

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
APRIL 26, 2005,
AT 1:30 P.M.**

I. ROLL CALL: 1:30 PM

A. Employees' Retirement Board:

The Chair called the meeting to order at 1:33 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 Marc J. Drautz. 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 1:33 p.m.

Trustees present from the Police Retirement Board were Lt. Kenneth White (Vice Chair) (arrived at 1:55 p.m.), Finance Director Anne Costello, Officer Mark Bouchard, and David Vespo. Absent was Mayor Marc J. Drautz. 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-2, DROP request for Bernard Freling, Power Plant, to be effective April 25, 2005

ADD: NB-A-3, Discuss General Employees' activated to military service

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

ADD: CON-C-2, Pension disbursements reported by Finance

CONSENSUS – approve agenda, as amended.

III. **UNFINISHED BUSINESS:**

A. **Employees' Retirement Board:**

None.

B. **Police Retirement Board:**

1. **Memo, dated April 14, 2005, from Board Secretary, regarding Joseph Viera's disability status**

Action: Motion made by Mr. Vespo and seconded by Officer Bouchard to receive and file memo, dated April 14, 2005, from Board Secretary, regarding Joseph Viera's disability status.

Action: Amended motion made by Mr. Vespo and seconded by Officer Bouchard to approve Joseph Viera's disability status and continue benefits.

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

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

1. **Letter dated March 30, 2005, from Richard Robbins, of Sutherland, Asbill & Brennan LLP, regarding accounting firms used by Merrill Lynch**

Mr. Kahant asked if the Board was using Ernst & Young to audit the fund. He said his sister was employed by them.

Mr. Lepa said the Board considered using Ernst & Young at the last meeting.

Ms. Hurley explained the Board directed Ms. Costello to forward information to Ernst & Young.

Ms. Costello said she has had no response from them at this time.

Action: Motion made by Ms. Costello and seconded by Mr. Lepa to receive and file a letter dated March 30, 2005, from Richard Robbins, of Sutherland, Asbill & Brennan LLP, regarding accounting firms used Merrill Lynch.

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 receive and file a letter dated March 30, 2005, from Richard Robbins, of Sutherland, Asbill & Brennan LLP, regarding accounting firms used Merrill Lynch.

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

2. Letter dated April 18, 2005, from Jason Widener, of Lynch, Jones & Ryan, regarding commission recapture

The Board Attorney explained commission recapture and soft dollar arrangements. He said he did not recommend soft dollar arrangements but preferred hard dollar arrangements and reminded the Board that money managers were to get best execution, which include price and timing.

Mr. Lepa asked if the pension fund could pay 3 cents a share rather than use commission recapture.

3. Proposal from Jennifer Crumley, of Donaldson & Company, regarding commission recapture

Lt. White arrived at 1:55 p.m.

The Board Attorney said he could draft a letter to both Lynch, Jones & Ryan and Donaldson & Company if the Board was interested in hiring them for commission recapture.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to direct the Board Attorney to draft the paperwork to hire Lynch, Jones & Ryan and Donaldson & Company for commission recapture.

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 direct the Board Attorney to draft the paperwork to hire Lynch, Jones & Ryan and Donaldson & Company for commission recapture.

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

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. Suzanne Sheridan, Customer Service, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective April 25, 2005**

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa to grant Suzanne Sheridan, Customer Service, request for entrance into the Deferred Retirement Option Plan (DROP), to be effective April 25, 2005.

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

- 2. Bernard Freling, Power Plant, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective April 25, 2005**

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to grant Bernard Freling, Power Plant, request for entrance into the Deferred Retirement Option Plan (DROP), to be effective April 25, 2005.

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

- 3. Discuss General Employees' activated to military service**

Ms. Costello explained that when a Police Officer or Firefighter is called back to active duty, state statute dictates that the member is not responsible for making pension contributions. She said the state statute does not apply to General Employees and recommended amending the ordinance to include General Employees, with the City assuming the cost of pension contributions.

The Board Attorney said the union should be notified and an amendment needs to be forwarded to the City Commission.

Action: Motion made by Ms. Costello and seconded by Mr. Lepa to direct the Board Attorney to draft an amendment to the ordinance to waive pension contributions of General Employees that are called back to military service, with the City assuming the cost of pension contributions.

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 March 29, 2005, from Elizabeth Harris, Richmond Capital Management, regarding Part II of Form ADV

The Board Attorney explained this was a housekeeping measure requested annually.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to receive and file a letter dated March 29, 2005, from Elizabeth Harris, Richmond Capital Management, regarding Part II of Form ADV.

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 receive and file a letter dated March 29, 2005, from Elizabeth Harris, Richmond Capital Management, regarding Part II of Form ADV.

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

2. Memo dated April 1, 2005, from Board Secretary, regarding transfer of funds

Ms. Costello explained that in the past the City has loaned the retirement fund money from the general fund annually to pay retirees, but suggests making money transfers monthly, which would make it easier for accounting purposes. She said funds would be withdrawn from Davis Hamilton Jackson & Company, Richmond Capital Management, and Lazard Asset Management in equal amounts.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to authorize transfer of funds, in amount of \$2,178,460.90, in equal amounts, from Davis Hamilton Jackson & Associates, Richmond Capital Management, and Lazard Asset Management into the general fund, for the period ending March 31, 2005, and authorize monthly transfer of funds, in equal amounts, from Davis Hamilton Jackson & Associates, Richmond Capital Management, and Lazard Asset Management into the general fund as of April 1, 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 Mr. Vespo to authorize transfer of funds, in amount of \$629,980.33, in equal amounts, from Davis Hamilton Jackson & Associates, Richmond Capital Management, and Lazard Asset Management into the general fund, for the period ending March 31, 2005, and authorize monthly transfer of funds, in equal amounts, from Davis Hamilton Jackson & Associates, Richmond Capital Management, and Lazard Asset Management into the general fund as of April 1, 2005.

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

3. Discuss changing meeting day and time

The Board Attorney said he would have conflicts with late meetings because of quarterly meetings.

Mr. Lepa said he would not be able to stay late.

Ms. Costello said she would not be able to attend late meetings because of childcare issues.

Mr. Kahant asked if the Mayor Drautz could delegate someone else to attend the meetings.

Ms. Hurley said the Mayor could delegate someone else and the Board could amend the ordinance.

Mr. Kahant said he preferred to leave the meetings at the same time.

Mr. Vespo agreed with Mr. Kahant.

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa to direct the Board Attorney to draft a letter to Mayor Drautz to inform him of the Board's decision to leave the meetings at 1:30 p.m.

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 direct the Board Attorney to draft a letter to Mayor Drautz to inform him of the Board's decision to leave the meetings at 1:30 p.m.

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

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, in amount of \$1,041.87**
- 2. Authorize payment of invoice from Richmond Capital Management, for quarterly fees ending March 31, 2005, in amount of \$18,364**
- 3. Receive fee advice from Salem Trust, dated April 11, 2005, for custodian services for period January 1 – March 31, 2005, in amount of \$4,946.29**

Action: Motion made by Mr. Lepa and seconded by Ms. Costello 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, in amount of \$1,562.80**
- 2. Authorize payment of invoice from Richmond Capital Management, for quarterly fees ending March 31, 2005, in amount of \$5,743**
- 3. Receive fee advice from Salem Trust, dated April 11, 2005, for custodian services for period January 1 – March 31, 2005, in amount of \$1,585.92**

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 March 22, 2005, joint meeting, as presented**
- 2. Ratify refunds of pension contributions for as reported by Finance Department**

Employees' Pension Fund:

Checks Disbursed 03-31-05

Onix Santanta, Customer Service, 2 Months/5 Days, \$242.36, separated February 18, 2005

Carol Smith, Library, 6 Years/13 Months/20 Days, \$5,249.40, separated January 30, 2005

Jose Valentin, Waste Removal, 2 Years/8 Months/10 Days, \$4,230.96, separated February 28, 2005

Police Pension Fund:

Check Disbursed 03-31-05

Antonio Bolano, Police Department, 2 Years/8 Months/2 Days, \$7,114.62, separated January 15, 2005

Action: Motion made by Ms. Costello and seconded by Mr. Lepa to approve Consent (C) in its entirety, 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) in its entirety, 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 sent out 7 letters to commission recapture firms, with 1 letter being returned undeliverable.

He gave a brief update on issues pending in the legislative session and said there were 2 bills before the Senate that may have an impact on 175 and 185.

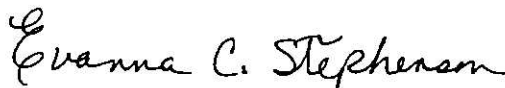
VI. ADJOURNMENT:

The meeting adjourned at 2:32 p.m.

MINUTES APPROVED: 5-24-05



Marc J. Drautz, 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.