

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON TUESDAY,
December 9, 2008 at 2:00 PM**

I. ROLL CALL: 2:00 PM

A. Employees' Retirement Board:

A meeting was called to order at 2:00 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair
Robert Lepa, Vice-Chair
Mark Bates
Mayor Jeff Clemens
Robert Kahant

Others: Ken Harrison, Sugarman & Susskind
J Scott Baur, Tegrit Plan Administrators
Dixie Martinez, Tegrit Plan Administrators
Tim Nash, Bogdahn Consulting
Mike Welker, Bogdahn Consulting
Diane Clark
Chris Catuccy
Hilda Gonzalez, PBSO
Cherry Mazzorra, PBSO
Members of Public

B. Police Retirement Board:

A meeting was called to order at 2:00 PM.

Those persons present included:

Trustees: Lt. Kenneth White, Chair
Sgt. Randy Collier, Vice-Chair
Mark Bates
Mayor Jeff Clemens
Karri Kasper

Others: Ken Harrison, Sugarman & Susskind
J Scott Baur, Tegrit Plan Administrators
Dixie Martinez, Tegrit Plan Administrators
Tim Nash, Bogdahn Consulting
Mike Welker, Bogdahn Consulting
Diane Clark
Chris Catuccy
Hilda Gonzalez, PBSO
Cherry Mazzorra, PBSO
Members of Public

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

(Added) New Business, Item A-1 – Discussion on information requested by Human Resources.

(Added) Consent Agenda, Item A-1 – Invoices for Sugarman & Susskind

Action: A motion was made and seconded by the Employees' Board to approve the Agenda as amended.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

B. Police Retirement Board :

No additions or deletions to the Agenda were made for the Police Retirement Board.

C. Employees' and Police Retirement Boards:

The Boards discussed reordering the Agenda. The Chairs decided to discuss the benefit processing and approvals first, followed by the actuarial experience study.

Action: A motion was made and seconded to discuss the benefit processing and approvals first, followed by the actuarial experience study.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

2. Benefit Processing and Approvals: Sheriff's Office:

Mr. Baur summarized the transition to the Sheriff's Office and explained that at this point all of the benefits related to this transition for refund of contributions and benefit calculations are ready to be paid or have been paid. Mr. Baur presented to the General Employees' Pension Board the following benefit applications for approval: Refund of Contributions for Sandra Lambert, Carolina Martinez, Patricia Rice, and Stephanie Moncavage; Application for Retirement for Larry Farber, Charles Stevens, Thomas Schultz, and Joseph Varney; Application to enter the Drop for Jesus Nieves and Stephen O'Neal; Application to leave the Drop for Robert Fernandez. Mr. Baur presented to the Police Officers' Pension Board the following benefit applications for approval: Application for Retirement for Timothy Barbusio, Mathew Carreiro, Richard Frankiewicz and David German; Application to leave the Drop for William Evans and Enrique Ponce; Refund of Contributions for Jean Adea, Gardenia Arguello, Christopher Bergsma, Diane Christian, Pedro Colon, Patrick Desir, Dereck Harrison, Charles Johnson, Carl Jolimeau, Martin Kimberly, Mark Lozano, Brendan Maduri, Scott McAndrew, Jonathan Mock, Christian Padilla, Tomothy Rebholz, Ryan Reza, Paul Riddle, Javier Santos, Dennis Soto, Daniel Wiener, Monique Wilson, Devin Zuchowski.

Action: A motion was made and seconded by the Employees' Pension Board to approve the Refund of Contributions for Sandra Lambert, Carolina Martinez, Patricia Rice, and Stephanie Moncavage.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made and seconded by the Employees' Pension Board to approve the application for retirement for Larry Farber.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Mr. Bates requested that the City be copied on all applications received by the Administrator. Mr. Baur explained that his office will continue to send copies of all applications received by his office to the City.

The Boards had a discussion as to whether the effective date of retirement should be September 30th or October 1st. Ms. Mazorra commented that if members retired on September the 30th, this will bring the question of who has the obligation to pay their accrued benefit time. She explained that members can retire and be hired by the Sheriffs' office, but that gap of time produces a liability to either the City or the Sheriffs' office. Mr. Harrison explained that this was not an issue for the Pension Board. The Pension Board only deals with Pension issues. Ms. Mazorra asked Mr. Harrison if the members of the Plan can retire from the Plan and still be an employee of the City of Lake Worth on the same day. Mr. Harrison explained that if the member entered the Drop the answer is yes.

Ms. Gonzalez requested documentation from the Pension to confirm that the Sheriffs' office has the correct information regarding the members' election. Mr. Baur will send letter to PBSO with the updated status of all members of the Lake Worth Pension Plans retired or in the Drop. Ms. Gonzalez also needs clarification on what is considered pensionable earnings. The Boards had a discussion in regards to pensionable earnings.

Action: A motion was made and seconded by the Employees' Pension Board to approve the application for retirement for Charles Stevens, Thomas Schultz, and Joseph Varney.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Action: A motion was made and seconded by the Employees' Pension Board to approve the application to enter the Drop for Jesus Nieves and Stephen O'Neal.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made and seconded by the Employees' Pension Board to approve the application to leave the Drop for Robert Fernandez.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made and seconded by the Police Officers' Pension Board to approve the Applications for Retirement for Timothy Barbusio, Mathew Carreiro, Richard Frankiewicz, and David German.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made and seconded by the Police Officers' Pension Board to approve the Application to leave the Drop for William Evans and Enrique Ponce.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made and seconded by the Police Officers' Pension Board to approve the applications of Refund of Contributions for Jean Adea, Gardenia Arguello, Christopher

Bergsma, Diane Christian, Pedro Colon, Patrick Desir, Dereck Harrison, Charles Johnson, Carl Jolimeau, Martin Kimberly, Mark Lozano, Brendan Maduri, Scott McAndrew, Jonathan Mock, Christian Padilla, Tomothy Rebholz, Ryan Reza, Paul Riddle, Javier Santos, Dennis Soto, Daniel Wiener, Monique Wilson, Devin Zuchowski.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

1. Actuarial Experience Study:

Mr. Baur reported that included in the meeting packets was a sample of an Actuarial Experience Study done for another Plan. The estimated cost for each Plan is around \$12,000.00 to \$14,000.00.

Action: A motion was made and seconded to table the Actuarial Experience Study to the next Agenda.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

2. IRS Determination Letter

Mr. Harrison reported that the IRS is reconsidering the previous position that the agency under served the public plans. Sugarman will delay the process to file updated determination letters on behalf of the plans as a result.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Discussion on information requested by Human Resources:

Ms. Clark explained that Human Resources needed current home addresses and e-mail addresses for all retired members. The City needs to notify all retired members of the current change of insurance carrier from Blue Cross to Cigna. Mr. Baur commented that he would provide to the City the retired members addresses on request and he explained that recently his office had already provided the City current retiree addresses.

B. Police Retirement Board and

C. Employees' and Police Retirement Boards:

1. Bogdahn Consulting: Quarterly Performance Report

Mr. Nash reviewed the current market environment. He noted that everything was down for the quarter. The Employees' Retirement System had negative returns of -10.41% for the quarter compared to returns of -6.98% for the corresponding benchmark with assets of \$61,323,208 as of September 30, 2008 down from \$69,795,149 as of June 30, 2008. The Employees' Retirement System had 43.5% of assets invested in domestic equities as of September 30, 2008, 10.2% invested in international equities, 43.3% in bonds, and 3.0% in cash. The Police Retirement System had negative returns of -10.31% for the quarter compared to returns of -6.98% for the corresponding benchmark with assets of \$21,366,638 as of September 30, 2008 down from \$24,129,621 as of June 30, 2008. The

Police Retirement System had 46.1% of assets invested in domestic equities as of September 30, 2008, 9.8% invested in international equities, 41.0% in bonds, and 3.1% in cash. Mr. Nash reviewed the performance of individual managers. Mr. Nash commented that Mr. Baur had the transition manager agreement with Convergenx ready for the Trustees to sign. Convergenx will help with the transition of managers. Calamos, Faye Sarofim, and Davis Hamilton will be terminated, and Sawgrass hired as a new manager. Transition has been targeted for the first week in January, 2009. Alethia will be presenting to the Board on January 27, 2009. The Board had a brief discussion in regards to the funding of Drop distributions.

D. Board Attorney Report:

Mr. Harrison reported that he had spoken to the Larry Karns the City's Attorney concerning the situation with participant Anne Costello. He explained that Mr. Karns had said that he had not had a conversation with Ms. Costello concerning the inclusion of severance pay as part of her pension calculation. Ms. Hurley requested that if Ms. Costello's Attorney had any more documents supporting her case to submit them to the Board at least a week prior to the next Pension Board meeting in order to be added to the January 27, 2009 Pension Board meeting Agenda.

E. Administrator Report:

Mr. Baur reported that his firm has taken MERS of Michigan as a new minority partner. He explained that the ownership of the firm has not changed. Mr. Baur will submit new Administrator Agreements with the new name of the firm Tegrity Plan Administrators from Pension Resource Center. Mr. Baur explained that a letter had been sent to all retired members informing them of the change.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

Action: A motion was made and seconded by the Employees' Retirement Board to approve the Consent Agenda, which included a Warrant for invoices, Minutes from the meeting of October 29, 2008, the December invoice for Sugarman & Susskind and to automatically include the Sugarman & Susskind monthly fee to warrant.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made and seconded to by the Police Retirement Board to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meetings of October 29, 2008.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.
Mr. Harrison reported that he is currently in the process of developing the language to implement the mandatory changes to the Plans due to USERRA.

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Tuesday, January 27 at 2:00 PM, the Trustees adjourned the meeting at 3:59 p.m.

MINUTES APPROVED: January 27, 2009

Valerie Hurley, Chair
Employees' Retirement Board

Kenneth White, Chairman
Police Retirement Board

J. Scott Baur, Administrator
Employees' & Police Retirement Boards