

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT CITY HALL ON  
WEDNESDAY, APRIL 27, 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: Valerie Hurley, Chair  
Robert Lepa  
Robert Kahant  
Rene Varela  
Steve Carr

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Scott Baur, Resource Centers  
Members of Public:  
Rosalia Santana-Farber  
Maria Kahn  
Kitty Pitman-Miller  
Peter Timms

**B. Police Retirement Board:**

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

Those persons present included:

Trustees: Sgt. Randy Collier, Chair  
Lt. David Moss  
Steve Carr  
Rene Varela  
Karri Casper

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Scott Baur, Resource Centers  
Members of Public:  
William Meloy  
Peter Timms

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

**A. Employees' Retirement Board:**

The General Employees' Pension Board added item IV.A.3. DROP Plan and item IV.C.2. Return to sender items sent to employees.

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

**B. Police Retirement Board:**

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

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

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

##### **1. Membership in FRS: Vested Deferred Members at PBSO**

Mr. Harrison reported that FRS position regarding the vested members of the Plans is that they are not eligible to join FRS retirement because they are currently enrolled as vested deferred members of either the Lake Worth General Employees' Pension Plan or the Lake Worth Police Officers' Pension Plan. It seems that deferred vested members will not be allowed to enter FRS until they start receiving a benefit from the Pension Plan. Mr. Harrison is still working on this item but he does not believe he will receive an answer from FRS until the legislative session is over. Mr. Harrison explained that the Board will have to decide on what it is that they want to do as far as allowing the members back into the Pension Plan and how to repay the employee contributions owed. He also noted that the member will have to notify the administrator if they want to come back into the Pension Plan.

Action: A motion was made by Mr. Kahant and seconded by Mr. Lepa to allow the vested deferred members who have been denied entry into FRS into the Pension Plan.

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

Mr. Baur will bring to the next Pension Board meeting the total amount of employee contributions owed by these members. Mr. Harrison reported that the Board should only be concerned about employee contributions owed and not the employer contributions owed as this will be added in next years actuarial valuation report.

##### **2. Request from Police Officer William Meloy**

Mr. Meloy reported that he is one of the vested deferred members who has been denied entry into FRS and has submitted a letter to the administrator requesting to be admitted back into the Pension Plan. He also wants to know how he will be able to repay the employee contributions owed.

Action: A motion was made by Lt. Moss and seconded by Mr. Carr to allow the vested deferred members who have been denied entry into FRS into the Pension Plan.

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

Mr. Baur will bring to the next Pension Board meeting the total amount of employee contributions owed by Mr. Meloy.

### **IV. NEW BUSINESS:**

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

**1. Letter from Anne Costello – regarding payback of overpayment**

Ms. Martinez reported that Ms. Anne Costello is asking the Board to waive her overpayment. The Board reviewed Ms. Costello's request.

Action: A motion was made by Mr. Lepa and seconded by Mayor Varela to deny Ms. Anne Costello's request.

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

Mr. Harrison will send Ms. Costello letter of denial.

**2. Benefit Approval**

Ms. Martinez presented to the General Employees' Pension Board the following benefit applications for approval: Application for Refund of Contributions for Sally Welsh, Justin Barrera, Christopher Gullusci, Manite Thelusme and Thomas Rathe.

Action: A motion was made by Mr. Kahant and seconded by Mayor Varela to approve the Application for Refund of Contributions for Sally Welsh, Justin Barrera, Christopher Gullusci, Manite Thelusme and Thomas Rathe.

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

**3. DROP Plan**

Mr. Carr referred to the Proposed DROP changes dated April 27, 2011 that he provided to the Board at the beginning of the meeting. He explained that this was for the Board's consideration. He explained that the DROP Rules as adopted by this Board state that the Board can revise the provisions of the DROP program that is already in place. Mr. Carr explained that he recommends deleting provision 7(c). He is also proposing to limit the DROP deposit to 60 months after entry into the program and to cease future contributions as well. He recommends giving the existing DROP members 12 months to get out of the DROP program.

Mr. Carr reported that he did not propose changes to the Police Plan DROP program due to the complexities of the interlocal agreement. Ms. Hurley stated that she believes that it is only fair if both Plans are changed.

The Board had a lengthy discussion regarding the proposed changes to the DROP program by Mr. Carr. Ms. Hurley will only support the DROP changes if similar changes are enacted for the Police Plan. Mr. Harrison was asked to draft language where the fixed rate would be deleted with protection of the principal.

Action: A motion was made by Mr. Carr and seconded by Mayor Varela to direct the Plan's Attorney to draft language deleting provision 7 (c) and amend or propose a merge for provision 7 (a) to pay interest equal to money market index to be defined by the Board.

The Board had a lengthy discussion regarding the motion made by Mayor Varela and second by Mr. Carr.

Vote: Voice vote showed: AYES: TWO. NAYS: THREE. Motion fails.

Action: A motion was made by Mr. Lepa to have a variable plus a fixed option adjusting the fixed rate to money market plus 1%, not to exceed the assumed rate of return of the Plan.

The Board had a lengthy discussion regarding the motion made by Mr. Lepa.

Vote: Motion dies for lack of second

Action: A motion was made by Mayor Varela and seconded by Mr. Kahant that adopts/combines both provision options as one change and to direct the Plan's attorney to draft the changes.

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

Mr. Harrison noted that he will draft language that deletes provision 7 (c), change language in provision 7 (a) and reinstitute 7 (a) with floor.

Action: A motion was made by Mr. Carr and second by Mayor Varela to implement language to limit deposits to 60 months with a one year safe harbor for members already in the DROP program (suspending benefit payments thereafter until participant separates from employment).

The Board had a lengthy discussion regarding the suspension of benefit payment until the member separates from employment. Mr. Harrison has to research to see if this can be done.

Ms. Hurley suggested suspending this action until Mr. Harrison has the opportunity to research if this can be done.

Vote: Mr. Carr withdrew motion

Mr. Harrison asked the administrator to check if there are any retired members who are receiving more than 100% of final average salary.

Action: A motion was made by Mayor Varela and seconded by Mr. Lepa to direct the administrator check if there are any current Plan members receiving more than 100% of their final average salary.

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

Action: A motion was made by Mr. Carr and seconded by Mayor Varela to direct the attorney to come back with language proposal to end DROP participation after 5 years.

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

**B. Police Retirement Board:**

**1. Benefit Approval**

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application to enter DROP for Brian Hermanson, Egdue Guzman-Martinez and Eric Stull.

Action: A motion was made by Lt. Moss and seconded by Ms. Casper to approve the Application to enter DROP for Brian Hermanson, Egdue Guzman-Martinez and Eric Stull.

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

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

**1. Salem Trust – Update Authorized Signor Form**

Ms. Martinez reported that Salem Trust has asked that the Pension Plans update the signature cards. She noted that Salem Trust had indicated that this is a standard procedure that they do every two years.

Action: A motion was made by Mr. Carr and seconded by Mayor Varela to update the Salem Trust Signature Cards

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

Action: A motion was made by Mr. Carr and seconded by Mayor Varela to update the Salem Trust Signature Cards

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

**2. Return to Sender Items Sent to Employees**

Mr. Kahant explained that some reports had been sent to Ms. Hurly by Richmond Capital and the reports had been returned to sender, since she is no longer working at the City. Mr. Kahant expressed concern about other possible items rejected by the City.

Action: Consensus of the Board to have the administrator send a note to all service providers instructing them to send all correspondence to administrator.

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

Mr. Harrison reported on the status of current proposals under consideration in legislation in Tallahassee that would affect local Pension Plans.

Lt. Moss reported that he had received a credit card for the Pension Plan. Ms. Hurley reported that she had received one as well. Ms. Martinez will file credit cards with Plan documents.

**E. ADMINISTRATORS REPORT:**

**1. Update Retirement Forms**

Ms. Martinez asked the Board if the retirement forms could be updated to reflect recent Plan changes.

**Action:** A motion was made by Mr. Lepa and seconded by Mr. Carr to update retirement forms to reflect recent Plan changes

Mr. Kahant reported that there are ongoing negotiations with IBEW. Mr. Harrison suggested deferring the changes until negotiations are completed.

**Vote:** Mr. Lepa withdrew motion.

Ms. Martinez reported that the Police Officers' application for DROP needed to be updated. She explained that the election to retain accrued vacation leave needed to be deleted as this is no longer an option with PBSO.

**Action:** A motion was made by Lt. Moss and seconded by Mr. Carr to update the Police Officers' application for DROP form.

**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: Meeting March 23, 2011**

**Action:** A motion was made by Mr. Carr and seconded by Mayor Varela to approve the Consent Agenda, which included a Warrant for invoices and Minutes for Regular Meeting on March 23, 2011.

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

**Action:** A motion was made by Mr. Carr and seconded by Mayor Varela to approve the Consent Agenda, which included a Warrant for invoices and Minutes for Regular Meeting on March 23, 2011.

**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, May 25 at 1:30 PM, the General Employees' and Police Board adjourned the meeting at 3:40 p.m.

MINUTES APPROVED: May 25, 2011

---

Valerie Hurley, Chair Employees' Retirement Board

---

Randy Collier, Chairman Police Retirement Board

---

Dixie Martinez, Administrator  
Employees' & Police Retirement Boards