

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
NOVEMBER 22, 2005,
AT 3:00 P.M.**

I. ROLL CALL: 3:00 PM

A. Employees' Retirement Board:

The Chair called the meeting to order at 3:08 p.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Chair), Finance Director Anne Costello (Vice Chair), Robert Lepa, Robert Kahant, and Mayor Marc J. Drautz. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, Sugarman & Susskind, (arrived at 3:40 p.m.) and Recording Secretary Evanna Stephenson, City Clerk's Office.

B. Police Retirement Board:

The Vice Chair called the meeting to order at 3:08 p.m.

Trustees present from the Police Retirement Board were Finance Director Anne Costello, Officer Mark Bouchard (Vice Chair), Gary "Bo" Allen, and Mayor Marc J. Drautz. Absent was Lt. Kenneth White (Chairman). Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, Sugarman & Susskind (arrived at 3:40 p.m.) and Recording Secretary Evanna Stephenson, City Clerk's Office.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

ADD: NB-A-2, Merja Hlavenka, Dispatch, requests vested retirement based on the Rule of 10-year vesting, as set forth in Section 16-33(b) of the Employees' Pension Code, to be effective November 11, 2005

ADD: NB-A-3, Letter dated November 21, 2005, from Pasco Testa, regarding interest on his rollover to Nationwide and request Merrill Lynch calculate amount of interest the pension fund made during the period of September 30 – October 12, 2005

ADD: NB-C-2, Discuss how retirement calculations are being determined

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

ADD: UB-C-5, Letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract

Action: Motion made by Mayor Drautz and seconded by Mr. Lepa to approve the agenda, as amended.

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

Action: Motion made by Mr. Allen and seconded by Ms. Costello to approve the agenda, as amended.

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

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

- 1. Review amendments to the ordinance changing the vesting schedule to 100% after ten years of service (last unfunded 185 benefit), deleting incremental vesting credit for ten years of service, and language clarifying requirements for election of and voting for trustees**

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello to approve amendments to the ordinance changing the vesting schedule to 100% after ten years of service (last unfunded 185 benefit), deleting incremental vesting credit for ten years of service, and language clarifying requirements for election of and voting for trustees and forward to Commission for formal consideration.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to approve amendments to the ordinance changing the vesting schedule to 100% after ten years of service (last unfunded 185 benefit), deleting incremental vesting credit for ten years of service, and language clarifying requirements for election of and voting for trustees and forward to Commission for formal consideration.

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

2. Review amendments to the Annual Disability Form and Retirement Option Forms

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

Ms. Hurley explained that Bob Gross, a Police Officer receiving disability, was receiving a settlement due to his injuries and suggested the Annual Disability Forms and Retirement Option Forms be amended to ask if there were any pending settlements.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello to accept the Retirement Option Forms as presented and amend the Annual Disability Form, correcting Number 11., as reads "I have read the foregoing clauses numbered 1 – 9- 10 herein, understand the provisions, and sign this affidavit freely and voluntarily".

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

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to accept the Retirement Option Forms as presented and amend the Annual Disability Form, correcting Number 11., as reads "I have read the foregoing clauses numbered 1 – ~~9~~ 10 herein, understand the provisions, and sign this affidavit freely and voluntarily".

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

3. Letter dated August 15, 2005, from Merrill Lynch, regarding fee adjustment

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

CONSENSUS - postponed until the Board Attorney arrived.

4. Manager composite long-term performance from Larry Cole, Merrill Lynch

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello to receive and file manager composite long-term performance from Larry Cole, Merrill Lynch.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to receive and file manager composite long-term performance from Larry Cole, Merrill Lynch.

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

5. Letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract

CONSENSUS - postponed until the Board Attorney arrived.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. Allen Blawn, Power Plant, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective October 2, 2005**

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to approve, with regret, Allen Blawn's, Power Plant, request for entrance into the Deferred Retirement Option Plan (DROP), to be effective October 2, 2005.

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

- 2. Merja Hlavenka, Dispatch, requests vested retirement based on the Rule of 10-year vesting, as set forth in Section 16-33(b) of the Employees' Pension Code, to be effective November 11, 2005**

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa to approve, with regret, Merja Hlavenka's, Dispatch, request for vested retirement based on the Rule of 10-year vesting, as set forth in Section 16-33(b) of the Employees' Pension Code, to be effective November 11, 2005.

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

- 3. Letter dated November 21, 2005, from Pasco Testa, regarding interest on his rollover to Nationwide and request Merrill Lynch calculate amount of interest the pension fund made during the period of September 30 – October 12, 2005**

CONSENSUS - postponed until the Board Attorney arrived.

B. Police Retirement Board:

- 1. Frank Conforti, Police Department, requests regular retirement based on the Rule of 20, to be effective August 10, 2005**

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to approve, with regret, Frank Conforti's, Police Department, request for regular retirement based on the Rule of 20, to be effective August 10, 2005.

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

2. Lorenzo Odum, Police Department, requests early retirement

CONSENSUS - postponed until the Board Attorney arrived.

C. Employees' and Police Retirement Boards:

1. Consider canceling December 27, 2005, regular meeting

This item was scheduled to be discussed at the October 25, 2005 meeting, but was cancelled due to Hurricane Wilma.

Action: Motion made by Ms. Costello and seconded by Mr. Lepa to cancel December 27, 2005, regular meeting.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to cancel December 27, 2005, regular meeting.

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

2. ADD: NB-C-2, Discuss how retirement calculations are being determined

Ms. Hurley explained Officer Conforti came into the office saying he had received a retirement calculation from Mary in Finance and asked for clarification of benefits. She said she was concerned that people were not getting correct information, asked the Actuary how much it would cost for him to calculate final cost, and was told \$200 - \$300 per calculation; however, he could do a review for an unlimited number of people for \$300.

Ms. Costello explained the Finance Department had formulas in the computer that calculated average final compensation, but she preferred having the Actuary come to the Finance Department for training to verify that calculations were done correctly.

Officer Bouchard asked if the Actuary could create a chart much like the one created for military buyback and suggested requesting the Actuary conduct quarterly reviews.

Mr. Allen asked if recommendations could be brought back to the next meeting.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to request that Ms. Costello contact Mr. Palmquist regarding retirement calculations and bring back recommendations to the next meeting.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to request that Ms. Costello contact Mr. Palmquist regarding retirement calculations and bring back recommendations to the next meeting.

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

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated November 7, 2005, in amount of \$2,083.74**
- 2. Authorize payment of invoice from Richmond Capital Management, in amount of \$17,574, for investment advisory fees for period ending September 30, 2005**
- 3. Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated November 1, 2005, in amount of \$13,182.23, for period July 1 – September 30, 2005**

4. **Authorize payment of invoice from Lazard Asset Management, dated October 26, 2005, in amount of \$14,120.17, for period July 1 – September 30, 2005**
5. **Receive fee advice from Merrill Lynch, in amount of -\$16,581.21, for consulting services for quarter ending September 30, 2005**
6. **Receive recapture advice from Lynch, Jones & Ryan, Inc., in amount of \$702, for January 1 – September 30, 2005**
7. **Receive recapture advice from Pension Fund Evaluations, Inc., in amount of \$166.46, for October 2005**
8. **Receive fee advice from Salem Trust, in amount of \$5,348.45, for period July 1 – September 30, 2005**

Mr. Lepa asked if the amount reported by Merrill Lynch was the correct amount charged by the money managers.

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

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

B. Police Retirement Board:

1. **Authorize payment of invoice from Sugarman & Susskind, dated November 7, 2005, in amount of \$3,125.60**
2. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated September 30, 2005, for preparation of September 22, 2005 Actuarial Impact Statement regarding change to 10 year vesting (100790-205), in amount of \$1,637**
3. **Authorize payment of invoice from Richmond Capital Management, in amount of \$5,521, for investment advisory fees for period ending September 30, 2005**
4. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated November 1, 2005, in amount of \$4,511.76, for period July 1 – September 30, 2005**

5. **Authorize payment of invoice from Lazard Asset Management, dated October 26, 2005, in amount of \$4,747.14, for period July 1 – September 30, 2005**
6. **Receive fee advice from Merrill Lynch, in amount of -\$905.95, for consulting services for quarter ending September 30, 2005**
7. **Receive recapture advice from Lynch, Jones & Ryan, Inc., in amount of \$249, for January 1 – September 30, 2005**
8. **Receive recapture advice from Pension Fund Evaluations, Inc., in amount of \$33.88, for October 2005**
9. **Receive fee advice from Salem Trust, in amount of \$1,540.50, for period July 1 – September 30, 2005**

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

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

C. Employees' and Police Retirement Boards:

1. **Approve minutes of September 27, 2005, joint meeting, as presented**
2. **Ratify refunds of pension contributions as reported by Finance Department**

Employees Pension Fund:

Checks Disbursed 09-22-05

Robert Griffis, Utilities/T & D, 1 Year/9 Months/12 Days, \$5,124.21, separated November 29, 2004

Daniel Villalobos, PW – Parks, 25 Days, \$1,177.18, separated August 19, 2005

Wendy Whiteside, PW – Parks, 2 Years/1 Month/27 Days, \$2,778.31, separated July 15, 2005

Check Disbursed 09-29-05

Eric Ellis, PW – Waste Removal, 1 Year/10 Months/4 Days, \$2,708.35, separated September 28, 2005

Checks Disbursed 10-17-05

Deborah Fanguy, Library, 8 Months/5 Days, \$779.32, separated October 17, 2005

Michael Law, Utilities – Meter Reader, 5 Months, 17 Days, \$830.58, separated September 14, 2005

Marilyn Napoles, Building & Zoning, 30 days, \$243.27, separated September 21, 2005

Kevin Parnell, PW – Parks, 2 Years/13 Days, \$2,657.31, separated September 15, 2005

Anthony Schroader, PW – Parks, 10 Years/8 Months/12 Days, \$15,281.29, separated July 22, 2005

DROP Disbursements – September/October 2005:

Checks Disbursed 09-30-05

Robert Marquis - \$154,639.34

Pasco Testa - \$301,337.11

Connally Thomas - \$149,713.98

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

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

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

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

The Board Attorney arrived at 3:40 p.m.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to waive the rules to:

- Reorder Unfinished Business, Item C-3, Letter dated August 15, 2005, from Merrill Lynch, regarding fee adjustment;
- Reorder Unfinished Business, Item C-5, Letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract;
- Reorder New Business, Item A-3, Letter dated November 21, 2005, from Pasco Testa, regarding interest on his rollover to Nationwide and request Merrill Lynch calculate amount of interest the pension fund made during the period of September 30 – October 12, 2005;
- Reorder New Business, Item B-2, Lorenzo Odum, Police Department, requests early retirement; and
- Approve the agenda as set at this time.

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

Action: Motion made by Mr. Allen and seconded by Mayor Drautz to waive the rules to:

- Reorder Unfinished Business, Item C-3, Letter dated August 15, 2005, from Merrill Lynch, regarding fee adjustment;
- Reorder Unfinished Business, Item C-5, Letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract;
- Reorder New Business, Item A-3, Letter dated November 21, 2005, from Pasco Testa, regarding interest on his rollover to Nationwide and request Merrill Lynch calculate amount of interest the pension fund made during the period of September 30 – October 12, 2005;
- Reorder New Business, Item B-2, Lorenzo Odum, Police Department, requests early retirement; and
- Approve the agenda as set at this time.

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

(III. UNFINISHED BUSINESS:)

(C. Employees' and Police Retirement Boards:)

(3.) Letter dated August 15, 2005, from Merrill Lynch, regarding fee adjustment

The Board Attorney explained that Merrill Lynch had not signed the contract that was forwarded to them, were raising their fees, and were limiting the commission recapture rate to 67%. He said the Board needed to come to a decision to agree to their terms, negotiate with them, or seek bids from other consultants.

Ms. Costello said she preferred to do a formal bid process.

Action: Motion made by Ms. Costello and seconded by Mayor Drautz to direct the Board Attorney and Board Secretary to coordinate a formal bid process.

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

Action: Motion made by Officer Bouchard and seconded by Mayor Drautz to direct the Board Attorney and Board Secretary to coordinate a formal bid process.

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

(5.) Letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract

The Board Attorney explained that he had received a contract from Independence Investment LLC and found some unacceptable issues that needed to be corrected.

Action: Motion made by Mr. Kahant and seconded by Mayor Drautz to receive and file a letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract.

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

Action: Motion made by Officer Bouchard and seconded by Mayor Drautz to receive and file a letter dated November 18, 2005, from Sugarman & Susskind, regarding Independence Investment LLC contract.

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

(IV. NEW BUSINESS:)

(A. Employees' Retirement Board:)

- (3.) Letter dated November 21, 2005, from Pasco Testa, regarding interest on his rollover to Nationwide and request Merrill Lynch calculate amount of interest the pension fund made during the period of September 30 – October 12, 2005**

Lengthy discussion ensued regarding the rollover of Mr. Testa's money into a Nationwide account because of errors on the checks. The checks were made out to Mr. Testa instead of the financial institution and in conflicting amounts. Checks were finally deposited on October 13, 2005, and Mr. Testa was seeking the amount of interest his money earned during the time it was left in the City's fund and the amount of lost interest on the money for the next 20 years.

Mr. Testa explained that checks had been made out incorrectly. He said they were made out to him instead of the financial institution, and the amounts were not consistent so he refused to endorse them. Checks were finally deposited into the financial institution on October 13, 2005. He asked the Board to give him the greater amount of interest the City's fund made for the 12 days or the amount of interest his Nationwide account would have made for 12 days in the amount of \$407.84, calculated by Nationwide Actuary, and an estimated amount of \$750.00 of lost interest on the money for the next 20 years.

Action: Motion made by Ms. Costello and seconded by Mayor Drautz to pay Pasco Testa 7% interest for 12 days.

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

(2.) Lorenzo Odum, Police Department, requests early retirement

The Board Attorney explained he was contacted by the City's Labor Attorney regarding an ordinance amendment to allow the City to enter into a settlement agreement with Officer Odum for retirement. He said it did not matter whether or not the Board approved this action, the City had the authority to proceed with the settlement agreement and ordinance amendment without an impact statement.

Questions arose regarding who would send out notices to qualified personnel, pay for the impact statement, and compliance with 185 requirements regarding overtime.

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to approve Lorenzo Odum's request for retirement, forward information to Actuary, request the City's Labor Attorney forward letters to employees who qualify for retirement under the same conditions, request the City pay for the impact statement, and forward ordinance amendment to the City Commission for formal consideration.

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

D. Board Attorney's Report:

The Board Attorney said he requested information from Delray Beach regarding Mr. Edward (Ted) Siedle's investigation of their pension plan, but had not received anything at this time.

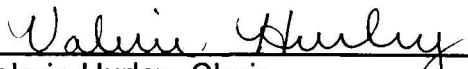
He discussed the Police plan's 185 funds. He said the money received from the State this year might be less than last year's amount because of the ordinance amendment and the restructuring with the database in which money might be shifted from one municipality to another. The money received in 2005 was for 2004 and was locked in place for the next 3 years.

He presented a check in the amount of \$29,165.40 for the subrogation agreement settlement for Bob Gross and said the plan needed a signed release for the funds.

VI. ADJOURNMENT:

Meeting adjourned at 4:43 p.m.

MINUTES APPROVED: 1-24-06



Valerie Hurley, Chair
Employees' Retirement Board



Kenneth White, Chairman
Police Retirement Board



Evanna Stephenson, Recording Secretary
Employees' & Police Retirement Boards

Minutes transcribed by: Evanna C. Stephenson, City Clerk's Office.

A compact disc of this meeting will be available in the Office of the City Clerk for two years after approval of these minutes.