

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON TUESDAY,
FEBRUARY 24, 2009 at 2:00 PM**

I. ROLL CALL: 2:01 PM

A. Employees' Retirement Board:

A meeting was called to order at 2:01 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair	Others: Ken Harrison, Sugarman & Susskind
Robert Lepa, Vice-Chair (2:10 PM)	J Scott Baur, Tegrit Plan Administrators
Mark Bates Mayor	Steve Palmquist, GRS
Jeff Clemens	Diane Ormay
Robert Kahant	Chris Catuccy
	Jill Hanson
	Anne Costello
	Members of Public

B. Police Retirement Board:

A meeting was called to order at 2:01 PM.

Those persons present included:

Trustees: Lt. Kenneth White, Chair	Others: Ken Harrison, Sugarman & Susskind
Mayor Jeff Clemens	J Scott Baur, Tegrit Plan Administrators
Mark Bates	Steve Palmquist, GRS
Karri Kasper	Members of Public
Randy Collier	

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:

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

1. Retirement of Anne Costello:

Discussion on whether Mark Bates would recuse himself on matters relating to Anne Costello. Ms. Hanson suggested that he should not participate. Ms. Hanson asked to wait for Mr. Lepa since she would need three affirmative votes to make a decision.

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

1. Actuarial Experience Study:

Mr. Palmquist explained that due to the merger with the Sheriff's office it is not necessary to do a full experience study for the Police Pension Plan, but he does recommend a full experience study for the General Pension Plan. Mr. Palmquist explained that the experience study examines all assumptions. He discussed the impact of the merger with the Sheriff's office on the Police Pension Plan, including higher frequency of retirements. Mr. Palmquist recommends a five year projection for the General Employees' Plan at a cost of \$1,500 to \$2,000 and a general review of the assumptions for the Police Plan, at a cost of \$2,000 to \$3,000 which will be done at the same time as the annual report.

Action: A motion was made and seconded to approve the five year projection for the General Plan and the cost not to exceed \$2,000.

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

Action: A motion was made and seconded to approve the review of the assumptions for the Police Plan and the cost not to exceed \$3,000.

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

Action: A motion was made and seconded to approve the actuarial experience study for the General Plan and the cost not to exceed \$14,000.

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

Retirement of Anne Costello:

Ms. Hanson provided to the Board an additional letter plus materials. Ms. Hanson formally requested that Mr. Bates recuse himself. Mr. Harrison explained that, if Mr. Bates recuses himself, he would do so voluntarily and in advance of the matter and he

should recuse himself only if he had a personal conflict or gain in the matter. Mr. Bates stated that he has no personal gain or loss on this issue and unless there is a legal reason for him to recuse himself he would not do so. Ms. Hanson explained that the issue before the Board is; was severance pay properly included in calculating Anne Costello's pension. Ms. Hanson stated that the pension ordinance defines compensation used to determine benefits, and the compensation used to calculate the benefit for Ms. Costello fits this definition of payroll. At issue is the inclusion of severance pay in the final average salary calculation. The City withheld member pension contributions and included the severance pay in the final average salary calculation at the time that Ms. Costello originally retired as Finance Director for the City. The City later determined that the severance pay should not have been included as pensionable compensation in the final average salary calculation and attempted to refund the member contributions on the severance pay to Anne Costello. The City also provided Ms. Costello with a revised calculation of her pension benefit without the severance pay. Ms. Hanson noted that the Board must make the determination of pension benefits based on the ordinance rather than the City. Mr. Harrison explained that he had spoken to Mr. Karn and Mr. Karn denied having a conversation with Ms. Costello concerning the inclusion of severance pay.

Action: A motion was made and seconded by the Employees' Pension Board in light of the fact that nothing compels the Plan to include severance as compensation then benefit should not include severance pay in the calculation of the benefit for Anne Costello.

Vote: Voice vote showed: AYES: Four. NAYS: One.

Mr. Harrison explained that if the claimant was not satisfied, then the claimant can request a full hearing. Mr. Harrison will send a formal notice of denial to Ms. Costello. The reason for denial is that the Board did not consider the severance as payment for service.

2. Benefit Recalculations:

Mr. Baur explained that there are two different groupings of calculations. One group is the hurricane pay calculations and the other group is the original batch of calculations completed by the City where the City then modified the benefit amount for some of the retired members which was subsequently restored to the retired numbers pending recalculation of benefits. All of these calculations will be submitted to Steve Palmquist for review. The hurricane pay had only four members where the hurricane pay changed or improved their pension benefit. Mr. Baur explained to the Boards how the City had done the calculations and how he has done the calculations. Mr. Baur explained that for the members who owe money to the Plan due to an overpayment there are several ways that the Plan could collect the amounts owed. Mr. Baur explained that none of the amounts had been implemented yet.

Action: A motion was made and seconded by the Employees' Pension Board to approve all of the benefits that have been recalculated for Robert Barret, Anatole Bezugly, Allen Blawn,

Robert Conklin, Maria Cook, John Flynn, Pablo Garcia, Gale Hammitt, Mary Henline, Tommy Johnson, William Klein, Baha Muhammad, Larry Patterson, Milton Talbert, Godfrey Thomas, Charles Walker, Marilyn Watson, James Barrow, Benjamin Chapman, Jerry Devries, Bernard Freling, Gerald Hruby, Tommy Johnson, David Mulvay and Mark Thiboult with the exception of Anne Costello and the payment options to repay the plan will be; if there is a retroactive benefit, that retroactive benefit should be offset by any amounts owed to the Plan, members will also have the option to repay any benefits owed up to a maximum of 24 months.

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

Mr. Baur explained that based on the Boards action he will recalculate Anne Costello's benefit and plan to recuperate any overpayment.

Action: A motion was made and seconded by the Police Pension Board to approve the benefits that have been recalculated for Sandra Owens and the payment options to repay the plan will be; if there is a retroactive benefit, that retroactive benefit should be offset by any amounts owed to the Plan, members will also have the option to repay any benefits owed up to a maximum of 24 months.

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

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Benefit Approvals:

Mr. Baur presented to the General Employees' Pension Board the following benefit applications for approval: Refund of Contributions for Queenester Nieves and Susan Reiss.

Action: A motion was made and seconded by the Employees' Pension Board to approve the Refund of Contributions for Queenester Nieves and Susan Reiss.

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

B. Police Retirement Board:

1. Benefit Approvals:

Mr. Baur presented to the Police Pension Board the following benefit applications for approval: Refund of Contributions for Joshua Eley, Application for retirement for Earl Bakke, Application to enter Drop for Kenneth White and Dave Mathews.

Action: A motion was made and seconded by the Police Pension Board to approve the Refund of Contributions for Joshua Eley, Application for retirement for Earl Bakke, Application to enter Drop for Kenneth White and Dave Mathews.

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

C. Employees' and Police Retirement Boards:

1. Investment Consultant Report: Tim Nash (The Bogdahn Group)

Mr. Nash commented that 2008 was the worst year since 1970 for international stocks, merging markets went down 50%. There was no place to hide, it did not matter if you where invested in large cap, mid cap or small cap. The good news is that Bonds are positive about 5% for the quarter. For quarter ending December 31, 2008 the Police Plan closed out with \$19,016,000 and the General Plan with \$53,506.626. Mr. Nash reported that Fayez Sarofim and Davis Hamilton had been terminated. Oakmark International Fund sold out and moved into Europacific and Calamos Investment also has been sold. Mr. Nash revised the Investment Policy. Changes are available for Mr. Harrison to review. The Boards asked Mr. Harrison to review those changes and report back to them. Mr. Lepa would like 10 year return number on Plan as well.

Action: A motion was made and seconded by the Employees' Retirement Board to accept the December 31, 2008 quarter end report.

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

Action: A motion was made and seconded by the Police Retirement Board to accept the December 31, 2008 quarter end report.

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

D. Board Attorney Report:

The Boards had a discussion on the miscalculation of pension benefits for certain individuals identified by the City to the Board last January. Mr. Harrison reported that there is a one million dollar penalty for failure to disclose and it specifically mentioned the Jacksonville office and Mark Callaway. Merrill lynch, Callaway and Swanson were charged for failure to disclose. Mr. Harrison explained that he wants to join other Boards in Florida to bring class action against Merrill Lynch.

Action: A motion was made and seconded by the Employees' Retirement Board to allow Mr. Harrison to join other Boards to bring class action against Merrill Lynch.

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

Action: A motion was made and seconded by the Police Retirement Board to allow Mr.

Harrison to join other Boards to bring class action against Merrill Lynch.

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

The Police Retirement Board had a discussion on a letter sent to the State in regards to the merger with the Sheriff's office.

E. Administrator Report:

1. Annual Disability Verification:

Mr. Baur reported that it is time to do the disability verification again. The verification will need to be done for five Police members and two General Employee members.

Mr. Harrison will forward divorce package after meeting.

Mr. Baur reported that the recalculation for Anne Costello without severance will be \$6,423.51.

Action: A motion was made and seconded by the Employees' Pension Board to approve reducing Anne Costello's monthly benefit amount to \$6,423.51 subject to revision by the Actuary and to give Anne Costello the option to repay any benefits owed to the Plan up to a maximum of 24 months.

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

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 revised Minutes from the meeting of January 27, 2009.

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 revised Minutes from the meetings of January 27, 2009.

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, March 24 at 2:00 PM, the Trustees adjourned the meeting at 4:35 p.m.

MINUTES APPROVED: March 24, 2009 _____

Valerie Hurley, Chair
Employees' Retirement Board

Kenneth White, Chairman
Police Retirement Board

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