

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT  
CITY HALL ON TUESDAY,  
APRIL 24, 2007,  
AT 3:00 P.M.**

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

**A. Employees' Retirement Board:**

The Chair called the meeting to order at 3:09 p.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Chair), Finance Director Anne Costello (Vice Chair), Robert Lepa, and Robert Kahant, and Mayor Jeff Clemens. 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 Chair called the meeting to order at 3:09 p.m.

Trustees present from the Police Retirement Board were Lt. Kenneth White (Chair), Officer Mark Bouchard (Vice Chair), Finance Director Anne Costello, and Mayor Jeff Clemens. Gary "Bo" Allen 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:**

1. **Add Consent Item, B-5 - check requests to the University of Miami Hospitals & Clinics for a facility fee in amount of \$80 and an IME fee in amount of \$750 for Robert Barrett**

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

1. **Add New Business, Item C-1 - discussion regarding benefit calculations**

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

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

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

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

Ms. Hurley asked if the Boards wanted to reorder Unfinished Business, Item C-1 to follow Additions/Deletions/Reordering.

Action: Amended motion made by Mr. Kahant and seconded by Ms. Costello to approve the agenda as set at this time to include reordering Unfinished Business, Item C-1 to follow Additions/Deletions/Reordering.

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

Action: Amended motion made by Officer Bouchard and seconded by Ms. Costello to approve the agenda as set at this time to include reordering Unfinished Business, Item C-1 to follow Additions/Deletions/Reordering.

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

### III. UNFINISHED BUSINESS:

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

##### **(1.) Larry Cole, Merrill Lynch, to discuss investment manager search for large capitalization growth equity and discuss Board concerns**

Mike Callaway, Merrill Lynch, was present to discuss an investment manager search and Board concerns. He said the SEC was investigating all investment firms, and Merrill Lynch had not been told to change their practices. He explained that auditors were hired to audit the firm, monthly statements were sent to the Board instead of quarterly, the Boards receive 100% credit for 12-B-1's instead of .67, and when Merrill Lynch was used as a broker, the Boards receive .67 on every dollar.

He said he recommended staying with Davis, Hamilton, Jackson & Associates because his advisors recommended staying the course at this time and if the Boards wanted to replace them, do it with a company of similar style.

Mayor Clemens left the meeting at 3:43 p.m. and returned at 3:48 p.m.

Mr. Lepa said he was concerned about Davis, Hamilton, Jackson & Associates lack of performance, and he was surprised that Mr. Callaway did not recommend dividing the funds.

Mr. Callaway said Merrill Lynch had a long history with Lake Worth, had given a break on fees for many years, and was getting out of the recapture business at the beginning of the year.

Lt. White left the meeting at 4:21 p.m. and returned at 4:24 p.m.

Mr. Callaway explained that Gartmore was deleted from the manager search, but Fayeze, Sarofim & Company and William Blair & Company were added to the search.

Ms. Hurley asked the Trustees how many candidates they wanted to interview. She said she preferred not firing Davis, Hamilton, Jackson & Associates.

CONSENSUS - to interview Rigel Capital, LLC; Fayeze Sarofim & Company, and Santa Barbara Asset Management at the next meeting.

Questions arose regarding the date of the next meeting. Ms. Costello said she would not be available to attend the May 22, 2007, meeting.

Ms. Hurley said in the past the Boards had changed the meeting time to accommodate the Mayor's schedule, and the Boards could consider changing the time again.

The Mayor asked about scheduling the meeting on May 29, 2007.

Ms. Costello asked about June 5, 2007, at 1 p.m.

CONSENSUS - to interview Rigel Capital, LLC; Fayeze Sarofim & Company, and Santa Barbara Asset Management on June 5, 2007, at 1 p.m.

**A. Employees' Retirement Board:**

**1. A letter to participants from Sugarman & Susskind, dated April 11, 2007, regarding the payment of employee contributions for compensation received as "hurricane pay"**

The Board Attorney explained at the last meeting the Boards discussed hurricane pay, and the Board Attorney was asked to draft a letter to participants that would be affected. He said employees that were in their first few years of employment would not be affected, and only participants retiring within the next few years would be affected. There would be a liability to the plan, and there was funding issues that should have been collected. The Board could make a decision to only collect from those participants who would be affected or from everyone.

Ms. Hurley said it should be collected from everyone who received hurricane pay. The letter could come from the Board Secretary using the same language, but not attaching a list of names and amounts owed.

Questions arose regarding how the Board was going to collect the amount owed by participants.

Ms. Hurley suggested giving participants a time period to pay what was owed.

Action: Motion made by Mr. Lepa to forward the letter to the Board Secretary to modify and personalize the last paragraph and not attach a list as well as request payment within a six-month period.

Motion died for lack of a second.

Mr. Lepa suggested at least a minimum of \$25 collected for each payment.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to forward the letter to the Board Secretary to modify and personalize the last paragraph and payments to be collected within a six-month period with a minimum payment of \$25.

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

**2. Discuss an ordinance amendment allowing direct third party payments for specific purposes**

The Board Attorney explained this was what the Police plan already adopted. This would allow for third party payments for health premiums through the City, child support, and alimony.

Action: Motion made by Mr. Lepa and seconded by Mayor Clemens to accept an ordinance amendment allowing direct third party payments for specific purposes as presented.

Action: Amended motion made by Mr. Lepa and seconded by Mayor Clemens to accept an ordinance amendment allowing direct third party payments for specific purposes as presented, direct the Board Secretary to forward the ordinance to the City Commission for action, and request an impact statement from the Actuary.

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

**B. Police Retirement Board:**

**1. An opinion letter from Sugarman & Susskind, dated April 19, 2007, regarding implementation of the Pension Protection Act (PPA), a letter to Police participants regarding the PPA, and a Retirement Plan Checklist**

The Board Attorney explained at the last meeting the Board was advised there was an amendment to the ordinance that was not codified. Until that was done, there was no language in the Police ordinance to generate what was needed to comply with the PPA. The Police plan could now move forward with the PPA, and retirees requesting \$3,000 of their pension to be shown as a pre-taxed distribution to pay for health care could now be done. He said a checklist and necessary forms were provided for this action.

Action: Motion made by Officer Bouchard and seconded by Ms. Costello to approve implementation of the Pension Protection Action.

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

**2. Update regarding Robert Barrett's duty disability request**

The Board Attorney explained he was waiting for two checks from the Board before the Independent Medical Evaluation (IME) could be scheduled, and he was waiting to receive a set of records from one of Officer Barrett's doctors. He said Officer Barrett would be notified of the IME appointment as soon as it was scheduled.

Officer Bouchard left the meeting at 4:59 p.m.

Mr. Lepa left the meeting at 5:00 p.m.

**3. Update regarding Sandra Owens's duty disability request**

The Board Attorney explained that medical records were requested, but have not been received for Officer Owens. He said it usually took approximately two or three weeks to receive all the medical records.

**4. Annual review of disability for Robert Gross and Michael Shields**

The Board Secretary said she had received the required paperwork from Robert Gross, but had not received the Affidavit from Michael Shields.

Ms. Hurley said that Michael Shields had to submit an Affidavit every year, but only had to submit a doctor's note every five years unless his condition changed.

Action: Motion made by Ms. Costello and seconded by Mayor Clemens to direct the Board Secretary to send a letter to Mr. Shields asking him to submit an Affidavit by the June 5, 2007, meeting or the Board would suspend his pension benefits.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, and Mayor Clemens.  
NAYS: None.

Action: Motion made by Ms. Costello and seconded by Mayor Clemens to accept information from Mr. Gross and continue his pension benefits.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, and Mayor Clemens.  
NAYS: None.

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

**1. Larry Cole, Merrill Lynch, to discuss investment manager search for large capitalization growth equity and discuss Board concerns**

This item was discussed earlier in the meeting.

**V. NEW BUSINESS:**

**A. Employees' Retirement Board:**

**1. Godfrey M. Thomas, Parks Department - Cemetery, requests regular retirement based on the Rule of 75, to be effective May 31, 2007**

Action: Motion made by Mr. Kahant and seconded by Ms. Costello to approve, with regret, Godfrey M. Thomas's request for regular retirement based on the Rule of 75, to be effective May 31, 2007

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

**B. Police Retirement Board:**

None.

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

**1. Add discussion regarding benefit calculations**

Ms. Hurley explained that this item was discussed briefly at a prior meeting. It came to her attention that a participant's estimate calculation was different from the final calculation, and she asked if the Actuary could figure all calculations so there would be no discrepancies.

Ms. Costello said the participant did get an estimate from the Finance Department, but the final calculation was different. The participant had asked for multiple estimates and asked for estimates using different beneficiaries. She suggested not allowing participants to ask for estimates from the Finance Department and for the estimates to be done by the Actuary.

Lt. White asked who would pay for the estimates.

Ms. Costello said the participant would pay for estimates.

Ms. Hurley asked about limiting the number of estimates a participant could request to no more than two a year, with the final calculation coming from the Actuary.

Ms. Costello said all final calculations were verified by the Actuary.

**V. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

- 1. Authorize payment of invoice from Sugarman & Susskind, in amount of \$1,140.28**

2. **Authorize payment of invoice from Davis, Hamilton, Jackson & Associates, for January 1, 2007 - March 31, 2007, in amount of \$17,993.35**
3. **Authorize payment of invoice from Richmond Capital Management, Inc, for January 1, 2007 - March 31, 2007, in amount of \$20,257**
4. **Receive fee advice from Salem Trust Company, for January 1, 2007 - March 31, 2007, in amount of \$8,722.16**

Action: Motion made by Mayor Clemens and seconded by Ms. Costello to approved Consent (A), in its entirety, as presented.

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

**B. Police Retirement Board:**

1. **Authorize payment of invoice from Sugarman & Susskind, in amount of \$1,640.94**
2. **Authorize payment of invoice from Davis, Hamilton, Jackson & Associates, for January 1, 2007 - March 31, 2007, in amount of \$6,074.13**
3. **Authorize payment of invoice from Richmond Capital Management, Inc, for January 1, 2007 - March 31, 2007, in amount of \$6,620**
4. **Receive fee advice from Salem Trust Company, for January 1, 2007 - March 31, 2007, in amount of \$3,734.16**
5. **Add check requests to the University of Miami Hospitals & Clinics for a facility fee in amount of \$80 and an IME fee in amount of \$750 for Robert Barrett**

Action: Motion made by Mayor Clemens and seconded by Ms. Costello to approve Consent (B), in its entirety, as presented.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, and Mayor Clemens. NAYS: None.

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



- 1. Approve minutes of March 27, 2007, joint meeting, as presented**
- 2. Ratify refunds of pension contributions as reported by Finance Department**

Employees Pension Fund:

Checks Disbursed 02-28-07

Ana Acevedo, Finance Department, 10 Months/13 Days, \$2,738.49, separated January 26, 2007

Janice Spooner-Vidro, Police Department, 3 Months/17 Days, \$680.43, separated December 22, 2006

Checks Disbursed 03-30-07

Walter Bridges, Waste Removal, 6 Years/8 Months/8 Days, \$11,491.79, separated March 7, 2007

Nathan Dennis, Pool & Beach, 2 Years/7 Months/5 Days, \$4,500.65, separated February 24, 2007

William Jenkins, T&D Line Department, 5 Months/4 Days, \$1,588.69, separated February 22, 2007

Verna Johnson, Trolley, 5 Years/2 Months/23 Days, \$6,165.55, separated March 5, 2007

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

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

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

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, and Mayor Clemens. NAYS: None.

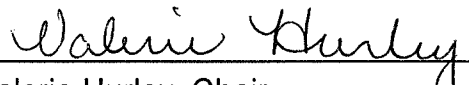
**D. Board Attorney's Report:**

The Board Attorney gave a brief update regarding bills for 175 and 185 issues.


VI. **ADJOURNMENT:**

The meeting adjourned at 5:16 p.m.

MINUTES APPROVED: 8-28-07

  
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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.

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