

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT  
CITY HALL ON TUESDAY,  
SEPTEMBER 26, 2006,  
AT 3:00 P.M.**

**I. ROLL CALL: ..... 3:00 PM**

**A. Employees' Retirement Board:**

The Chair called the meeting to order at 3:08 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, and Robert Kahant. Mayor Marc J. Drautz was absent. Also present were Pedro Herrera, Esquire, sitting in for Board Attorney Robert Sugarman, Sugarman & Susskind and Recording Secretary Evanna Stephenson, City Clerk's Office.

**B. Police Retirement Board:**

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

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

**II. ADDITIONS/DELETIONS/REORDERING:**

**A. Employees' Retirement Board:**

1. **ADD Consent, Item A-5, Authorize payment of invoice from Palm Beach Sportsmedicine & Orthopedic Center for medical records for Colleen Tidwell, in amount of \$35.75**

**B. Police Retirement Board:**

1. **ADD New Business, Item B-1, Kathleen Bogart requests military buyback calculations for four years and five years**
2. **ADD New Business, Item B-2, Email from Ralph Brillinger regarding pension contributions**

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

**1. ADD New Business, Item C-1, Discuss additional benefits to off-set the cost of health insurance**

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to approve the agenda as set at this time.

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

Action: Motion made by Mr. Allen and seconded by Officer Bouchard to approve the agenda as set at this time.

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

**III. UNFINISHED BUSINESS:**

**A. Employees' Retirement Board:**

None.

**B. Police Retirement Board:**

**1. Letter dated September 6, 2006, from Division of Retirement, regarding 2005 premium tax moneys, in the amount of \$546,501.32**

Ms. Hurley said she spoke with the City Manager regarding 2005 premium tax moneys. She explained that the City would have to pay the \$81,405, and that the auditors hoped to have the financial report done by September 30, 2006.

Ms. Costello arrived at 3:15 p.m.

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to receive and file a letter dated September 6, 2006, from Division of Retirement, regarding 2005 premium tax moneys, in the amount of \$546,501.32.

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

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

**1. Larry Cole, Merrill Lynch, to discuss candidates to replace Lazard and a brief review of June 30, 2006 Summary Reports**

Mr. Cole said the funds were rebalanced to target index last month, Davis Hamilton Jackson & Associates performed better than others in its peer group for the period ending June 30, 2006, and Calamos Investments replaced Seligman.

As of June 30, 2006, the General Employees' Fund had a total market value of \$65,343,270 including accrued income. For the quarter ended June 30<sup>th</sup>, the total fund earned -\$797,389 and paid out \$4,001 in net distributions for a total decrease in value of \$801,390 from the previous quarter end.

As of June 30<sup>th</sup>, 64.0% of the total fund was invested in equities including the international and mid cap equity portfolios, 34.6% in bonds and 1.3% in cash and equivalents. For the quarter, the total fund earned a -1.2% return, which ranked in the Top 43% of the public balanced fund sample. The target index was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index returned -0.7%.

As of June 30, 2006, the Police Officers' Fund had a total market value of \$21,181,630 including accrued income. For the quarter ended June 30<sup>th</sup>, the total fund earned -\$266,877 and paid out \$1,333 in net distributions for a total decrease in value of \$268,210 from the previous quarter end.

As of June 30<sup>th</sup>, 65.0% of the total fund was invested in equities including the international and mid cap equity portfolios, 33.7% in bonds and 1.2% in cash and equivalents. For the quarter, the fund earned -1.2% return, which was ranked in the Top 45% of the public balanced fund sample. The target index was comprised of 50% S&P 500, 10% MSCI-EAFE and 40% Merrill Lynch Government/Corporate Index returned -0.7%.

Mr. Cole briefly discussed firms to replace Lazard Asset Management, which included Aletheia Research and Management, Inc; Cambiar Investors, LLC; Davis Advisors; Eagle Capital Management, LLC; M. D. Sass; Neuberger Berman, LLC; NWQ Investment Management Company, LLC; TCW Group; and WEDGE Capital Management. He also advised that the Boards could choose to keep a portion of Lazard and also hire a new money manager.

**CONSENSUS** - Accept the June 30, 2006 Summary Reports.

**CONSENSUS** - Direct Larry Cole, Merrill Lynch, to contact Aletheia Research and Management, Inc; Eagle Capital Management, LLC; M. D. Sass; and NWQ Investment Management Company, LLC and schedule interviews to be held at a special meeting on October 30, 2006, at 9:30 a.m.

**2. Stephen Palmquist, of Gabriel Roeder Smith & Company, to discuss letter dated September 14, 2006, regarding verification of benefit calculations**

Stephen Palmquist, Actuary, explained that verification of benefit calculations were done. The Plans were amended in 1997 and not all survivor benefit calculations since 1997 were correct. Recalculations of benefits needed to be done and the plans needed to be made whole.

**Action:** Motion made by Ms. Costello and seconded by Mr. Lepa to direct the Board Secretary to receive a list of names of retirees from the Actuary and the Finance Department and compare the list to the option forms filed with the Board Secretary and direct the Board Attorney to draft letters to participants that would be affected.

**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 Mr. Allen to direct the Board Secretary to receive a list of names of retirees from the Actuary and the Finance Department and compare the list to the option forms filed with the Board Secretary and direct the Board Attorney to draft letters to participants that would be affected.

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

**Action:** Motion made by Ms. Costello and seconded by Mr. Lepa to direct the Actuary to provide calculations for retirees affected by the amendment without regard to cost.

**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 Mr. Allen to direct the Actuary to provide calculations for retirees affected by the amendment without regard to cost.

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

Ms. Costello left the meeting at 4:45 p.m.

**3. Memorandum dated August 16, 2006, regarding reimbursement of per diem**

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to receive and file a memorandum dated August 16, 2006, regarding reimbursement of per diem.

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

Action: Motion made by Officer Bouchard and seconded by Mr. Allen to receive and file a memorandum dated August 16, 2006, regarding reimbursement of per diem.

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

**IV. NEW BUSINESS:**

**A. Employees' Retirement Board:**

- 1. William Klein, Utilities Department, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective October 1, 2006**

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to accept with regret William Klein's, Utilities Department, request for entrance into the Deferred Retirement Option Plan (DROP), to be effective October 1, 2006.

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

**B. Police Retirement Board:**

- 1. (ADD) Kathleen Bogart requests military buyback calculations for four years and five years**

Action: Motion made by Mr. Allen and seconded by Officer Bouchard to receive and file a request from Kathleen Bogart for military buyback calculations for four years and five years.

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

**2. (ADD) Email from Ralph Brillinger regarding pension contributions**

Ms. Hurley said Officer Brillinger contacted her regarding whether or not he would be able to purchase the time he was suspended and was concerned that his anniversary date might be changed. She said the Labor Attorney would send a settlement agreement to Officer Brillinger soon.

Action: Motion made by Mr. Allen and seconded by Officer Bouchard to table discussion regarding Officer Brillinger's pension contributions until the Labor Attorney presented a settlement agreement to Officer Brillinger.

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

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

**1. (ADD) Discuss additional benefits to off-set the cost of health insurance**

Discussion ensued regarding additional benefits to off-set the cost of health insurance. Questions arose to the cost of an additional benefit.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to direct the Board Secretary to contact the Actuary regarding costs to other plans that offer a benefit to off-set the cost of health insurance.

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

Action: Motion made by Mr. Allen and seconded by Officer Bouchard to direct the Board Secretary to contact the Actuary regarding costs to other plans that offer a benefit to off-set the cost of health insurance.

Vote: Voice vote showed: AYES: Lt. White, Officer Bouchard, and Mr. Allen.  
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 period April 1 - June 30, 2006, in amount of \$17,076**
3. **Authorize payment of invoice from Gabriel Roeder Smith & Company, for final charge for preparation of the October 1, 2005 Actuarial Valuation Report (Project # 100780-105) and Employee Benefit Statements, in the amount of \$3,425**
4. **Authorize payment of invoice from Infocopy (JFK Medical Center), for Colleen Tidwell's medical records, in amount of \$144.20**
5. **(ADD) Authorize payment of invoice from Palm Beach Sportsmedicine & Orthopedic Center for medical records for Colleen Tidwell, in amount of \$35.75**

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, 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 period April 1 - June 30, 2006, in amount of \$5,373**
3. **Authorize payment of invoice from Gabriel Roeder Smith & Company, for final charge for preparation of the October 1, 2005 Actuarial Valuation Report (Project # 100790-105) and Employee Benefit Statements, in the amount of \$3,463**

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: Lt. White, Officer Bouchard, and Mr. Allen. NAYS: None.

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

- 1. Approve minutes of July 25, 2006, joint meeting, as presented**
- 2. Approve minutes of August 22, 2006, joint meeting, as presented**
- 3. Ratify refunds of pension contributions as reported by Finance**

Employees Pension Fund:

Checks Disbursed 08-31-06

Michelle Bellevue, Dispatch, 1 Year/8 Months/7 Days, \$1,582.12, separated July 20, 2006

Michael Esposito, Sewer, 10 Years/8 Months/14 Days, \$26,808.19, separated June 1, 2006

William Hardy, Power Plant, 4 Years/6 Months/17 Days, \$12,401.94, separated August 4, 2006

Christopher Porter, Pool & Beach, 11 Years/2 Months/1 Day, \$23,663.02, separated August 15, 2006

FBO Michael Trevisol, Public Works - Streets, 3 Years/4 Months/9 Days, \$4,797.18, separated July 3, 2006

Police Pension Fund:

Check Disbursed 08-31-06

Eric Meyers, Police, 1Year/3 Months/14 Days, \$3,878.46, separated May 5, 2006

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

Vote: Voice vote showed: AYES: Ms. Hurley, Mr. Lepa, and Mr. Kahant. 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: Lt. White, Officer Bouchard, and Mr. Allen.  
NAYS: None.


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

None.

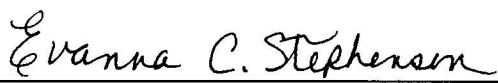
**VI. ADJOURNMENT:**

The meeting adjourned at 5:19 p.m.

MINUTES APPROVED: 1-23-07

  
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Valerie Hurley, Chair  
Employees' Retirement Board

  
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Kenneth White, Chairman  
Police Retirement Board

  
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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.