

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT CITY HALL ON  
WEDNESDAY, JANUARY 26, 2011 at 1:30 PM**

**I. ROLL CALL: ..... 1:35 PM**

**A. Employees' Retirement Board:**

A meeting was called to order at 1:35 PM.

Those persons present included:

Trustees: Robert Lepa, Vice-Chair  
Robert Kahant  
Steve Carr

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

**B. Police Retirement Board:**

A meeting was called to order at 1:35 PM.

Those persons present included:

Trustees: Lt. Dave Moss, Vice-Chair  
Sgt. Randy Collier, Chair (2:30 PM)  
Steve Carr  
Kerri Casper

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

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

**A. Employees' Retirement Board:**

Mr. Robert Lepa acting as Chair.

The General Employees' Pension Board rearranged Agenda – moved Item III.A.2. Ordinance 2010-19 Discussion to first item on Agenda

Action: A motion was made by Mr. Kahant and seconded by Mr. Carr to rearranged Agenda – moved item III.A.2. Ordinance 2010-19 Discussion to first item on Agenda

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

**B. Police Retirement Board:**

Lt. Moss acting as Chair.

The Police Officers' Pension Board rearranged Agenda – moved Item. III. B below Item III.C.

Action: Consensus The Police Officers' Pension Board rearranged Agenda – moved Item. III. B below Item III.C.

**III. UNFINISHED BUSINESS:**

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

**2. Ordinance 2010-19- Discussion**

Ms. Hurley joined the meeting via teleconference

Ms. Hurley reported that she had listened to the audio of the September 24, 2010 Special Meeting and the description of Option # 18 by the City manager was as follows: all participants are eligible to retire after 20 years portion A 3% multiplier with a 2 year final average prior to October 1, 2010 payable upon 20 years of service and portion B at a 2% multiplier with a 5 year final average salary payable at age 65 which is **not** the way that the Ordinance is currently written. Mr. Harrison stated that this is the same way he interprets the Ordinance amendment as well as the actuary. Mr. Harrison reported that as the Ordinance is written today if someone retires within the 5 year window they should receive their full benefit at the time they retire and not have to wait for a second part to be paid later on or when they reach age 65. Mr. Kahant stated that he understands the Ordinance to say this as well. Mr. Harrison reported that the Board does not have to do anything at the moment. He commented that they had this item in the Agenda as a discussion item. Mr. Harrison reported that the Summary Plan Description should be updated to reflect the Ordinance changes.

Ms. Hurley asked Ms. Martinez to distribute her personal e-mail address to the Board since her work e-mail has been disabled.

Ms. Hurley left the conference call

**1. Benefit Recalculations:**

**a. Appeal to the Board by Janet Petrone:**

Ms. Martinez reported that Ms. Petrone will not be able to attend this meeting. She explained that Ms. Petrone had asked that the Board review her appeal and waive her overpayment. Mr. Baur reviewed the changes to her revised recalculation. He explained that the AFLAC payment does not constitute wages. He explained that this was a short term disability insurance policy that Ms. Petrone had through the City. The City had deposited the payroll taxes on the amount that Ms.

Petrone received through AFLAC because the City had been pre-taxing the premium on the deductions for the policy rather than deducting it after tax. Mr. Baur explained that the rule on a disability type payment is that if the member does not pay taxes on the premium they must pay taxes on the benefit. This is why the City deposited the premium taxes and why the AFLAC payment was thought to be for wages originally.

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to accept Ms. Petrone's revised recalculation with a monthly benefit in the amount of \$ 2,086.72 as final and to waive overpayment

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

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

There were no retirees to address the Board

**c. Board to Review Letter of Appeal from Vivian Salmon:**

Ms. Martinez reported that she has received a letter of appeal from Vivian Salmon.

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to schedule Mr. Salmon's appeal for the February 23, 2011 meeting.

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

Martinez reported that Mr. Frank Conforti's appeal has been rescheduled to the next Pension Board meeting in February.

**2. Ordinance 2010-31 Discussion:**

Lt. Moss reported that by the enactment of this Ordinance it puts the Pension Plan to where it was as of September 30, 2010 and it undoes the changes that were supposed to go into effect as of December 1, 2010. Mr. Harrison reported it was his understanding that the agreement had been approved. He explained that at some point Division II will be sending Division I a letter of instructions to requesting the employee contributions to be changed but he is not sure when this will happen.

**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 Retirement for Diane Clark, Michael Cooper, and Marcus Wilson.

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to approve the Application for Refund of Contributions for Diane Clark, Michael Cooper and Marcus Wilson; Distribution of DROP account balance for Dawn Sanabia and Kerri Hurley

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

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to approve the Application for Distribution of DROP account for Dawn Sanabia and Kerry Hurley.

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

**A. Employees Retirement Board:**

**1. Presentation by Steve Gordon, CPA – Steve Gordon**

**a. Audited Financial Statement Report as of October 1, 2010.**

Mr. Steve Gordon appeared before the Board to present the audit report for the fiscal year ending September 30, 2010. Mr. Gordon reviewed in great detail the financial statements of the Plan and issued the Board a clean unqualified opinion letter on the financial statements. He noted that no material weaknesses in the financial statements had been discovered and also that no deficiencies were identified with internal controls and procedures. The Plan's net assets, as of September 30, 2010, were in the amount of \$61,127,347, which was 0.8% greater than 2009. This increase was mainly due to the increase in the fair value of the investments, current year contributions less current year deductions. Mr. Gordon reviewed the funding progress of the Plan

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to accept the 2010 auditor's report and financial statements.

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

**B. Police Retirement Board:**

**1. Presentation by Steve Gordon, CPA – Steve Gordon**

**a. Audited Financial Statement Report as of October 1, 2010.**

Mr. Steve Gordon appeared before the Board to present the audit report for the fiscal year ending September 30, 2010. Mr. Gordon reviewed in great detail the financial statements of the Plan and issued the Board a clean unqualified opinion letter on the financial statements. He noted that no material weaknesses in the financial statements had been discovered and also that no deficiencies were identified with internal controls and procedures. The Plan's net assets, as of September 30, 2010, were in the amount of \$23,088,494, which was 4.5% greater than 2009. This increase was mainly due to the increase in the fair value of the investments, current year contributions less current year deductions. Mr. Gordon reviewed the funding progress of the Plan

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to accept the 2010 auditor's report and financial statements.

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

Sgt. Collier joined the meeting at 2:30 pm.

**1. Benefit Approval**

**B. Police Retirement Board:**

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application for Retirement for William Pope, David Moss, and Kathleen Bogart; Application to enter DROP for Steve Venetucci.

Action: A motion was made by Ms. Casper and seconded by Mr. Carr to approve the Application for Retirement for William Pope, David Moss and Kathleen Bogart; Application to enter DROP for Steve Venetucci.

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

Lt. Moss abstained from voting.

Lt. Moss no longer is acting as Chair.

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

**1. Investment Consultant Manager Search: Tim Nash (The Bogdahn)**

Mr. Nash presented to the Board a manager search to replace Alethia. He reviewed in detail each manager. The Board had a lengthy discussion regarding the presentation.

Action: A motion was made by Mr. Kahant and seconded by Mr. Carr to invite Heartland Advisors, GAMCO, and DGHM.

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

Action: A motion was made by Lt. Moss and seconded by Ms. Casper to invite Heartland Advisors, GAMCO, and DGHM.

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

Mr. Nash reported that he will see if the managers can attend the Pension Board meeting in March.

Mr. Nash reported that the December 31, 2010 investment review reports were ready for the Boards review. He reported that for quarter ending December 31, 2010 the General Employees' Pension Plan market value is \$61,906,453 and the asset allocations are Domestic Equity 50.2%,

International Equity 12.1%, Fixed Income 34.8%, and Cash Equivalent 2.9%. The Plan was up by 5.77% versus the benchmark at 5.76%. Total Domestic Equity was up 11.79% versus the benchmark at 11.59%; Alethia Large Cap Value was up 14.39% versus the benchmark at 10.54%, MD Sass Large Cap Value was up 15.10% versus the benchmark at 10.54%, Sawgrass Large Cap Growth did not do as well it was at 7.10% versus the benchmark at 11.83%.

He reported that for quarter ending December 31, 2010 the Police Officers' Pension Plan market value is \$22,739,060 and the asset allocations are Domestic Equity 53.8%, International Equity 11.0%, Fixed Income 32.5%, and Cash Equivalent 2.7%. The Plan was up by 6.16% versus the benchmark at 5.96%. Total Domestic Equity was up 11.91% versus the benchmark at 11.59%; Alethia Large Cap Value was up 14.48% versus the benchmark at 10.54%, MD Sass Large Cap Value was up 14.75% versus the benchmark at 10.54%, Sawgrass Large Cap Growth did not do as well it was at 7.12% versus the benchmark at 11.83%.

Mr. Harrison will review the Ordinance Amendment to see if the language to increase the international allocation to a maximum of 25% was added to Ordinance Amendment that recently passed.

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to increase the international allocation to a maximum of 25% if it has not been already done.

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

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

Mr. Harrison reported that the IRS package has been sent. He provided the administrator with copies. He reported that the General Employees' Plan received a check from Merrill Lynch in the amount of \$98, 443.69 which represents a settlement of a trust. This does not affect the Merrill Lynch lawsuit. Ms. Martinez will inquire to see why the Police Officers' Plan did not receive a check as well.

Mr. Harrison reported that he had to make several inquiries regarding vested members of the Plan who wanted to join FRS. He explained that basically FRS response was that if the members were not receiving a benefit they could not join FRS. It's his understanding that some of these members have received acceptance letters from FRS. Ms. Martinez reported that she as well as Mr. Baur had been inquiring about the same issue and they had been told the same. The Board instructed Ms. Martinez to draft a formal letter to FRS asking them to clarify their position and status of these members. Mr. Harrison is to review letter before it is sent to FRS.

Mr. Harrison reviewed proposed House Bill 303. Sgt. Collier believes it has been withdrawn. Mr. Harrison will monitor and report to the Board. He stated that this will be an active Legislative Session.

**E. ADMINISTRATORS REPORT:**

**1. Request from HR to Schedule workshop for members regarding the changes to the Plan.**

**2. Request from GRS to update Summary Plan Description**

Ms. Martinez reported that both of these items had been tabled from the last meeting. The Board instructed Ms. Martinez to ask GRS to update the Summary Plan Description. Once the Summary Plan Description has been updated Ms. Martinez is to schedule the educational workshop.

Action: A motion was made by Mr. Kahant and seconded by Mr. Carr to authorize GRS to update the Summary Plan Description

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

Action: A motion was made by Ms. Casper and seconded by Mr. Carr to authorize GRS to update the Summary Plan Description

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

Action: A motion was made by Mr. Kahant and seconded by Mr. Carr to schedule a workshop after the Summary Plan Description has been updated and Board has approved.

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

Action: A motion was made by Ms. Casper and seconded by Mr. Carr to a schedule workshop after the Summary Plan Description has been updated and Board has approved.

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

Ms. Martinez reported that GRS needs authorization from the Board to provide a copy of the Draft Actuarial Valuation Report as soon as it is completed to the City.

Action: A motion was made by Mr. Carr and seconded by Mr. Kahant to authorize GRS to provide a draft copy of the Actuarial Valuation Report to the City as soon as it has been completed.

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

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to authorize GRS to provide a draft copy of the Actuarial Valuation Report to the City as soon as it has been completed.

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

Ms. Martinez reported that it was her understanding that Ms. Anne Costello's appeal process had completed and she needs direction from the Board as to how and when the overpayment should be collected. She explained that Ms. Costello had asked the Board to hold off on deducting the overpayment from her pension until her appeal processes had been completed. Ms. Martinez reported that Ms. Costello had been overpaid for 23 months; the total amount of overpayment is

\$23,360.18. Mr. Kahant asked if Ms. Costello had cashed the check the City had given her to refund her for the pension contributions she had made on the non pensionable wages. Mr. Carr will see if he can confirm if check has been cashed. Mr. Harrison recommended following the same procedures that were stipulated on the original letter sent to Ms. Costello. Ms. Martinez will send a letter to Ms. Costello to let her know that her benefit will be reduced for 23 months to collect the overpayment. Board agreed that she should be given 60 to 90 days notice before deduction starts.

**IV. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

**1. Warrant for Accounts Payable**

**B. Police Retirement Board:**

**1. Warrant for Accounts Payable**

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

**1. Approval of Minutes: October 27, 2010**

**2. Approval of Minutes: December 8, 2010**

**Action:** A motion was made by Mr. Carr and seconded by Mr. Kahant to approve the Consent Agenda, which included a Warrant for invoices and Minutes for October 27, 2010 and December 8, 2010.

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

**Action:** A motion was made by Mr. Carr and seconded by Ms. Casper to approve the Consent Agenda, which included a Warrant for invoices and Minutes for October 27, 2010 and December 8, 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 Wednesday, February 23 at 1:30 PM, the General Employees' and Police Board adjourned the meeting at 4:45 p.m.

MINUTES APPROVED: February 23, 2011

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Valerie Hurley, 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