

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT CITY HALL ON  
WEDNESDAY, JULY 27, 2011 at 1:30 PM**

**I. ROLL CALL: ..... 1:39 PM**

**A. Employees' Retirement Board:**

A meeting was called to order at 1:39 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair  
Robert Lepa  
Robert Kahant  
Steve Carr  
Rachel Waterman (2:05 pm)

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

**B. Police Retirement Board:**

A workshop was called to order at 1:39 PM.

Those persons present included:

Trustees: Sgt. Randy Collier, Chair  
Lt. David Moss  
Steve Carr  
Rachel Waterman (2:05 pm)

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Scott Baur, Resource Centers  
Tim Nash, The Bogdahn Group

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

**A. Employees' Retirement Board:**

No additions, deletions or reordering.

**B. Police Retirement Board:**

No additions, deletions or reordering.

**III. UNFINISHED BUSINESS:**

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

None

**B. Police Retirement Board:**

None

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

1. Investment Consultant Report: Tim Nash (The Bogdahn Group)
2. Investment Policy Statement – Discussion
3. Investment Manager Review – DGHM, GAMCO & Heartland

Mr. Nash reported that there was a strong positive performance of equity benchmarks during the quarter which was surprising given the massive macro issues that investors had to digest. He reported that as of March 31, 2011 the EAFE was up 3.4%, the S&P was up 5.9% and Bonds were up 0.4%. He noted that growth did better than value on small and mid cap value.

He reported that for quarter ending March 31, 2011 the assets of the General Employees' Pension Plan's total fund were \$63,709,380 and the asset allocations were Domestic Equity 52.1% International Equity 12.3%, Domestic Fixed Income 33.7% and it had 1.9 % in Cash Equivalents. The Plan's Total Fund Gross was up 3.89% versus the benchmark at 3.63%. Total Domestic Equity was slightly behind at 5.84% versus the benchmark at 6.38%. Total International Equity was up 4.29% versus the benchmark at 3.49%. Total Fixed Income was up 0.91% versus the benchmark at 0.42%. Mr. Nash reviewed the performance by manager. He reported that Fiscal year to date the Plan is at 13.22%.

He reported that for quarter ending March 31, 2011 the assets of the Police Officers' Pension Plan total fund were \$23,430,422 and the asset allocations were Domestic Equity 55.5%, International Equity 11.1%, Domestic Fixed Income 31.4% and it had 2.0% in Cash Equivalents. The Plan's Total Fund Gross was up 3.93% versus the benchmark at 3.77%. Total Domestic Equity was slightly behind at 5.64% versus the benchmark at 6.38%. Total International Equity was up 4.37% versus the benchmark at 3.49%. Total Fixed Income was up 0.91% versus the benchmark at 0.42%. Mr. Nash reviewed the performance by manager. He reported that Fiscal year to date the Plan is at 13.05%.

Mr. Nash reported that the General Employee's Pension Plan had elected Heartland to replace Alethea. He noted that the agreement has been forwarded to the Plan's attorney for his review. Also the agreement with CAPIS is ready. Lt. Moss asked why the General Employees' Pension Plan had elected Heartland. Mr. Nash reviewed the reasons why they had elected them as the replacement for Alethea. Mr. Nash reported that all three managers had the same fees at 75 basis points. The Board had a discussion regarding the manager's presentations to replace Alethea. Mr. Nash reported that the Police Officers' Pension Plan would be allocating about 14% of the Plans assets to the new manager which is what Alethea is currently holding.

Mr. Nash reviewed the compliance check list for both Pension Plans. He noted that Sawgrass has had a couple of bad quarters but did well in June. He noted that they are under watch but he does not recommend making a change at this time.

Action: A motion was made by Mr. Lepa and seconded by Mr. Carr to accept the March 31, 2011 investment consultant's report.

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

Action: A motion was made by Mr. Moss and seconded by Mr. Carr to accept the March 31, 2011 investment consultants report.

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

Mr. Nash reviewed the changes made to the Statement of Investment Policy for both Plans. He reported that prior to the ordinance amendment the Plans were limited to investing up to 10% in international at cost. Both Pension Plans can invest up to 25% in international at market therefore he has incorporated this change into the Investment Policy Statement. He noted that the target for international is 15% and the range column was changed from 5% to 10% to 5% to 20%. He reported that to bring international equity up he had to reduce the range for domestic equity from 50% to 45% for both Plans. He reported that he also had to change the Fixed Income because the Board added real estate to the portfolio. The recommendation from his firm was to add it up to 10% for both Boards. He reported that under the real estate column of the General Employees' Pension Plan there is a 10% and for the Police Officers there is a 5% instead of a zero. He reported that the adjustment to account for this comes under the Fixed Income which was reduced to 25% for the General Employees' and 30% for the Police Officers'.

Mr. Nash reported that the General Employees' Pension Plan had not been able to reach an agreement with Cornerstone therefore they had elected to go with American Realty. Ms. Martinez reported that the agreement has not been forwarded to her yet.

Mr. Nash reported that also added to the Statement of Investment Policy was the index for real estate which will be NCREIF. Also he added the State of Florida's definition of what foreign stocks are and under absolute restrictions it is noted that they are not allowed to invest in the scrutinized company list.

Mr. Harrison reported that the Board can approve the updated Statement of Investment Policy pending his review.

Action: A motion was made by Mr. Lepa and seconded by Mr. Carr to approve the Statement of Investment Policy as is pending Mr. Harrison's review.

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

Action: A motion was made by Lt. Moss and seconded by Mr. Carr to approve the Statement of Investment Policy as is pending Mr. Harrison's review.

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

The Police Officer's Pension Board had a brief discussion regarding the managers presented to them for real estate investments.

Action: A motion was made by Lt. Moss and seconded by Mr. Carr to choose American Realty.

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

The Police Officer's Pension Board had a brief discussion regarding the managers presented to them for replace Alethea.

Action: A motion was made by Lt. Moss and seconded by Mr. Carr to choose Heartland to replace Alethea.

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

Action: A motion was made by Lt. Moss and seconded by Mr. Carr to choose CAPIS as the transition manager.

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

#### **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: Refund of Pension Contributions for Douglas Petrozelli, Richard Weigman, Beverly Mustaine, Caleb Richelieu, Blanca Arciola, Kimberly Klein, Marcus Marshall, Rolvestre Ulysse, Russell Asbell, Trisha Bryant, Robert Coady, Jane Decoursey, Ricardo Maisonet, Daniel Mulder and Anita Knowles; Application for Distribution of DROP Account Balance for Roland Neus.

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to approve the following benefit applications for approval: Refund of Pension Contributions for Douglas Petrozelli, Richard Weigman, Beverly Mustaine, Caleb Richelieu, Blanca Arciola, Kimberly Klein, Marcus Marshall, Rolvestre Ulysse, Russell Asbell, Trisha Bryant, Robert Coady, Jane Decoursey, Ricardo Maisonet, Daniel Mulder and Anita Knowles.

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

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to approve the following benefit applications for approval: Application for Distribution of DROP Account Balance for Roland Neus.

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

**B. Police Retirement Board:**

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application for retirement for Oscar Cardenas.

Action: A motion was made by Lt. Moss and seconded by Mr. Carr to approve the following benefit applications for approval: Application for retirement for Oscar Cardenas.

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

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

1. Summary Plan Description

Mr. Harrison reported that he had not had a chance to review the Summary Plan Description. He recommended deferring this item to the next Pension Board meeting.

Action: A motion was made by Mr. Carr and second by Mr. Kahant to defer this item to the next Pension Board meeting.

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

Action: A motion was made by Mr. Carr and second by Lt. Moss to defer this item to the next Pension Board meeting.

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

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

1. DROP Amendments

Ms. Martinez left the room to make copies. The Board reviewed the changes made to the DROP language. The Board noted that these changes were the same ones that were presented at the last Pension Board meeting and did not incorporate the changes that they had requested. Mr. Harrison will review the DROP changes and will bring to the next Pension Board meeting.

2. Merrill Lynch Interrogation Letter – for ratification (Police)

Action: A motion was made by Lt. Moss and second by Mr. Carr to approve the Merrill Lynch Interrogation Letter.

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

**E. ADMINISTRATORS REPORT:**

1. Election- Employee Representative to the Lake Worth General Employees' Pension Plan

Ms. Martinez Reported that the election had been cancelled since the Board received a nomination for only one qualified candidate, Alexis Easterday, with an interest in serving on the Board.

**Action:** A motion was made by Mr. Lepa and second by Mr. Carr to accept the election results.

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

2. Employee Benefit Statements (Police)

Ms. Martinez reported that she had received the annual employee benefit statements from the Plan's actuary. She explained that in the past the City's Human Resource Department had distributed the statements to members. She reported that she had been advised that the City's Human Resource Department would not be able to distribute the statements to the employees this year. She asked the Board for their authorization to mail the annual employee benefit statements.

**Action:** A motion was made by Lt. Moss and seconded by Mr. Carr to authorize the Plan administrator to mail to the participants of the Plan the annual benefit statements going forward.

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

**IV. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

1. 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 for the regular meetings on May 25, 2011 and June 22, 2011.

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

**B. Police Retirement Board:**

1. Warrant for Accounts Payable

**Action:** A motion was made by Mr. Carr and seconded by Lt. Moss to approve the Consent Agenda,

which included a Warrant for invoices and Minutes for the regular meetings on May 25, 2011 and June 22, 2011.

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

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

Mr. Harrison reported that new Trustee Alexis Easterday will need to complete Form 1 and Ms. Hurley needs to complete form F1.

Mr. Kahant asked Mr. Harrison if members elect a joint and survivor and the beneficiary predeceases them if the members benefit automatically would be changed to the life annuity amount. Mr. Harrison explained that the form of benefit can not be changed but that the members can change the beneficiary and his benefit would be recalculated according to the new beneficiary's age.

**VI. ADJOURNMENT:**

There being no other business and the next meeting having been previously scheduled for Wednesday, August 24 at 1:30 PM, the General Employees' Board adjourned the meeting at 3:15 p.m.

MINUTES APPROVED: August 24, 2011

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Chair Employees' Retirement Board

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Randy Collier, Chairman Police Retirement Board

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Dixie Martinez, Administrator  
Employees' & Police Retirement Boards