

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
FEBRUARY 27, 2007,
AT 3:00 P.M.**

I. ROLL CALL: 3:00 PM

A. Employees' Retirement Board:

The Vice Chair called the meeting to order at 3:05 p.m.

Trustees present from the Employees' Retirement Board were Finance Director Anne Costello (Vice Chair), Robert Lepa, Robert Kahant, and Mayor Marc J. Drautz. Ms. Valerie Hurley (Chair) was absent. Also present were Kenneth Harrison, Esquire, sitting in for 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 3:05 p.m.

Trustees present from the Police Retirement Board were Finance Director Anne Costello, Officer Mark Bouchard (Vice Chair) (arrived at 3:06 p.m.), Gary "Bo" Allen (arrived at 3:09 p.m.), and Mayor Marc J. Drautz. Lt. Kenneth White (Chairman) was absent. Also present were Kenneth Harrison, 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:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. Reorder New Business, Item C-1 before Unfinished Business, Item A-1 - Janna Woods, Davis Hamilton Jackson & Associates, to review reports ending December 31, 2006

2. **Reorder New Business, Item C-2 to follow New Business, Item C-1 - Larry Cole, Merrill Lynch, to review reports ending December 31, 2006**
3. **Delete Unfinished Business, Item C-1 - Email dated February 19, 2007, from Stephen Palmquist, Actuary, regarding offsetting 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. Costello, Mr. Lepa, Mr. Kahant, and Mayor Drautz. NAYS: None.

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

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

(IV. NEW BUSINESS:)

(C.) Employees' and Police Retirement Boards:)

- (1.) Janna Woods, Davis Hamilton Jackson & Associates, to review reports ending December 31, 2006**

Janna Woods, Davis Hamilton Jackson & Associates, introduced Bob Davis.

Mr. Davis said the fund was up 5% since the last quarter, but August through November was disappointing. He explained the firm did a complete review and revised the process, and new specialists in technology were brought in.

Mr. Lepa asked what took so long for them to make changes, about the cell discipline, and about 10 year performance.

Mr. Davis said they were not acting on trades as quickly, and the long term numbers were better.

- (2.) Larry Cole, Merrill Lynch, to review reports ending December 31, 2006**

As of December 31, 2006, the General Employees' Pension Fund had a total market value of \$70,592,220 including accrued income. For the quarter ended December 31st, the total fund earned \$2,882,955 and paid out \$7,995 in net distributions for a total increase in value of \$2,874,960 from the previous quarter.

As of December 31st, 60.8% of the total fund was invested in equities including the international and mid cap equity portfolios, 37.6% in bonds and 1.6% in cash and equivalents. For the quarter, the fund earned a 4.3% return, which ranked in the 89th percentile of the public balanced fund sample.

As of December 31, 2006, the Police Officers' Pension Fund had a total market value of \$23,115,190 including accrued income. For the quarter ended December 31st, the total fund earned \$946,249 and received \$148,991 in net contributions for a total increase in value of \$1,095,240 from the previous quarter.

As of December 31st, 60.5% of the total fund was invested in equities including the international and mid cap equity portfolios, 37.4% in bonds and 2.1% in cash and equivalents. For the quarter, the fund earned a 4.3% return, which ranked in the 89th percentile of the public balanced fund sample.

Mr. Cole said the market was starting to see a slow down in the economy. He said Davis Hamilton Jackson & Associates had tweaked their process and was starting to recover. He recommended looking at new manager search materials at the next meeting to decide what needed to be done regarding Davis Hamilton Jackson & Associates.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

1. Update regarding hurricane pay inclusion in final average compensation

Ms. Costello explained the Finance Department was compiling a list of employees who worked during the hurricanes. She said she would provide the list after the information was verified, but it would not be until after the W-2's were sent out.

2. Letter dated February 8, 2007, from Stephen Palmquist, Actuary, regarding cost of living allowance (COLA) increases for revised benefits

Questions arose regarding the COLA increases for revised benefits for Daniel Slattery and Thomas Boyce.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to direct the Board Secretary to clarify if this was an additional amount owed to Daniel Slattery and Thomas Boyce.

The Board Attorney explained that payment needed to be made if this was an additional amount owed to Mr. Slattery and Mr. Boyce.

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

B. Police Retirement Board:

1. Update regarding 2005 premium tax moneys

The Board Secretary explained that a letter was sent to the Police Retirement, Division 2, requesting payment in amount of \$81,405, for additional benefits.

Ms. Costello said she would forward verification to the Board Secretary when the funds were deposited into Police Retirement, Division 1 fund.

2. Email dated February 14, 2007, from Lt. Kenneth White, regarding pre-tax monthly medical premiums

Ms. Costello explained that Paul Riddle had asked if health insurance premiums could be pre-taxed.

The Board Attorney explained the Pension Protection Act (PPA) allows Police retirees to request up to \$3,000 of health insurance premiums to be pre-taxed. He said the Police Plan was amended to allow Police retirees to request in writing that a portion of their check be paid to a third party for alimony, child support, and benefits provided by an employer or union controlled health trust.

C. Employees' and Police Retirement Boards:

1. Email dated February 19, 2007, from Stephen Palmquist, Actuary, regarding offsetting the cost of health insurance

Deleted at the beginning of the meeting.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Elizabeth J. Baker, Building Department, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective February 8, 2007
2. Charles L. Walker, Public Works Department, requests regular retirement based on the Rule of 20-Years and Out, to be effective February 10, 2007
3. M. Susan Warner, Recreation Department, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective March 1, 2007
4. Debby C. Cox, Purchasing Department, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective February 27, 2007
5. Baha A. Muhammad, requests regular retirement based on the Rule of 75, to be effective March 30, 2007
6. Harry Steiber, Utilities Department, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective February 20, 2007

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to approve New Business, Items 1-6 , in its entirety, with regret.

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

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. **Janna Woods, Davis Hamilton Jackson & Associates, to review reports ending December 31, 2006**

Reordered at the beginning of the meeting.

2. **Larry Cole, Merrill Lynch, to review reports ending December 31, 2006**

Reordered at the beginning of the meeting.

3. **Letter dated January 26, 2007, from Michael Perry, Merrill Lynch, regarding new disclosures and policies being implemented**

The Board Attorney explained the SEC was looking into Merrill Lynch's soft dollar arrangements, which was known as commission recapture. He said he expected the market was getting away from these types of arrangements, and he would look into this issue further.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

1. **Authorize payment of invoice from Sugarman & Susskind, in amount of \$1,146.05**
2. **Authorize payment of invoice from Calamos Advisors LLC, for management fees for October 1 - December 31, 2006, in amount of \$8,682**
3. **Authorize payment of invoice from Lazard Asset Management, for October 1 - December 31, 2006, in amount of \$19,142.59**
4. **Authorize payment of invoice from FedEx, for Colleen Tidwell's disability records, in amount of \$44.57**

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

B. Police Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, in amount of \$1,803.90**
- 2. Authorize payment of invoice from Calamos Advisors LLC, for management fees for October 1 - December 31, 2006, in amount of \$2,629**
- 3. Authorize payment of invoice from Lazard Asset Management, for October 1 - December 31, 2006, in amount of \$6,343.62**

Action: Motion made by Mr. Allen and seconded by Officer Bouchard 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 December 21, 2006, joint meeting, as presented**
- 2. Ratify refunds of pension contributions as reported by Finance Department**

Employees Pension Fund:

Checks Disbursed 10-31-06

Debbie Curry, Public Works - Parks, 5 Years/11 Months/11 Days, \$6,794.96, separated September 27, 2006

Marcia Davis, Police Department, 4 Months/6 Days, \$432.60, separated January 12, 2006

Theresa Gardner-Williams, Waste Removal, 8 Months/26 Days, \$2,883.62, separated October 20, 2006

Roczell Ginton, Waste Removal, 2 Years/8 Months/26 Days, \$4,073.97, separated October 16, 2006

Rosie Jeanty, Customer Service - Annex, 1 Year/10 Months/1 Day, \$2,696.20, separated September 19, 2006

Checks Disbursed 11-09-06

Mario Mete, Transmission & Delivery, 3 Years/9 Months/9 Days, \$15,665.54, separated October 30, 2006

Brian Petajnik, Transmission & Delivery, 8 Months/11 Days, \$2,684.29, separated October 31, 2006

Check Disbursed 11-30-06

Samuel Roberts, Police Department, 2 Months/4 Days, \$246.12, separated August 16, 2006

Checks Disbursed 12-29-06

Jarrick Jamison, Public Works - Parks, 5 Months/10 Days, \$502.00, separated December 13, 2006

Linda Naico, Building & Zoning, 3 Years/9Months/11 Days, \$7,182.53, separated December 7, 2006

Checks Disbursed 01-31-07

Doris Bainter, Building & Zoning, 5 Years/11 Months/7 Days, \$14,002.36, separated December 29, 2006

Maria Calderon, Public Works - Administration, 7 Years/4 Months/13 Days, \$10,881.88, separated January 12, 2007

Stephanie Deal, Building & Zoning, 7 Months, \$1,072.02, separated January 5, 2007

Heather Fink, Building Maintenance, 3 Months/9 Days, \$311.22, separated January 18, 2007

Diane Liston Larocca, Finance, 1 Month/22 Days, \$296.39, separated January 8, 2007

Tammy Potter, Recreation, 7 Years/8 Months/22 Days, \$12,966.52, separated December 27, 2006

Marvin St Hubert, Police Department, 3 Years/6 Months/17 Days, \$2,211.07, separated October 24, 2006

Police Pension Fund:

Check Disbursed 11-30-06

Roger McKennon, Police Officer, 2 Months/6 Days, \$370.07, separated October 17, 2006

Check Disbursed 12-29-06

Joseph Dailey, Police Officer, 2 Years/7 Months/6 Days, \$7,633.05, separated December 2, 2006

Checks Disbursed 01-05-07

Kurt Dailey, Police Officer, 2 Years/2 Days, \$5,678.80, separated January 5, 2007

Marvin St Hubert, Police Officer, 3 Years/6 Months/17 Days, \$6,463.68, separated October 24, 2006

DROP Payout

Check Disbursed 11-09-06

Anatole Bezugly - \$379,625.20

Check Disbursed 11-30-06

John Flynn - \$9,282.76

Check Disbursed 01-31-07

Pablo Garcia - \$47,831.09

Milton Talbert - \$9,813.80

Check Disbursed 02-01-07

Allen Blawn - \$30,125.11

D. Board Attorney's Report:

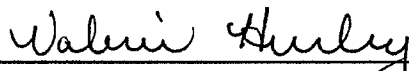
The Board Attorney explained he sent a letter to Stephen Palmquist, Actuary, stating the Boards agreed to pay half of the amount that was billed for corrected pension calculations for retirees since 1997, and if the bill was already paid, the Boards would receive a credit balance.

Mr. Lepa asked about looking into a new consultant to replace Merrill Lynch.

VI. ADJOURNMENT:

The meeting adjourned at 4:50 p.m.

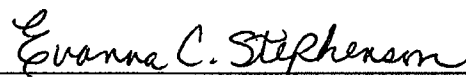
MINUTES APPROVED: 7-24-07



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.

An audio recording of this meeting will be available in the Office of the City Clerk for two years after approval of these minutes.