

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
TUESDAY, FEBRUARY 16, 2010 at 2:00 PM**

I. ROLL CALL: 2:05 PM

A. Employees' Retirement Board:

A meeting was called to order at 2:05 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair
Robert Lepa, Vice-Chair
Rene Varela, Mayor
Robert Kahant
Barbara Hiller

Others: Ken Harrison, Sugarman & Susskind
D. Marcus Braswell, Sugarman & Susskind
J. Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Tim Nash, Bogdhan Group
Members of Public:
Jacqueline Wildman
Holly Johnson
Donald Mead
Peter Timothy
Joseph Broackway
Allen Blawn

B. Police Retirement Board:

A meeting was called to order at 2:05 PM.

Those persons present included:

Trustees: Rene Varela, Mayor
Kerri Casper
Lt. Kenneth White

Others: Ken Harrison, Sugarman & Susskind
D. Marcus Braswell, Sugarman & Susskind
J. Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Tim Nash, Bogdhan Group
Members of Public:
Amy Thomas
David Moss

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

Ms. Hurley suggested adding item IV.C.2.-Discussion regarding a joint meeting with the City Commission.

Action: Consensus of the Board to add item IV.C.2.-Discussion regarding a joint meeting with the City Commission to the Agenda

B. Police Retirement Board:

Mr. White suggested changing items IV.C.1. a, b & c to be first on the Agenda.

Action: Consensus of the Board to move items IV.C.1. a, b & c to be first on the Agenda.

IV. NEW BUSINESS:

C. Employees' and Police Retirement Boards:

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

Mr. Nash commented that it was nice to be able to talk about positive numbers once again for another quarter. Mr. Nash reported that International Stocks are positive this quarter 2.2% and the S&P 500 was up 6.0%. He reported that in general, it did not matter if it was small, mid, or large cap, growth stocks outperformed value stocks for the quarter, but both were positive. Mr. Nash reported that for quarter ending December 31, 2010 everything was positive except for financials. Mr. Nash reported that for quarter ending December 31, 2010 the assets for the General Plan were \$59,214,056 and for the Police Plan they were \$21,484,235. The total domestic equity for the General Plan was at 6.19% versus the index at 6.04% and the Police Plan was at 6.46% versus the index at 6.19%. Mr. Nash reported that this was a very strong quarter for Alethia for the General Plan it was at 6.29% versus the index at 4.22% and the Police Plan was at 6.33% versus the index at 4.22%.

Mr. Nash reported that MD Sass also had a very strong quarter for the General Plan it was at 4.83 versus the index at 4.22% and the Police Plan it was at 4.77% versus the index at 4.22%. Mr. Nash reported that for the quarter Rigel Capital for the General Plan it was at 6.12% versus the index at 7.94% and the Police Plan it was at 6.19% versus the index at 7.94%. Mr. Nash reported that Sawgrass did a nice job this quarter, they beat the benchmark by about 36 basis points for the General Plan it was at 8.30% versus the index at 7.94% and the Police Plan was at 8.45% versus the index at 7.94%. The total international equity for the General Plan was at 2.06% versus the index at 2.22% and the Police Plan was at 1.90% versus the index at 2.22%. The total fixed income for the General Plan was at -0.34% versus the index at -0.23% and the Police Plan outperformed at -0.23% versus the index at -0.23%. Mr. Nash reported that the head of research from the Bogdhan Group had gone to Seattle to meet with Rigel advisors. Mr. Nash reviewed with the Board the changes that have occurred with Rigel's portfolio management. Mr. Nash reported that he expects that the new team will generate reasonable returns but he is also prepared to make the change if necessary. Mr. Nash reported that Rigel had offered to reduce their fees to 70 basis points for the first \$10,000,000. He reported that Rigel would also like to come to the next quarterly meeting to introduce the new investment team to the Board. The Board had a discussion regarding Rigel. The Board

would like to see Rigel at the next quarterly meeting. Lastly, Mr. Nash reviewed the compliance checklist.

b. Report on investments affected by RESO 26-2009:

Mr. Nash reported that currently the Plans do not hold any holdings in any of the scrutinized companies. Mr. Nash reviewed with the Board the types of investments that the Plans have. Mr. Nash reported that as of the December 31, 2009 list from the State of Florida the Plans are not in violation or own any holdings on the prohibited list. Mr. Nash reported that Alethia owns a Brazilian petroleum company and this company was listed on the September 30, 2009 list as a prohibited company but it was subsequently taken off the list in December therefore the plans are not in violation.

c. Investment Policy Guidelines:

Mr. Nash reviewed with the Board the changes made to the Investment Policy Guidelines. Mr. Harrison reported that he had reviewed the changes and it met all of the compliances with the statutes.

Action: A motion was made by Mr. Lepa and seconded by Mayor Varela to approve the new Investment policy guidelines.

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

Action: A motion was made by Ms. Casper and seconded by Mayor Varela to approve the new Investment policy guidelines.

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

A. Employees' Retirement Board:

1. Benefit Approvals:

Ms. Martinez presented to the General Employees' Pension Board the following benefit applications for approval: Application for retirement for Michael Brown; Application for Refund of Contributions for Chi-Lin Wu

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to approve the application for retirement for Michael Brown.

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

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to approve the application for refund of contributions for Chi-Lin Wu.

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

B. Police Retirement Board:

1. Trustee Replacement:

Lt. White reported that he may be leaving the DROP on April 30, 2010 therefore he wanted to know if he would be able to finish his term or if an election needed to take place. Mr. Harrison reported that he can finish his term but he can not re run for re-election.

C. Employees' and Police Retirement Boards:

1. Discussion regarding a joint meeting with the City Commission.

Ms. Hurley reported that twice a year she and Lt. White had to give an update before the City Commission. This year she was contacted by Mr. Geoghegan to let her know that the City Commission will need additional information. Lt. White and Ms. Hurley feel that the questions will be better answered by the Plans Actuary and Plans Attorney therefore they would like to invite the City Commission to attend their regular Pension Board meeting in April.

Action: Consensus of the Board to invite the City Commission and Mr. Palmquist from GRS to their joint regular Pension Board meeting in April.

C. Board Attorney Report:

Mr. Harrison reported that he had been having phone conversations with the Plan's administrator and City representatives regarding the recalculation of benefits.

D. Administrator Report:

Mr. Baur reported that his office has also been very busy working on the recalculations. Ms. Martinez reported that the Disability Review letters have been mailed out. Ms. Martinez reported that the letters to the State regarding the expected rate of return have been mailed out.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

The Board reviewed the invoices for Alethia. Mr. Lepa and Mr. Kahant asked Ms. Martinez to research the 1st invoice on the warrant for accounts payable.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meetings on December 15, 2009 and January 19, 2010.

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

B. Police Retirement Board:

Action: A motion was made by Ms. Casper and seconded by Mayor Varela to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meetings on December 15, 2009 and January 19, 2010.

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

The Police Retirement Board adjourned the meeting at 2:45 pm.

III. UNFINISHED BUSINESS

A. Employees' Retirement Board:

1. Benefit Recalculations:

a. Appeal to the Board by Holly Johnson:

Mr. Baur reported that he had created a memorandum regarding the members who are appealing. Mr. Baur reviewed with the Board Ms. Johnson's individual case. Mr. Baur reported that the City had made a request asking the Board to reconsider the time frame again for these recalculations and how it applies. Mr. Baur reported that originally they had a five year time frame for the recalculations of benefits and that the five years were measured from the time of separation from service and not the date of retirement. Mr. Baur reported that the City's question regarding these appeals is if we should continue to consider them if it's now 2010 and someone separated from service seven years ago even though they were originally captured in the original process. Mr. Harrison reported that when the Board started this process it had been considered from that point on and that has not changed. He explained that the fact that it has taken the Board over two years to do this they still needed to look back at the time frame that the Board had approved back then. Mr. Baur reviewed the different benefit amounts for Ms. Johnson. The Board reviewed the different amounts on Ms. Johnson's original and revised calculations. Mr. Kahant reported that the factors used for the Joint and Survivor options were different from the latest revised calculation. Mr. Baur explained how the Joint and Survivor factors are used when calculating a benefit. Mr. Baur reported that Ms. Johnson's calculation will change once again due to the different factors indicated by the actuary. Mr. Baur reported that he will revise her calculation and will bring it back for Board's approval. The Board had a discussion regarding the Joint and Survivor factors.

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to defer Ms. Johnson's appeal to the next pension Board meeting.

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

a. Appeal to the Board by Don Mead:

Mr. Baur reviewed Mr. Mead's individual case. Mr. Baur reviewed with the Board the different methods previously used by the City to calculate benefits and the currently used method to calculate benefits. Mr. Baur reported that the change in methods had affected the numbers for Mr. Mead as well as other retirees on the list. Mr. Baur reported that the way it had been previously calculated by the City was not necessarily an invalid way of calculating a final average salary. Mr. Baur reported that up until 2003 or 2004 the City used the same method used to calculate Mr. Mead's benefit. Mr. Baur reported that the Board had changed the method on calculating the final average salary in 2008. Mr. Baur reported that at the time of Mr. Mead's entry to the DROP the way the City was calculating the final average salary was appropriate and consistent with how the calculations were processed by the City. Mr. Harrison reported that if there was nothing wrong with the methods used at that time the Board had the option of leaving it as it was or applying the current policy in place to calculate benefits retroactively.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to recalculate Mr. Mead's benefit using the same final average salary calculation method that was used on his original calculation and to bring it back for approval when it's been reviewed by the actuary.

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

c. Appeal to the Board by Joseph Brockway:

Mr. Baur reported that Mr. Brockway's original calculation included an IBEW retro amount paid on February 11, 2005. Mr. Baur reported that this payment increases Mr. Brockway's final average salary when added back into the revised calculation. Mr. Baur reported that he will confirm if Mr. Brockway will owe any pension contributions on the IBEW retro pay.

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to approve including the IBEW retro payment into Mr. Brockway's calculation and to send to the actuary for their certification.

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

d. Appeal to the Board by Allen Blawn:

Mr. Baur reported that Mr. Blawn's original calculation included 53 pay periods in his final average salary. Mr. Baur reported that the City's recalculation of his benefit included 52 pay periods in his final average salary. Mr. Baur reported that in July of 2009 he had recalculated Mr. Blawn's benefit and it used exact service and he had added 0.15 of a week of payroll to his final average salary. Mr. Baur explained that he would not be able to get back to the original numbers for Mr. Blawn. The Board reviewed the many times Mr. Blawn's pension has been recalculated. Ms. Martinez reported that the current amount owed by Mr. Blawn is \$1,707.26.

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to amend Mr. Blawn's benefit payment to \$2,272.37 and waive any overpayment owed.

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

e. Boards review of letters of appeal from Randall Bland:

Ms. Martinez reported the next available time open for an appeal is May 18th. Ms. Martinez will send Mr. Bland a letter to notify him.

f. Boards review of letter from attorney Howard Wiener:

Ms. Martinez reported that Mr. Wiener was not present today. Ms. Martinez explained that Mr. Wiener was scheduled to come to the next Pension Board meeting because he is representing Mr. Openshaw and he is scheduled to appeal on March 16th, 2010. Mr. Harrison reported that the letter from Mr. Wiener states that he is representing a list of members, only of which one has formally appealed. Mr. Harrison reported that a letter had been sent to Mr. Wiener to inform him that each of his clients needs to make a written request for an appeal but he is welcomed to come to the next Pension Board meeting and make a general presentation. Mr. Baur reported that there need to come with an attorney may become a moot point. Mr. Baur reported that on three of these members the Board had the same issue as with Mr. Mead. Mr. Harrison reported that the administrator needed to provide notice to Mr. Wiener and Mr. Openshaw explaining that the recalculation of his benefit now shows a different amount and is pending actuary's certification. Mr. Baur reported that what has changed now from the past is that now he has the original calculations and additional information regarding the calculations of his benefit from the City which in the past he had been told that this information did not exist. Mr. Baur reported that this new information has helped him considerably. Mr. Harrison advised that once Mr. Baur revises his recalculations to include this new information and it's determined that the original calculation was correct he should send a letter to the individual and inform them that there will be no change to their benefit. Mr. Harrison reported that Mr. Baur is to use the same method to calculate the final average salary used at the time of retirement as long as it was an appropriate way of calculating it. Mr. Harrison reported that once this has been done Mr. Baur should bring back the information for Boards approval.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to Notify Mr. Wiener and Mr. Openshaw of the revised amount pending certification from the actuary.

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

g. Retirees to address the Board:

Mr. Blawn addressed the Board and explained that it was very difficult to budget a family when his benefit payment has been changed so many times and he hopes that this is the last time. Mr. Brockway addressed the Board and asked what will be the next step for him.

Mr. Baur explained that his revised recalculation is pending actuary certification and that once it has been certified it will be brought back to the Board for their approval.

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Tuesday, March 16 at 2:00 PM, the General Employees' Board adjourned the meeting at 4:17 p.m.

MINUTES APPROVED: March 16, 2010

Valerie Hurley, Chair Employees' Retirement Board

Kenneth White, Chairman Police Retirement Board

Dixie Martinez, Administrator
Employees' & Police Retirement Boards