were housekeeping measures.

Action: Motion made by Ms. Costello and seconded by Officer Bouchard, to receive and file letters dated December 8, 2004, and January 12, 2005, from Lazard regarding commissions and company updates.

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

Lt. White left the meeting at 1:40 p.m.

Lt. White returned to the meeting at 1:41 p.m.

4. Division of Retirement Information Release dated December 21, 2004, regarding Employees Not Covered by Social Security

No action taken.

C. Employees' and Police Retirement Boards:

1. Review amendment to DROP Application, DROP Rules, and discuss letters from Pasco Testa and Robert Marquis

Ms. Hurley gave a brief update and said the Board Attorney recommended changes to the text of the Deferred Retirement Option Plan (DROP) Application.

The Board Attorney distributed an amended DROP Application and said the new form clarified the language. He explained the following amendments: 1) paragraph 1 - a participant cannot discontinue participating in the DROP; 2) paragraph 2 - a participant's earnings would accrue interest for only five years and within 90 days of termination of employment, the balance in the DROP account shall be payable; 3) paragraph 3 - monies in a full participation account would co-mingle with the rest of the pension trust fund's assets and would be invested according to the Investment Guidelines adopted by the Board, which are subject to revision by the Board from time to time; and 4) paragraph 4 - DROP monies in a fixed rate account would be segregated into a separate account, for accounting purposes only and would be credited with a fixed rate of return established by the Board and such rate of return might be periodically changed by the Board.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello, to table review of DROP Application, DROP Rules, and discussion regarding letters from Pasco Testa and Robert Marquis until March 22, 2005.

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 table review of DROP Application, DROP Rules, and discussion regarding letters from Pasco Testa and Robert Marquis until March 22, 2005.

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

2. Edward Siedle, Benchmark Financial Services, Inc., to discuss Lake Worth Forum article regarding pension funds allegedly mismanaged

Board Attorney Robert Sugarman explained the issue regarding pension plans was a matter of great concern. He said he apologized to the Mayor for not keeping the pension plan's name out of the newspaper.

He explained the Board had the following choices: to do nothing, ask Merrill Lynch for their side of the story, or to look into the matter further.

Dale Ledbetter, Adorno & Yoss, P.A., addressed the Board regarding services his firm provided to the City of Chattanooga, d/b/a the General Pension Plan.

He introduced Edward A.H. (Ted) Siedle and said he was a member of the firm conducting the investigations, said the investigations were not a witch-hunt, and the matter could be pursued should something be found.

Edward A.H. (Ted) Siedle, Benchmark Financial Services, explained investigative services his firm provided to the City of Chattanooga, d/b/a the General Pension Plan. He said his firm had been in business for 22 years, was the only one in the world that investigated pension systems, and said he reviewed materials from the Lake Worth pension funds.

Mr. Lepa asked if Mr. Siedle had knowledge of any apparent conflicts.

Mr. Siedle said there were possibilities if the pension plan uses a broker house. He said that broker houses sometimes receive money for other services.

Lt. White asked if Mr. Siedle had any evidence.

Mr. Siedle said he reviewed Lake Worth pension fund materials and recommended checking into possible conflicts.

Board Attorney Robert Sugarman said the Board would request a report and demand answers from Merrill Lynch if something was found.

Mr. Lepa asked Mr. Siedle what the investigation would entail, assuming he would be working on contingency.

Mr. Siedle said it would consist of reviewing copies of consultant contracts and quarterly performance reports. He said the timeframe would be six to eight weeks.

Lt. White said the pension fund had a good relationship with Merrill Lynch, and he would not like to see their name smeared.

Mr. Lepa asked Mr. Ledbetter and Mr. Siedle if either of them contacted the New York Times regarding the Lake Worth pension plan.

Mr. Siedle said he had spoke to the New York Times, but did not comment further.

Richard Robbins, attorney representing Merrill Lynch, said Merrill Lynch relies on its reputation, 90% of their clients were still with them, had not heard of anything else except for Mr. Siedle, and it was offensive to implicate them without any evidence.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello, to table discussion regarding pension funds allegedly mismanaged until March 22, 2005.

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 table discussion regarding pension funds allegedly mismanaged until March 22, 2005.

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

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. David Mulvay, Power Plant, request entrance into the Deferred Retirement Option Plan (DROP), to be effective February 20, 2005**

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa, to approve David Mulvay's request for entrance into the DROP, to be effective February 20, 2005.

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

B. Police Retirement Board:

- 1. Oscar Cardenas requests to purchase two years of military buyback with Division II (185) funds**

Action: Motion made by Officer Bouchard and seconded by Ms. Costello, to approve Oscar Cardenas's request to purchase two years of military buyback with Division II (185) funds.

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

C. Employees' and Police Retirement Boards:

None.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated February 3, 2005, in amount of \$1,041.87**
- 2. Authorize payment of invoice from Davis Hamilton Jackson & Associates, for October 1, 2004 – December 31, 2004, in amount of \$15,006.34**
- 3. Authorize payment of invoice from Lazard Asset Management, for the period of October 1, 2004 – December 31, 2004, in amount of \$16,193.76**
- 4. Approve minutes of January 25, 2005, joint meeting, as presented**

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 February 3, 2005, in amount of \$3,125.60**
2. **Authorize payment of invoice from Richmond Capital, for period ending December 31, 2004, in amount of \$5,765**
3. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company dated January 15, 2005, in amount of \$2,842**
4. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, for October 1, 2004 – December 31, 2004, in amount of \$4,969.24**
5. **Authorize payment of invoice from Lazard Asset Management, for October 1, 2004 – December 31, 2004, in amount of \$5,351.01**
6. **Authorize payment of invoice from Merrill Lynch, dated December 31, 2004, in amount of \$196.41**
7. **Receive fee advice from Salem Trust, dated January 11, 2005, for custodian services for period October 1 – December 31, 2004, in amount of \$1,579**
8. **Approve minutes of December 7, 2004, joint meeting, as presented**

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

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

C. Employees' and Police Retirement Boards:

1. **Ratify refunds of pension contributions for July – December 2004 as reported by Finance Department**

Employees' Pension Fund:

Checks Disbursed 08-31-04

Robert Margeson, Garage, 1 Month/128 Days, \$203.96, separated April 29, 2004.

Pedro Gattas, Police Dispatch, 3 Years/4 Months/30 Days, \$604.46, separated August 4, 2004.

Checks Disbursed 09-24-04

Dennis Divito, Parks, 4 Months/15 Days, \$356.21, separated August 11, 2004.

Calvin Tkach, Public Works – Parks, 5 Months/16 Days, \$481.35, separated July 6, 2004.

Joseph Vikel, Refuse Collection & Distribution, 3 Years/18 Days, \$4,638.52, separated August 24, 2004.

Shawn Davis, Pool & Beach, 4 Years/1 Month/3 Days, \$7,222.28, separated July 24, 2004.

Check Disbursed 09-30-04

Arlette Gaston, Customer Operations, 4 Months/27 Days, \$646.35, separated July 28, 2004.

Checks Disbursed 10-29-04

Garrett Pearson, Recreation, 2 Months/27 Days, \$309.99, separated August 6, 2004.

Winsome Powell, Water Distribution, 1 Year/3 Months/23 Days, \$2,118.92, separated August 13, 2004.

Michelle Brooks, Police Dispatch, 1 Month/7 Days, \$129.49, separated August 26, 2004.

Theresa Massey, Customer Operations, 2 Years/8 Months/15 Days, \$4,037.31, separated September 29, 2004.

Anthony Vecchitto, Building Maintenance, 1 Month/30 Days, \$93.12, separated August 27, 2004.

Elva Ortiz, Customer Operations, 8 Months/12 Days, \$1,099.02, separated September 24, 2004.

William Thibeault Jr., Refuse Collection & Distribution, 4 Years/5 Months/5 Days, \$3,542.08, separated September 15, 2004.

Check Disbursed 11-15-04

Barbara Parks, Planning, Building & Zoning, 5 Years/1 Month/16 Days, \$9,838.21, separated October 15, 2004.

Checks Disbursed 11-16-04

Larry Clemons, Ruse Collection & Distribution, 5 Years/5 Months/29 Days, \$6,522.68, separated August 23, 2004.

Marcia Davis, Planning, Building & Zoning, 1 Year/5 Months/29 Days, \$5,263.43, separated October 10, 2004.

Check Disbursed 12-15-04

Andrew Baldassi, Energy Trans & Distribution, 10 Months/20 Days, \$5,263.43, separated December 10, 2004.

Checks Disbursed 01-11-05

Thomas Anderson, Purchasing, 8 Years/8 Months/2 Days, \$31,861.26, separated December 31, 2004.

Marvin Davis, Energy Trans & Distribution, 2 Years/7 Months/28 Days, \$10,379.54, separated January 3, 2005.

Stephen Pyzdrowski, Building Maintenance, 14 Days, \$46.80, separated January 3, 2005.

Ramon Padilla, Customer Operations, 14 Days, \$18.59, separated November 29, 2004.

Richard Duda, Customer Operations, 1 Month/19 Days, \$205.07, separated December 7, 2004.

Police Pension Fund:

Check Disbursed 09-24-04

Jason Robert Johnson, Police Officer, 1 Year/4 Days, \$2,671.12, separated June 20, 2004.

Check Disbursed 12-15-04

Nicholson Geffrard, Police Officer, 4 Months/12 Days, \$1,081.22, separated, November 2, 2004.

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 Ms. Costello, to approve Consent (C), as presented.

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


D. Board Attorney's Report:

None.


VI. ADJOURNMENT:

Meeting adjourned at 2:48 p.m.

MINUTES APPROVED: 3-22-05



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.