

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
TUESDAY, MAY 26, 2009 at 2:00 PM**

I. ROLL CALL: 2:07 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
Jeff Clemens, Mayor
Mark Bates
Robert Kahant

Others: Ken Harrison, Sugarman & Susskind
J Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Tim Nash, Bogdahn Group
Chris Catuccy
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
Mark Bates
Karri Casper

Others: Ken Harrison, Sugarman & Susskind
J Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Tim Nash, Bogdahn Group
Members of Public

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

Ms. Hurley explained that she had been informed that the Board needed to do an Agenda Memo to go with the proposed Ordinance change that changes the assigning of the Finance Director as a member of the Pension Board versus a vote of the commission.

Mayor Clemens volunteered to do the Agenda Memo for the Board and explained that it would be done by the second meeting in June.

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

B. Police Retirement Board:

(Added) Item IV.B.2 – Audit update.

Action: A motion was made by Mayor Clemens and seconded by Mr. Bates to approve the Agenda, as amended.

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

C. Employees' and Police Retirement Boards:

III. UNFINISHED BUSINESS

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

1. Benefit Recalculations:

Mr. Kahant asked Mr. Baur for further clarification of the recalculation of the benefits spreadsheet that he had previously provided. Mr. Baur explained that the amounts listed on the spreadsheet reflects the amounts of the City's recalculations and not what the members were actually getting paid at that moment in time. Mr. Baur explained that he had not notified the Drop participants of the recalculations because it appears that some incorrect Drop balances were provided by the City at the time of the transfer, therefore he will have to go back and modify Drop account balances for a number of participants. Mr. Baur explained that some of these differences are due to a rounding difference but we do have a few members where there are more substantial differences over or under \$1,000 between what the City had as of September 30, 2007 Drop ending balance and the records that Mr. Baur had as of September 30, 2007 Drop ending balance. Mr. Bates commented that the Drop balance adjustments and the benefit payment recalculations should be addressed together. The Board had a discussion in regards to the Drop statements. The Board does not think that statements should be issued until all the recalculations have been done for benefit and Drop posting. Mr. Baur in the meantime will send letters to the Drop participants letting them know that their statements are forthcoming.

2. Allen Blawn- Letter to the Board:

Mr. Baur explained that Mr. Blawn is making an appeal to the Board; therefore his benefit amount has not been changed. Mr. Harrison explained that the Board has the ability to wave these types of things if they believe it is insignificant. Mr. Baur explained to the Board how the calculations are calculated. Mr. Bates explained how the City previously calculated the calculations. The Board had a discussion in regards to Mr. Blawn's letter. Mr. Harrison explained that if the Board does not take any action Mr. Baur will go forward in reducing and enforcing the Ordinance by making the change in Mr. Blawn's benefit payment. The Board did not take any action. Mr. Baur explained that since he had been

previously given Board direction to change the benefit amount he did not need any action from the Board to do so at this time.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Anne Costello-Formal Hearing Request & Appeal:

Mr. Harrison explained that this was a request to have a formal hearing and the Board needed to set a date. Mr. Harrison explained to the Board how a formal hearing is conducted. The Board agreed to have the formal hearing on the same day as the regular Pension Board meeting in July. The Board differed the date of the formal hearing until latter in the meeting when the new Pension Board meeting dates are discussed.

2. Benefit Approvals:

Mr. Baur presented to the General Employees' Pension Board the following benefit applications for approval: Application to enter the Drop for Kerry Hurley and Leonard Thorpe; Distribution of Drop Account for Richard Butler

Action: A motion was made by Mayor Clemens and seconded by Mr. Kahant to approve the Application to enter the Drop for Kerry Hurley and Leonard Thorpe; Distribution of Drop Account for Richard Butler.

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

Ms. Hurley abstained from voting.

B. Police Retirement Board:

1. Benefit Approvals:

Mr. Baur presented to the Police Officers' Pension Board the following benefit applications for approval: Refund of Contribution for Robert Cintron

Action: A motion was made by Mayor Clemens and seconded by Mr. Bates to approve the Application for a Refund of Contribution for Robert Cintron.

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

2. Audit update:

Lt. White explained that the reason he had requested adding this item to the Agenda was that he wanted to know how the audit was coming along since there was a March deadline to submit the Annual Report to the Division of Retirement. Mr. Bates explained

that there are two issues going on with the audit. One is that the Drop balances did not match last year's audit. Mr. Bates believes that these issues have been identified and are in the process of being fixed. He explained that the bigger issue was that the City's external Auditor did not have the staff to begin the field work until April 1st, six month after the end of the fiscal year so the audit for the City begun very late and as a consequence it will end late. Mr. Bates anticipates that it should be completed by July. Mr. Harrison commented that as long as the audit is finalized by the end of September the Plan will receive the State funding, but it will not be in August.

C. Employees' and Police Retirement Boards:

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

Mr. Nash commented that this was a real tough quarter. For quarter ending March 31, 2009 the Police Plan has an ending market value of \$17,438,272 and the General Plan of \$49,923,315. Mr. Nash commented that it has been an ugly quarter. As far as equities go nothing was positive. International was down down -13%, the S&P was down -11% and the Russell 2000 Small & Mid Cap were down about -15%. The good news is that in the month of April the Russell 3000 was up almost 10% and there have been some good gains for the Plans. The market value for the General Employees as of May 25, 2009 is up to \$53,087,128 and the Police Plan is up to \$18,646,175.

Mr. Nash explained that there have been some transitions among money managers for the quarter. He reviewed with the Board the outflows from Fayed Sarofim in the Franklin balance and then the funding of Sawgrass occurring all in the same quarter. He also noted that the Oakmark fund has been sold out. Mr. Nash reported that the Police Plan is ranking in the top 28th percentile and the General Plan in the top 38th percentile. For the Fiscal Year to date the General Plan is down -14.98 % and the Police Plan is down -15.57% versus the benchmark at -16.67%. Mr. Nash commented that the managers have done a very nice job of preserving value this quarter. Board had a discussion in regards to the fixed income manager. Mr. Nash will ask the fixed income manager to attend the August meeting. Mr. Lepa would like to see a 10 year range of return for the Plan as well.

2. Pension Board Meeting Date & Time:

Mayor Clemens explained that the City Commission will be holding afternoon work sessions on the second and fourth Tuesday of every month in the conference room starting in June. These work sessions will cause a meeting attendance conflict for the Mayor and Conference Room use conflict for both Pension Boards. The Boards agreed to change the Pension Board meeting dates to the third Tuesday of every month at 2:00 PM with the exception of the July 21, 2009 meeting which will start at noon if the actuarial evaluation is ready to be presented. If it's not ready to be presented the meeting will start at 1:00 PM. The Board also agreed to have the Formal Hearing for Anne Costello on July 21, 2009 at 2:00 PM

Action: A motion was made by Mayor Clemens and seconded by Mr. Kahant to set the formal hearing for the appeal of Anne Costello for Tuesday, July 21, 2009 at 2:00 PM.

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

Mr. Baur explained that he wanted to make sure that the Board was aware that as a part of her request Anne Costello was asking to delay repayments back to the Pension Plan until she had the formal hearing before the Board.

Action: A motion was made by Mayor Clemens and seconded by Mr. Kahant to not require Anne Costello to pay back the overage that she was given until after the formal hearing.

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

D. Board Attorney Report:

1. Proposed Ordinance Amendment:

Mr. Harrison reported that he worked on the language of the proposed Ordinance amendment for the Police Officers' Pension Plan. This amendment is to establish the closed Plan provision for the Police Officers' Pension Plan. Mr. Harrison explained that due to the closed status of the Plan there are no new participants coming into the Plan so there will be a time where there will not be any active participants. Participants will be in the Drop or retired, so a provision needs to be made to allow participants in the Drop or retired to sit on the Board of Trustees.

Action: A motion was made for the Police Officers' Pension Plan by Mayor Clemens and seconded by Ms. Casper to have the Ordinance amendment go before the City Commission and the Actuary.

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

E. Administrator Report:

Mr. Baur commented that the Boards have an updated Financial Statement in their meeting packets. Mr. Baur reported that there was one member who has not returned the disability affidavits we have one member and one member who submitted a 1099 M which we are trying to confirm that it was not indeed earned income because the Pension Plan is offset for earned income. Ms. Hurley recommended sending all disability review letters with a return receipt in the future. The Board recommended sending Mr. Lynch a certified letter with return receipt with a July due date and cancel benefit payments thereafter if the affidavit is not returned by the due date.

Action: A motion was made for the Police Officers' Pension Plan by Mayor Clemens and seconded by Mr. Bates to send Mr. Lynch a second disability review letter with return receipt with a July due date and to cancel the July 1st benefit payments if the affidavit is

not returned by the due date.

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

Mr. Baur explained that the City had renewed the Fiduciary Liability insurance for the General Pension Plan but did not renew it for the Police Pension Plan. He explained that his office has been in touch with the fiduciary Liability insurance company. He does not have a quote back yet, but he would like to reinstate that Policy as soon as possible.

Action: A motion was made for the Police Officers' Pension Plan by Ms. Casper and seconded by Mr. Bates to reinstate the Fiduciary Liability Insurance up to the same amount of premium as last year.

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

Mr. Baur reported that he had received and responded to a public record request for the Minutes and recording of the Special Pension Board meeting held on October 30, 2006. Mr. Baur reported that all medical records have been gathered for Melody Hughes and turned over to Mr. Harrison.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

Action: A motion was made by Mayor Clemens and seconded by Mr. Bates to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meeting of April 28, 2009.

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

B. Police Retirement Board:

Action: A motion was made by Mayor Clemens and seconded by Mr. Bates to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meeting of April 28, 2009.

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

C. Employees' and Police Retirement Boards:

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Tuesday, June 16 at 2:00 PM, the Trustees adjourned the meeting at 4:12 p.m.

MINUTES APPROVED: June 16, 2009

Valerie Hurley, Chair
Employees' Retirement Board

Kenneth White, Chairman
Police Retirement Board

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