

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
JANUARY 24, 2006,
AT 3:00 P.M.**

I. ROLL CALL: 3:00 PM

A. Employees' Retirement Board:

The Chair called the meeting to order at 3:06 p.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Chair), Finance Director Anne Costello (Vice Chair) (arrived at 3:15 p.m.), Robert Lepa, Robert Kahant, and Mayor Marc J. Drautz. Also present were Board Attorney Robert Sugarman, Sugarman & Susskind, and Recording Secretary Evanna Stephenson, City Clerk's Office.

B. Police Retirement Board:

The Vice Chair called the meeting to order at 3:06 p.m.

Trustees present from the Police Retirement Board were Finance Director Anne Costello (arrived at 3:15 p.m.), Gary "Bo" Allen, and Mayor Marc J. Drautz. Absent was Lt. Kenneth White (Chairman) and Mark Bouchard (Vice Chair). Also present were Board Attorney Robert Sugarman, Sugarman & Susskind and Recording Secretary Evanna Stephenson, City Clerk's Office.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

Reorder New Business, Items A-1 through A-3 and Consent A-1 through A-5 to be discussed first since the Police Board had no quorum at this time.

CONSENSUS – approve the agenda as amended.

B. Police Retirement Board:

The Police Board did not have a quorum at this time.

C. Employees' and Police Retirement Boards:

None.

(IV. NEW BUSINESS:)

(A. Employees' Retirement Board:)

(1.) Keith A. Murphy, Pool & Beach, requests regular retirement based on the Rule of 20 Years and Out, to be effective May 20, 2005

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa to approve, with regret, Keith A. Murphy's, request for regular retirement based on the Rule of 20 Years and Out, to be effective May 20, 2005.

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

(2.) William B. Block Sr., Building Maintenance, requests regular retirement based on the Rule of 20 Years and Out, to be effective January 14, 2006

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa to approve, with regret, William B. Block Sr.'s, request for regular retirement based on the Rule of 20 Years and Out, to be effective January 14, 2006.

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

(3.) Clarence Morgan, Streets, requests duty disability

The Board Attorney gave a brief update regarding the facts regarding Clarence Morgan's request for duty disability.

Ms. Hurley said the employee was on sick leave at this time, was clueless of the procedure to file disability claims, had filed a worker's comp claim with the City, was seen by Dr. Goldberg last week, and asked if the Board wanted to table this issue.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to table pending employee reaching maximum medical improvement (MMI).

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

(V. CONSENT AGENDA:)

(A. Employees' Retirement Board:)

- (1.) **Authorize payment of invoice from Sugarman & Susskind, dated December 6, 2005 and January 5, 2006, in the total amount of \$2,083.74**
- (2.) **Authorize payment of invoice from Richmond Capital Management, in amount of \$17,549, for investment advisory fees for period ending December 31, 2005**
- (3.) **Receive recapture advice from Lynch, Jones & Ryan, Inc., in amount of \$3,589, for 4th quarter rebate**
- (4.) **Receive fee advice from Salem Trust, in amount of \$4,808.46, for period October 1 – December 31, 2005**
- (5.) **Authorize payment of 2006 yearly active membership to FPPTA, in amount of \$450**

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, Mr. Lepa, Mr. Kahant, and Mayor Drautz. NAYS: None.

Ms. Costello arrived at 3:15 p.m. The Police Board had a quorum at this time.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

(C. Employees' and Police Retirement Boards:)

(2.) Update regarding Independence Investment LLC contract

The Board Attorney explained contracts had not been signed with Independence Investment LLC because of stipulations regarding ERISA requirements, right to buy futures, and other requirements. He said it was not in the best interest of the pension plan to sign the agreement.

Ms. Hurley asked if the Board wanted to go with the second choice.

Larry Cole, Merrill Lynch, explained that Baron and Calamos were both mutual funds, said he would update performance figures on them, and bring that information back to the next meeting.

CONSENSUS – ask Larry Cole, Merrill Lynch, to provide performance figures for Baron and Calamos and bring them back to the next meeting, along with 4th quarter reports and year end reports for December 31, 2005.

Discussion ensued regarding fiduciary liability insurance. Questions arose to the amount of fiduciary liability insurance and whether trustees are adequately covered by the policy.

CONSENSUS - discuss fiduciary liability insurance at the next meeting.

1. Discuss bid process for consultant search

The Board Attorney explained there was discussion at the last meeting regarding the bid process for a consultant search, said Sugarman & Susskind could draft the request for proposal (RFP) as part of their retainer fee, or could advise the Board of other alternatives.

Ms. Costello said she realized the Purchasing Department could do the RFP, but preferred it be handled by the Board Attorney.

CONSENSUS - direct the Board Attorney to request fee indication information from potential consultants by February 18, 2006.

2. Update regarding Independence Investment LLC contract

Discussed earlier in meeting.

3. Update regarding how retirement calculations are done and recommendations regarding training

Ms. Costello gave a brief update regarding how calculations were done. She suggested tabling this item until she could contact Mr. Palmquist.

Action: Motion made by Mayor Drautz and seconded by Mr. Lepa to table until the next meeting.

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

Action: Motion made by Mayor Drautz and seconded by Mr. Allen to table until the next meeting.

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

4. Discuss Delray Beach's forensic audit results and article in Pensions & Investments regarding Edward A.H. Siedle, Benchmark Financial Services Inc.

Discussion ensued regarding search for a forensic auditor. The Board Attorney gave a brief update and recommended waiting the outcome of the SEC investigation before making any decision.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to cease the search for an independent auditor and wait the outcome of the SEC investigation.

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

Action: Motion made by Mr. Allen and seconded by Ms. Costello to cease the search for an independent auditor and wait the outcome of the SEC investigation.

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

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. Keith A. Murphy, Pool & Beach, requests regular retirement based on the Rule of 20 Years and Out, to be effective May 20, 2005**

Discussed earlier in the meeting.

- 2. William B. Block Sr., Building Maintenance, requests regular retirement based on the Rule of 20 Years and Out, to be effective January 14, 2006**

Discussed earlier in meeting.

3. Clarence Morgan, Streets, requests duty disability

Discussed earlier in the meeting.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

None.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated December 6, 2005 and January 5, 2006, in the total amount of \$2,083.74**
- 2. Authorize payment of invoice from Richmond Capital Management, in amount of \$17,549, for investment advisory fees for period ending December 31, 2005**
- 3. Receive recapture advice from Lynch, Jones & Ryan, Inc., in amount of \$3,589, for 4th quarter rebate**
- 4. Receive fee advice from Salem Trust, in amount of \$4,808.46, for period October 1 – December 31, 2005**
- 5. Authorize payment of 2006 yearly active membership to FPPTA, in amount of \$450**

Discussed earlier in the meeting.

B. Police Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, dated December 6, 2005 and January 5, 2006, in the total amount of \$3,125.60**

2. **Authorize payment of invoice from Richmond Capital Management, in amount of \$5,485, for investment advisory fees for period ending December 31, 2005**
3. **Receive recapture advice from Lynch, Jones & Ryan, Inc., in amount of \$1,277, for 4th quarter rebate**
4. **Receive fee advice from Salem Trust, in amount of \$1,554.25, for period October 1 – December 31, 2005**
5. **Authorize payment of 2006 yearly active membership to FPPTA, in amount of \$450**

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

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

C. Employees' and Police Retirement Boards:

1. **Approve minutes of November 22, 2005, joint meeting, as presented**
2. **Ratify refunds of pension contributions as reported by Finance Department**

Employees Pension Fund:

Checks Disbursed 11-30-05

Jodie Hansing, Pool & Beach, 2 Years/8 Days, \$3,194.90, separated October 1, 2005

Merja Hlavenka, Police Dispatch, 12 Years/10 Month/9 Days, \$27,848.31, separated November 11, 2005

Curtis Jones, Utilities – T & D, 4 Years/4 Months/7 Days, \$17,255.92, separated November 16, 2005

Deidra Taylor-Lang, 2 Years/2 Months/16 Days, \$4,897.54, separated November 10, 2005

Jesus Urena, Pool & Beach, 6 Months/26 Days, \$893.32, separated October 21, 2005

Checks Disbursed 12-14-05

Walner Alcius, PW – Parks, 1 Month/11 Days, \$123.84, separated November 28, 2005

Stephanie Kearney, Police Dispatch, 2 Years/10 Months/7 Days, \$6,977.37, separated October 10, 2005

Margaret Rose, B & Z – License & Permit, 5 Year/6 Months/9 Days, \$9,233.22, separated December 9, 2005

Checks Disbursed 12-30-05

David Bezotte, Pool & Beach, 3 Months/24 Days, \$608.83, separated December 8, 2005

Mauricio Gomez, PW – Parks, 5 Months/5 Days, \$513.35, separated November 23, 2005

Sarah Lamb, Evidence Tech, 1 Year/3 Months/13 Days, \$2,200.53, separated December 2, 2005

Sophia Raymond, Customer Service, 1 Year/1 Month/15 Days, \$1,540.11, separated December 30, 2005

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, Mr. Lepa, Mr. Kahant, and Mayor Drautz. NAYS: None.

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

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


D. Board Attorney's Report:

None.

VI. **ADJOURNMENT:**

The meeting adjourned at 4:08 p.m.

MINUTES APPROVED: 2-28-06



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.