

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON TUESDAY,
January 27, 2009 at 2:00 PM**

I. ROLL CALL: 2:00 PM

A. Employees' Retirement Board:

A meeting was called to order at 2:07 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair
Robert Lepa, Vice-Chair
Mark Bates
Mayor Jeff Clemens (2:33 PM)
Robert Kahant

Others: Ken Harrison, Sugarman & Susskind
J Scott Baur, Tegrit Plan Administrators
Dixie Martinez, Tegrit Plan Administrators
Chris Catuccy
Jill Hensen (2:10PM)
Anne Costello
Members of Public

B. Police Retirement Board:

A meeting was called to order at 2:07 PM.

Those persons present included:

Trustees: Lt. Kenneth White, Chair
Mayor Jeff Clemens (2:33 PM)
Mark Bates
Karri Kasper

Others: Ken Harrison, Sugarman & Susskind
J Scott Baur, Tegrit Plan Administrators
Dixie Martinez, Tegrit Plan Administrators
Members of Public

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

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

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 proceed to the

Actuarial Experience Study first due to Ms. Costello's Attorney not being present yet. The Board will come back to that item once she arrives.

Action: A motion was made and seconded to proceed with the Agenda and wait for Ms. Costello's Attorney.

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:

1. Actuarial Experience Study:

The Boards had a discussion on the Actuarial Experience Study by Steve Palmquist, along with a proposed projection of future employer contributions in light of the recent market experience. Mr. Harrison explained the background of Experience Study and proposed along with scrutiny by State to justify Plan's assumptions. Mr., Harrison suggested requesting Mr. Palmquist come to the next Pension Board meeting to discuss with the Boards the assumption rate and any changes that they may want to make. Mr. Bates is also interested in reviewing the impact of the Merger of the Police Plan with the Sheriff's office.

A. Employees' Retirement Board:

1. Retirement of Anne Costello:

Mr. Harrison explained that the Board was waiting to see if Ms. Costello could provide documentation that supports the City made a determination that the severance pay would be included in the Pension calculation. Ms. Hensen explained that she had just handed out a copy of a document titled City of Lake Worth Memorandum of Law, which states that severance pay does not affect pension benefits. The Memorandum was presented at the last Pension Board meeting. She would like to have the opportunity to respond to it before a decision is made. Mr. Harrison reported that he had issued an opinion that said generally severance packages wouldn't be part of it unless there was an agreement between the person and the City and the Board. Mr. Harrison has spoken to the former Labor Relations Attorney and Mr. Karn. Both said they did not have a conversation with Ms. Costello concerning the inclusion of severance pay. Ms. Hensen referred to the letter that Ms. Costello sent to the Board dated January 13, 2009. Ms. Costello explained that she had spoken to Mr. Karns and that he did advise her that as far as he determined at that time, under the definition of compensation, under this particular Pension Plan, severance pay was compensation within the

meaning of the code. Ms. Jensen believes that there is quite clearly a factual Dispute.

Action: A motion was made and seconded to grant Ms. Jensen the opportunity to respond to the memorandum before a decision is made by the Board.

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

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Employees' Retirement Benefit Approvals:

Mr. Baur presented to the General Employees' Pension Board the following benefit applications for approval: Refund of Contributions for Kimberly Underwood and Elisa J. Laperna; Application to leave the Drop for Arnold Oliver and Richard Butler and Application for Drop distribution for Margaret Johnstone.

Action: A motion was made and seconded by the Employees' Pension Board to approve the Refund of Contributions for Kimberly Underwood and Elisa J. Laperna; Application to leave the Drop for Arnold Oliver and Richard Butler and Application for Drop distribution for Margaret Johnstone.

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

Board asked about status of distributions of Drop accounts for members who left the Drop. Ms. Martinez explained that she was waiting on instructions for Mr. Oliver and Mr. Arnold to process the Drop distributions.

Police Retirement Board:

1. Police Retirement Benefit Approvals:

Mr. Baur presented to the Police Pension Board the following benefit applications for approval: Refund of Contributions for Paul Riddle, Ryan Rezza, Scott McAndrew, Carlos Bucheli, and Luciano Kovalski; Application to enter the Drop for John Roberts and Christopher Gideos and application for distribution of Drop account for Enrique Ponce and William Evans.

Action: A motion was made and seconded by the Police Pension Board to approve the Refund of Contributions for Paul Riddle, Ryan Rezza, Scott McAndrew, Carlos Bucheli, and Luciano Kovalski; Application to enter the Drop for John Roberts and Christopher Gideos and application for distribution of Drop account for Enrique Ponce and William Evans.

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

C. Employees' and Police Retirement Boards:

D. Board Attorney Report:

1. Discussion on Drop Distributions:

Mr. Harrison advised that in service distributions are not allowed. The only method of access to the drop balance requires termination of employment with the City. These Plans have no provisions for Drop loans. Mr. Kahant asked if provision can be changed. Mr. Harrison advised that Ordinance does not allow it through collective bargaining. The Board has no authority to change the Plan. The Board can recommend a change but changes are done through negotiations with the City and employee groups.

The Board had a discussion in regard to Domestic order deductions. Mr. Harrison strongly urges members who are getting divorced to contact him so he can provide them with a divorce package that provides information to the members.

2. Administrators Agreement- Tegrity Plan Administrators:

Mr. Harrison explained that he was advised that the Administrator submitted a revised Administrator Agreement to reflect the new name of the firm. The revised agreement is ready for the Board to sign.

Action: A motion was made and seconded by the Employees' Pension Board to approve the revised Administrator Agreement.

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

Action: A motion was made and seconded by the Police Pension Board to approve the revised Administrator Agreement.

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

E. Administrator Report:

1. Issuance of 2008 1099 R's:

Mr. Baur reported that his office will be issuing 1099 R's for the two months that the City made benefit payments and will also issue 1099 R's for the 10 months in 2008 that his office issued benefit payments, therefore all retired members will receive two 1099R's for calendar year 2008.

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 and Minutes from the meeting of December 9, 2008.

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

Action: A motion was made and seconded by the Police Retirement Board to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meetings of December 9, 2008.

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

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Tuesday, February 24 at 2:00 PM, the Trustees adjourned the meeting at 3:17 p.m.

MINUTES APPROVED: February 24, 2009

Valerie Hurley, Chair
Employees' Retirement Board

Kenneth White, Chairman
Police Retirement Board

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