

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT CITY HALL ON  
TUESDAY, AUGUST 17, 2010 at 2:00 PM**

**I. ROLL CALL: ..... 2:04 PM**

**A. Employees' Retirement Board:**

A meeting was called to order at 2:04 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair  
Robert Lepa, Vice-Chair  
Rene Varela, Mayor  
Robert Kahant  
Steve Carr

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Scott Baur, Resource Centers  
Stephen Palmquist, GRS  
Holly Johnson, Retiree  
Don Mead, Retiree  
Members of Public:

**B. Police Retirement Board:**

A meeting was called to order at 2:04 PM.

Those persons present included:

Trustees: Sgt. Randy Collier, Chair  
Lt. Dave Moss, Vice-Chair  
Rene Varela, Mayor  
Kerri Casper  
Steve Carr

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Scott Baur, Resource Centers  
Duane Howison, GRS  
Members of Public:

**II. ADDITIONS/ DELETIONS/ REORDERING:**

**A. Employees' Retirement Board:**

No additions, deletions or reordering to the Agenda were made for the General Employees' Retirement Board.

**B. Police Retirement Board:**

Ms. Hurley suggested adding item III.B.1.- Election of Officer.

Action: Consensus of the Board to add item item III.B.1.- Election of Officer.

### **III. UNFINISHED BUSINESS:**

#### **A. Employees' Retirement Board:**

#### **B. Police Retirement Board:**

##### **1. Election of Officer:**

Lt. Moss nominated Sgt. Randy Collier for Chair. Ms. Casper seconded the nomination. There were no further nominations for Chair.

Sgt. Collier nominated Lt. Dave Moss for Vice-Chair. Mayor Varela seconded the nomination. There were no further nominations for Vice-Chair.

Mr. Carr nominated Ms. Kerri Kasper for secretary. Sgt. Collier seconded the nomination. There were no further nominations for Secretary.

#### **C. Employees' and Police Retirement Boards:**

##### **1. Benefit Recalculations:**

###### **a. Appeal to the Board by Van Ross:**

Ms. Martinez reported that Mr. Van Ross had an unexpected appointment and was unable to attend this meeting. He has requested that his appeal be rescheduled.

Action: Consensus of the Board to reschedule Mr. Van Ross appeal.

###### **b. Appeal to the Board by Holly Johnson:**

Ms. Martinez reported that Ms. Johnson's recalculation had been reviewed by the Board several months ago and the reason it was before the Board today was that Ms. Johnson had requested that we provide her with a new selection of optional forms of benefit payment. She may request to modify the form of benefit payment based on the decrease in her recalculated monthly benefit. Ms. Martinez reported that the incorrect factor in her original calculation resulted in a reduction to the recalculated pension amount. The new revised recalculation was based on her original final average salary method and it does not make up for the factor difference, therefore, the new revised benefit calculation is still smaller than original calculation. Ms. Martinez reported that the revised recalculation and optional forms of benefits have been certified by the actuary.

Ms. Hurley explained that the Board needed to make a motion to open Ms. Johnson's formal hearing.

Action: A motion was made by Mayor Varela and seconded by Mr. Kahant to open a formal

hearing for Ms. Johnson.

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

Ms. Hurley asked Ms. Johnson if she had any questions. Ms. Johnson asked if the \$331.87 that she owed was for employee contributions for a longevity payment. Mr. Baur explained that yes it was due to the longevity payment that was added to her final average salary however employee contributions had not been deducted at the time of payment. Ms. Hurley asked Ms. Johnson if she wanted to change her optional forms of benefit payments. Johnson reported that she did not want to change her optional form of benefit payment.

Mr. Baur reported that Ms. Johnson's overpayment through August 1, 2010 was in the amount of \$2,478.75, plus Ms. Johnson owes the Plan \$331.87 in employee contributions. Ms. Hurley reminded the Board that in the past the overpayments had been waived however the employee contributions had not been waived.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to accept Ms. Holly Johnson's revised re-calculation with a monthly benefit in the amount of \$ 1,601.80 as final, to waive the overpayment in the amount of \$2,478.75 and to collect the employee contributions in the amount of \$331.87.

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

**c. Retirees to Address the Board:**

Ms. Hurley asked if there were any other retirees to address the Board. Mr. Mead asked when DROP statements will be sent and when his DROP account will be adjusted. Mr. Baur reported that he was working on adjusting the DROP accounts in batches and that as soon as he is able to process these adjustments he will be able to start working on the DROP statements. Mr. Baur expects to have them done as soon as possible.

**2. Discussion Regarding the Proposed Pension Recommendations from the 2011 City Budget:**

Mr. Palmquist reported that the different scenarios he would be reviewing with the Board are ideas that came out since the last Pension Board meeting and City Commission meeting. He explained that the major problem in doing these scenarios is that there are so many different choices and millions of different ways to do this. He reported that the best way to go about doing this is to narrow the options. Mr. Palmquist reported that the scenarios he would be presenting today are based on cutting back in a different manner that the actuary for the City had presented at the City Commission meeting. Mr. Palmquist explained the difference between how he had calculated the savings and how the City's actuary had calculated the savings. Mr. Carr reported that the City Manager's target is to have \$1.8 million in savings from the General Employees' Pension and \$375,000 in savings from the Police Pension.

Mr. Palmquist reviewed in detail with the Board 18 different scenarios. The Board had a lengthy discussion on the differences between each scenario and the impact to the members of the Plan. Mr. Harrison cautioned the Board that whatever decision they make today will just be a recommendation. Mr. Palmquist asked the Board if they could narrow down the options so that he can work on 2 or 3 more different scenarios. Mr. Palmquist reported that the more people they tried to save the less of a savings there will be. Ms. Hurley reported that she would like to entertain the following motion; 2.25% multiplier for all current employees, 5 year average final salary, staying with the normal retirement requirement of 20 years service. The Board discussed Ms. Hurley's suggestion. Ms. Hurley reported that her first option would be scenarios #3, #4, & #5; her second choice would be scenario #13 and third choice scenario #9.

Action: A motion was made by Mr. Carr and seconded by Mr. Lepa to recommend scenario # 7; 2% multiplier, 2 year protection, normal retirement age 50 years old with 25 years of service and to add a 5 year final average salary.

Discussion:

Ms. Hurley reported that she could support scenario # 9 but with a 5 year protection. Mr. Kahant reported that he could support this as well.

Mr. Mead asked Mr. Harrison if the Board's recommendation would be provided to the City and bargaining units. Mr. Harrison agreed.

Vote: Voice vote showed: AYES: Three. NAYS: Two

Mr. Palmquist will work on getting the savings on scenario # 7 with the 5 year average final salary.

**IV. NEW BUSINESS:**

**A. Employees' Retirement Board:**

**1. Benefit Approval**

Ms. Martinez presented to the General Employees' Pension Board the following benefit applications for approval: Application for Refund of Contributions for Ralph Cerant, Franco Estrada, Michael Moskowitz, and the beneficiary of Wilson Gary.

Action: A motion was made by Mr. Lepa and seconded by Mayor Varela to approve the application for refund of contributions for Ralph Cerant, Franco Estrada, Michael Moskowitz, and the beneficiary of Wilson Gary.

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

**B. Police Retirement Board:**

**1. Brown Investment Advisory Agreement:**

Mr. Harrison reported that the Brown Investment Advisory agreement was ready for execution. The administrator will provide copies to all parties.

Action: A motion was made by Lt. Moss and seconded by Mayor Varela to approve the Brown Investment Advisory agreement

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

**C. Employees' and Police Retirement Boards:**

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

Ms. Martinez reported that Mr. Nash would be available by conference call or he could come to the next Pension Board meeting.

Action: Consensus of the Board to ask Mr. Nash to come to the next Pension Board meeting.

**2. September 30, 2010 Audit Engagement Letter**

Mr. Harrison reported that the Auditor Engagement letters were ready for execution. Mr. Baur confirmed that the fee had not increased from last year. Mr. Carr requested that the auditor complete the audit within 60 days of receipt of data from the City and administrator. Mr. Baur reported that generally the information from the City for payroll contributions and final statements to reconcile is ready by the end of October, therefore, auditors begin field work beginning of November. Ms. Martinez reported that the auditor had already sent a request for information.

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to approve the engagement letter with the stipulation that the reports are to be presented within 60 days of receipt of the data from the City and administrator.

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

Action: A motion was made by Ms. Casper and seconded by Lt. Moss to approve the engagement letter with the stipulation that the reports are to be presented within 60 days of receipt of the data from the City and administrator.

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

### **3. Pension Board Meeting Date & Time - Discussion**

Ms. Hurley explained that the previous Mayor had requested that the Pension Board meetings be on the same day as the City Commission meetings therefore the Pension Board meetings are on the third Tuesday of every month. She explained that for Mr. Carr and her, this is a very busy day and they would like to see if the Pension Board meeting day could be changed. The Board had a discussion regarding alternative days and times.

Action: Consensus of the Board to have the September Pension Board meeting as scheduled on Tuesday, September 21 at 2:00 pm, the October Pension Board meeting on Wednesday, October 27<sup>th</sup> at 1:30 pm and to combine the November and December Pension Board meeting to Wednesday, December 8 at 1:30 pm. Starting January 2011 the Pension Board meetings will be the 4<sup>th</sup> Tuesday of every month at 1:30 pm.

### **D. Board Attorney's Report:**

#### **1. IRS Determination Letter**

Mr. Harrison recommended both Pension Plans file for an IRS determination letter. Mr. Harrison reported that the fee is \$8,500 for each Plan but if both Plans do it, the fee will be \$7,500 for each Plan. Mr. Harrison reported that there will also be a \$1,000 fee to be paid directly to the IRS with each application.

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to direct the attorney to file for an IRS determination letter in anticipation of the ordinance changes that will bring the Plans into IRS compliance.

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

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to direct the attorney to file for an IRS determination letter in anticipation of the ordinance changes that will bring the Plans into IRS compliance.

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

### **V. CONSENT AGENDA:**

#### **A. Employees' Retirement Board:**

The Board reviewed the warrant for accounts payable.

Action: A motion was made by Mayor Varela and seconded by Mr. Lepa to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meeting on July 20, 2010.

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

**B. Police Retirement Board:**

Action: A motion was made by Mayor Varela and seconded by Ms. Casper to approve the Consent Agenda, which included a Warrant for invoices and Minutes from the meeting on July 20, 2010.

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, September 21 at 2:00 PM, the General Employees' and Police Board adjourned the meeting at 4:37 p.m.

MINUTES APPROVED: October 27, 2010

\_\_\_\_\_  
Valerie Hurley, Chair Employees' Retirement Board

\_\_\_\_\_  
Randy Collier, Chairman Police Retirement Board

\_\_\_\_\_  
Dixie Martinez, Administrator  
Employees' & Police Retirement Boards