

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
WEDNESDAY, AUGUST 24, 2011 at 1:30 PM**

I. ROLL CALL: 1:39 PM

A. Employees' Retirement Board:

Mr. Kahant will act as interim Chair for the Employees' Retirement Board.

A meeting was called to order at 1:45 PM.

Those persons present included:

Trustees: Robert Kahant
Alexis Easterday
Steve Carr

Others: Ken Harrison, Sugarman & Susskind
Dixie Martinez, Resource Centers
Members of Public:

B. Police Retirement Board:

The Police Retirement Board does not have a quorum therefore they will start the meeting as a workshop. The workshop started at 1:45 PM.

Those persons present included:

Trustees: Lt. David Moss
Steve Carr

Others: Ken Harrison, Sugarman & Susskind
Dixie Martinez, Resource Centers
Members of Public:

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

The General Employees' Pension Board added as first item on the Agenda the election of Chair and Vice Chair to the Board of Trustees

Action: Consensus of the Board to add the above mentioned items to the Agenda.

B. Police Retirement Board:

No additions, deletions or reordering.

III. UNFINISHED BUSINESS:

A. Employees Retirement Boards:

Mr. Carr nominated Mr. Robert Kahant for Chair. Ms. Easterday seconded the nomination. There

were no further nominations for Chair.

Ms. Easterday nominated Mr. Carr for Vice-Chair. Mr. Kahant seconded the nomination. There were no further nominations for Vice-Chair.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to accept Mr. Robert Kahant as the Chair and Mr. Carr as the Vice Chair for the Board of Trustees.

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

B. Police Retirement Board:

Ms. Karri Casper arrived at the meeting at 1:50 pm.

The Police Retirement Board called the meeting to order at 1:50 pm.

Those persons present included:

Trustees: Lt. David Moss
Steve Carr
Karri Casper

Others: Ken Harrison, Sugarman & Susskind
Dixie Martinez, Resource Centers
Members of Public:

The Police Officers Pension Board added as the next item on the Agenda the election of Chair and Vice Chair to the Board of Trustees

Action: Consensus of the Board to add the above mentioned items to the Agenda.

Mr. Carr nominated Lt. Moss for Chair. Ms. Casper seconded the nomination. There were no further nominations for Chair.

Ms. Carr nominated Sgt. Collier for Vice-Chair. Ms. Casper seconded the nomination. There were no further nominations for Vice-Chair.

Mr. Carr nominated Ms. Casper as the Secretary. Lt. Moss seconded the nomination. There were no further nominations for Secretary.

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to accept Lt. Moss as the Chair and Sgt. Collier as the Vice Chair for the Board of Trustees.

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

C. Employees' and Police Retirement Boards:

1. Summary Plan Description

Mr. Harrison reported that he had reviewed the Summary Plan Descriptions (SPD) for both Plans.

He reported that everything is in order with the General Employees' Pension SPD however he does have a question on the SPD for the Police Officers'. He reported that Ordinance 2011-7 and 2011-08 need to be added to the SPD.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to accept the Summary Plan Description for the General Employees Pension Plan.

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

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to accept the Summary Plan Description with the addition of Ordinance 2011-7 and 2011-8.

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

Ms. Martinez reported that the estimated cost of printing the SPD for the General Employees was \$778.90 and for the Police Officers was \$98.00, plus the cost of the mailing.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to accept the cost of printing and mailing the Summary Plan Description for the General Employees Pension Plan.

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

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to accept the cost of printing and mailing the Summary Plan Description for the Police Officers Pension Plan.

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 Bruce Hamilton, Cedric Wynn Sr., Barbara Rupp; Application for Distribution of DROP Account Balance for Valerie Hurley, Brenda Scott, Edward Johnson, Peter Eberhardy and Thomas Colgan; Application to Exit the DROP for Donald Mead, Stephen Haskell, Thomas Colgan and Valerie Hurley and Death Benefit for beneficiaries of Wilbert Millines; Helen Millines, Claudette Mills and Daron Millines.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the following benefit applications for approval: Refund of Pension Contributions for Bruce Hamilton, Cedric Wynn Sr., Barbara Rupp; Application for Distribution of DROP Account Balance for Valerie Hurley, Brenda Scott, Edward Johnson, Peter Eberhardy and Thomas Colgan

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

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the following benefit applications for approval: Distribution of DROP Account Balance for Valerie Hurley, Brenda Scott, Edward Johnson, Peter Eberhardy, and Thomas Colgan

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

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the following benefit applications for approval: Application to Exit the DROP for Donald Mead, Stephen Haskell, Thomas Colgan, and Valerie Hurley.

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

Ms. Martinez reported that Wilbert Millines was a non vested active employee at the time of his death. The City of Lake Worth provided her with a copy of his designation of beneficiary where he listed as his beneficiaries his wife Helen Millines and his daughter and son Claudette Mills and Daron Millines. Ms. Martinez reported that the beneficiaries of Mr. Millines are only entitled to receive the contributions he made into the Pension Plan. Mr. Harrison reported that he agreed but that this benefit should be treated as a refund of contributions and not as a death benefit as it had been listed on the benefit approvals. The Board reviewed Mr. Milline's designation of beneficiary. The Board accepted Mr. Milline's designation of beneficiary.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the following benefit applications for approval: Refund of Pension Contributions for the beneficiaries of Wilbert Millines; Helen Millines, Claudette Mills and Daron Millines.

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

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

D. Board Attorney's Report:

1. Legislature Update

Mr. Harrison reported that there are two Bills that passed that dealt with pension reforms. He reviewed the Legislature Updates. He reported that one of these changes is that if the Plan has an investment return assumption that is different then the Florida Retirement System (FRS) the actuary of the Pension Plan will have to do a parallel valuation report. The Board discussed what the Plan's assumed rate of return currently is. Mr. Harrison reported that also if there is any surplus it can only be used to pay for the Plan's expenses. He also reported that the payout of unused leave at the time a person retires will no longer be included in the pensionable compensation. He reported that SB 1128 states that whatever unused leave that is on the books at the time of signing the next bargaining agreement is settled at that

point in time. For pre 1979 participants the City will have to take a snap shot look of how much leave was on the books and there will be no increases beyond that point that can be included as pensionable pay. Ms. Martinez will research to see if there are any pre 1979 active members in the Plan.

2. DROP Amendment

Mr. Harrison reported that there is a lawsuit pending against some big banks saying that they manipulated their lending and investments history to reduce the LIBOR rate. He noted that while this is going on the LIBOR rate is still the rate banks are using. Mr. Carr reported that currently the 1 year LIBOR rate is .78% that means that the Plan would be paying 1.78% instead of the 7% interest rate. Mr. Harrison reported that the way these new rules are written the Plan will look at what the LIBOR rate is as of September 30 of every year and implement that rate plus 1% starting January of every year though December. Ms. Easterday asked Mr. Harrison to confirm that section b. "Effective October 1, 2010 upon entry into the DROP a participant shall submit a letter of resignation stating the anticipated employment termination date, not to exceed sixty (60) months from the participant's DROP entry date" only applies to participants entering the DROP October 1, 2010 and it will not apply to members who enter the DROP prior to that date. Mr. Harrison agreed.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the adoption of the DROP amendment with the amendment that the phrase September 30 LIBOR rate be changed to September 30 1 year LIBOR Rate plus 1%.

Mr. Kahant noted that in Section D the effective date is October 1, 2010 and he wanted to know how this would work and if DROP accounts would have to be adjusted. Mr. Carr asked Ms. Martinez when the interest was credited to the DROP accounts. Ms. Martinez reported that interest is credited to DROP account quarterly. She reported that the DROP statements had been processed up to December 31, 2010. She explained that it was her understanding that Mr. Baur had been working with the City to resolve these format issues and once it had been resolved the DROP statements would be processed

Mr. Carr reported that he would like to amend his motion.

Action: Mr. Carr amended his motion which was seconded by Ms. Easterday to approve the adoption of the DROP amendment with the amendment that the phrase September 30 LIBOR rate be changed to September 30 1 year LIBOR Rate plus 1% and to make the effective date in section D effective January 1, 2011.

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

3. Loans against DROP accounts

Mr. Harrison reported that currently there are no provisions in this Plan to allow for loans against the DROP accounts. He reported that there are Plans that do allow this. He reported that this is something that they generally do not recommend doing because the administration becomes very cumbersome.

The Board had a lengthy discussion regarding the pros and cons of DROP loans. The Board decided not to pursue the matter at this time

E. ADMINISTRATORS REPORT:

1. Auditors Engagement Letter

Ms. Martinez reported that the Auditor's Engagement letter was ready for execution. She reported that the amount is the same as last year. Mr. Carr noted the reports are to be completed with the same time frame as last year.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to accept the auditor's engagement letter.

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

Action: A motion was made by Mr. Carr and seconded by Ms. Kasper to accept the auditor's engagement letter.

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

2. Financial Statements

Ms. Martinez provided the Board with an unaudited financial statement and an income and expense report for review through the month of July 2011.

The Board received and filed the un-audited financial statements through the month of July 2011.

IV. CONSENT AGENDA:

A. Employees' Retirement Board:

1. Warrant for Accounts Payable

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the Warrant for Accounts Payable

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 Ms. Casper to approve the Warrant for Accounts Payable.

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

C. Employees' and Police Retirement Boards:

1. Approval of Minutes: Regular Meeting July 27, 2011.

Ms. Easterday noted that her name was not listed on the Minutes. Ms. Martinez will make the revision and will add Ms. Alexis Easterday's name to the Minutes of the Regular Meeting July 27, 2011.

Action: A motion was made by Mr. Carr and seconded by Ms. Easterday to approve the Minutes of the Regular Meeting July 27, 2011 as revised.

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

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to approve the Minutes of the Regular Meeting July 27, 2011 as revised.

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

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Wednesday, September 28 at 1:30 PM, the General Employees' and Police Officers' Pension Board adjourned the meeting at 3:10 p.m.

MINUTES APPROVED: September 28, 2011

Robert Kahant, Chairman Employees' Retirement Board

Lt. David Moss, Chairman Police Retirement Board

Dixie Martinez, Administrator
Employees' & Police Retirement Boards