

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT  
BOARD AND POLICE RETIREMENT BOARD  
SPECIAL MEETING HELD IN THE  
CONFERENCE ROOM AT  
CITY HALL ON  
OCTOBER 30, 2006,  
AT 9:30 A.M.**

**I. ROLL CALL: ..... 9:30 AM**

**A. Employees' Retirement Board:**

The Chair called the meeting to order at 9:36 a.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Chair), Robert Lepa, and Robert Kahant. Anne Costello (Vice Chair) and Mayor Marc J. Drautz were absent. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, Sugarman & Susskind (arrived at 10:35 a.m.) and Recording Secretary Evanna Stephenson, City Clerk's Office.

**B. Police Retirement Board:**

The Chair called the meeting to order at 9:36 a.m.

Trustees present from the Police Retirement Board were Lt. Kenneth White (Chair), Officer Mark Bouchard (Vice Chair), Gary "Bo" Allen. Anne Costello and Mayor Marc J. Drautz were absent. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, Sugarman & Susskind (arrived at 10:35 a.m.) and Recording Secretary Evanna Stephenson, City Clerk's Office.

**II. SUBJECT: Interview candidates to replace Lazard Asset Management**

**A. Aletheia Research & Management, Inc.**

Joseph M. Boskovich, Sr., (Vice Chairman) explained he was the portfolio manager for Aletheia Research & Management, Inc.; Aletheia was #1 in performance in country last year and within the last five years; 2002 was the only year that Aletheia lost money; employees owned 90% of the company and shareholders owned 10%; and accounts within Florida consisted of Ft. Lauderdale Fire and Police and Florida State Treasury.

Lt. White left the meeting at 10:09 a.m. and returned to the meeting at 10:10 a.m.

Ms. Hurley passed the gavel to Lt. White and left the meeting at 10:10 a.m.

The Board recessed at 10:12 a.m. and reconvened at 10:15 a.m.

**B. Eagle Capital Management, LLC**

M. John Johnson, account services, for Eagle Capital Management, LLC explained the company's philosophy was to acquire good companies with good people at good prices, employees owned 100% of the company, the company managed \$6 billion in assets, and accounts within Florida consisted of Miami Children's Hospital and Lakeland Health Foundation.

The Board Attorney arrived at 10:35 a.m.

**C. M. D. Sass**

Richard O'Hara, Senior Vice President/Director of Institutional Sales and Craig Barney, Senior Vice President/Portfolio Manager explained that M. D. Sass significantly outperforms the S&P 500 over a full market cycle, provides robust performance in up and down markets, the company buys stocks that are out of favor and cheap, and an account within Florida consisted of the City of Bradenton Firefighters.

**D. NWQ Investment Management Company, LLC**

Edward J. De Arcos, Vice President/Institutional Service Group and Brian G. Morandi, Senior Vice President/Portfolio Advisor explained the company outperformed the index within the last several years, managed \$33 billion in assets, would not combine the plans, was a California based value manager with offices in Miami, and accounts within Florida consisted of Royal Caribbean Cruises Ltd, City of West Palm Beach, and City of Miami.

Ms. Hurley arrived at 11:52 a.m.

Lt. White passed the gavel to Ms. Hurley.

CONSENSUS - to hire two money managers to replace Lazard.

Action: Motion made by Mr. Kahant and seconded by Mr. Lepa to select Aletheia Research & Management, Inc. to replace Lazard and to commit the proportional share of \$10 million investment in that portfolio and direct the Board Attorney to draft the contracts.

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

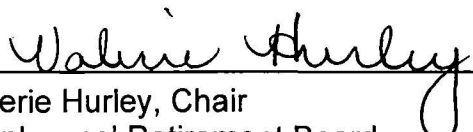
Action: Motion made by Mr. Allen and seconded by Officer Bouchard to select Aletheia Research & Management, Inc. to replace Lazard and to commit the proportional share of \$10 million investment in that portfolio and direct the Board Attorney to draft the contracts.

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

III. **ADJOURNMENT:**

The meeting adjourned at 12:12 p.m.

MINUTES APPROVED: 1-23-07

  
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.