

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD  
AND POLICE RETIREMENT BOARD MEETING  
HELD IN THE CONFERENCE ROOM AT CITY HALL ON  
WEDNESDAY, APRIL 25, 2012 at 1:30 PM**

**I. ROLL CALL: ..... 1:32 PM**

**A. Employees' Retirement Board:**

A meeting was called to order at 1:32 PM.

Those persons present included:

Trustees: Robert Kahant, Chair  
Steve Carr  
Alexis Copeland  
Pam Triolo

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Tim Nash, The Bogdahn Group  
Members of Public:  
Valerie Hurley

**B. Police Retirement Board:**

A meeting was called to order at 1:32 PM.

Those persons present included:

Trustees: Lt. Davis Moss, Chair  
Steve Carr  
Pam Triolo  
Karri Casper

Others: Ken Harrison, Sugarman & Susskind  
Dixie Martinez, Resource Centers  
Tim Nash, The Bogdahn Group  
Members of Public:  
Valerie Hurley  
Amy Thomas (Police Officer)

**Comment [MSOffice1]:** Added Ms. Casper

**Comment [MSOffice2]:** Added Ms. Hurley

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

**A. Employees' Retirement Board:**

The General Employees' Pension Board added to the Agenda item. IV.A.3. Ordinance Amendment 2012-18.

Consensus of the General Employees' Pension Board to add to the Agenda item. IV.A.3. Ordinance Amendment 2012-18.

**B. Police Retirement Board:**

The Police Officers' Pension Board added to the Agenda item IV.B.2. Ordinance Amendment 2012-20.

Consensus of the Police Officers' Pension Board to add to the Agenda item IV.B.2. Ordinance Amendment 2012-20.

**III. UNFINISHED BUSINESS:**

**A. Employees' Retirement Board:**

**B. Police Retirement Board:**

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

**1. Brenda Koonce McMullen – Disability Application**

Mr. Harrison reported that we have received the Disability Application from Ms. Koonce McMullen and her doctors have submitted reports. Mr. Harrison reminded the Board that Ms. Koonce McMullen had been granted a disability pension on July 24, 1991. She had also written a letter to the Board asking them to stop her pension. Her pension was stopped as per her request on April 30, 1997. She wrote a subsequent letter asking the Board to reinstitute her disability. The Board had decided to have her complete a new disability application and submit reports from her doctor showing that she is still disabled. Ms. Martinez reported that the disability applications as well as the medical records are included in the meeting packets. Mr. Harrison reported that her doctor indicated that she remains in a disabled condition. He reported that the Board at this time could require that she be seen by an independent doctor or they could accept these documents provided and reinstitute her disability pension as it was at the time it was stopped. He noted that in her letter to the Board she did not ask for retro active pay. She just asked to reinstitute her disability benefit going forward. The Board had a lengthy discussion regarding this matter. Ms. Martinez reported that she had conferred with Gabriel Roeder Smith (GRS) and they do not have a copy of the original benefit calculation. She explained that so far the City has not been able to provide her with a copy of the original benefit calculation. She reported that she had asked Ms. Koonce McMullen if she had a copy of her original benefit calculation or copies of pay stubs. Ms. Koonce McMullen had informed her that she does not believe she has copies of those documents but she would let us know if she found anything.

**Comment [MSOffice3]:** Added date that disability was granted

**Comment [MSOffice4]:** Added date disability pension was stopped

**Comment [MSOffice5]:** Deleted: Therefore that is what we are considering at this point

**Action:** A motion was made by Mr. Carr and seconded by Ms. Casper to accept the disability application and move forward with Ms. Koonce McMullen's request.

**Comment [MSOffice6]:** Motion correct was seconded by Ms. Casper

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

The Board asked Ms. Martinez to ask Gabriel Roeder Smith as well as the City if they have historical payroll records for Ms. Koonce McMullen.

**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 vested deferred participant Geoffrey Handley

The Board questioned his commencement date as well as how the vesting schedule applies to him. They also had concerns on how the changes to the Plan on October 1, 2010 would apply to him. Ms. Martinez reported that she needed to research this a little further and she asked the Board to table this item to a future meeting.

Action: A motion was made by Ms. Copeland and seconded by Mr. Carr to table this item for further research.

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

Comment [MSOffice7]: Changed Mr. Carr for Ms. Copeland

Comment [MSOffice8]: Changed Ms. Copeland for Mr. Carr

## **2. Ordinance Amendment to Reflect IBEW Contract**

This item is covered under item IV.A.2.

## **3. Ordinance 2012-18**

Mr. Carr reported that Ordinance 2012-18 was passed on first reading and second reading is scheduled to be on May 1. Mr. Harrison has not had a chance to review this document yet. Mr. Kahant reported that he believes there is a problem with the language on Section (c) (4)

*“A DROP participant who is employed in a position that is eligible for participation in the pension plan after participating in the DROP for sixty (60) months and does not retire or terminate employment will no longer be credited with earnings on his/her DROP account while the participant is so employed. Such participant’s monthly retirement benefit shall continue to be paid into his/her DROP account for as long as he/she is employed in a position that is eligible for participation in the pension plan after participating in the DROP for sixty (60) months; however, such member shall not be eligible for disability or preretirement death benefits under the pension plan.”*

Mr. Kahant reported that he has pointed this out to Mr. Farrington and he was informed that this will be brought to the City attorney’s attention. Mr. Kahant reported that as he understands this language is contradictory to the language above where it states that you have to retire within 60 months. Mr. Carr explained that there are two different groups of people in the DROP Plan, those who entered the DROP prior to October 1, 2010. This group of people does not have the 60 month limitation. Any new members in the DROP after October 1, 2010 will have the 60 month limitation.

Mr. Kahant also raised questions regarding section (c) (5) as he does not believe it is the same as it was in the past”.....*In the event a participant or designated beneficiary does not submit a written election to receive a distribution of the participant's DROP account balance within thirty (30) days following the participant's termination of city employment or death, the DROP account shall be maintained but shall not earn interest.*” Mr. Kahant reported that they way it was handled in the past was that members had 90 days to complete the paperwork and if they did not complete it within the 90 days the funds in the DROP account would be distributed as a cash distribution.

Mr. Harrison will review Ordinance amendment 2012-18 and he will bring a memorandum with his opinion for the Boards review.

The Board instructed Ms. Martinez to send a letter to the participant (Charles Renfrow) who had applied to enter the DROP and the Board had to deny his request because at that time there was no DROP Plan.

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

**1. Benefit Approval:**

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application for Retirement for Lonney Moral.

Action: A motion was made by Mr. Carr and seconded by Ms. Casper to approve the following benefit applications for approval: Application for Retirement for Lonney Moral.

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

**2. Ordinance Amendment 2012-20:**

Mr. Carr reported that this Ordinance relates to the transfer of 185 funds from Division II. Lt. Moss had questions pertaining to section (b) of the Ordinance where it states *".....during calendar year 2011, the participant contribution shall be increased to fourteen and six-hundredths (14.06) percent of compensation, and then immediately reduced to seven and six hundredths (7.06) percent of compensation using the \$202,000 to offset the cost of the reduction....."* and *".....during calendar year 2012, the participant contribution shall be increased to twenty and six-hundredths (20.06) percent of compensation, and then immediately reduced to seven and six-hundredths (7.06) percent of compensation using the \$202,000 to offset the cost of the reduction."* He wanted to know why this information was there. Mr. Carr reported that the simplest way to explain is that in order to generate the \$202,000 in Division I the contribution rate would have to be 20.06 for 2012. Since this money is coming in from Division II, that means that the contributions do not have to be increased to that new percentage and it stays at 7.06. It meets the State requirement for additional benefits which is required in the use of 185 funds from Division II.

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

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

Mr. Nash introduced himself to Mayor Pam Triolo. He reported that during this quarter, growth did better than value. He reported that for quarter ending March 31, 2012 international stocks were up 11% and they will see that both international managers have done better than the benchmark. Bonds were up as well 0.3% but Treasury Bonds were down -1.3%. He reported that the assets for the General Plan were \$59,142,013 and for the Police Plan they were \$22,920,956. He reported that the General Employees' Plan was up 9.15% versus the bench mark at 7.55% and the Police Plan was up 9.77% versus the bench mark at 7.58%. He reviewed the asset allocation and reported that they are in line for both Plans. Mr. Nash reviewed the performance by manager as of March 31, 2012. He reported that this report is preliminary because the performance for Real Estate funds has a quarter delay. He reported that at this time he does not recommend any changes. He reported that for the General Employees' as they were reconciling their reports they found that there was a pricing error for one of the TIPS Bond on the Salem Trust statement. He explained that Richmond Capital and Salem Trust will be correcting the error and the report will be revised. Mr. Nash reviewed the compliance checklist.

Mr. Nash reported that at the last meeting the Board had asked if there was anything else that they could add to the portfolio to enhance returns. He reported that the Board could consider an allocation to Global Bonds which would be appropriate for both Plans. They would typically

recommend an investment of 5% of the total portfolio, which means about \$3 million for the General Employees Plan and \$1 million for the Police Officers' Plan. He reported that the funds would come from their current US Bond manager Richmond Capital and they would invest it in a Global Bond Mutual Fund managed by Templeton. He explained that Templeton Global Bond Fund is an institutional fund and it only buys sovereign debt, government debt not US. This fund has a very good long term track record. Mr. Harrison reported that he had talked to the State of Florida and as long as they follow the annual letter regarding the scrutinized Companies it will be ok. He reported that the Investment Policy Statement will need to be updated to add Global Bonds as a category. Mr. Nash reported that the reason that he recommends 5% is that if they invest anything less they would not see much benefit nor would it make a difference.

He reported that what they are worried about and what they are trying to help the Plan is if there is a 1% raise in interest rates, right now the Richmond Capital portfolio has a duration of about five, and a coupon of about 4 and what that means is a 1% raise in rate. The Bond portfolio would go down by 5%, which is the time of the duration. We would have an immediate -5% return and then the income coupon helps offset that so we would end up with a return negative of 75 basis points to 1%. We are worried about this longer term. Mr. Carr and Ms. Triolo noted that they would like to talk about this again at the next quarterly meeting.

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

**1. Resolution Amending DROP PLAN (Police Retirement Board)**

Mr. Harrison reported that included in their meeting packets there should be a copy of the Resolution Amending the DROP Plan for the Police Officers' that mirrors the language of the Fixed return for the General Employees' Pension Plan. He reported that the Board will need to take action.

**Action:** A motion was made by Mr. Carr and seconded by Ms. Triolo to approve the Resolution Amending the DROP PLAN for the Police Officers' Pension Plan.

Lt. Moss asked Mr. Harrison to confirm that the provision that requires the DROP participant leave the DROP Plan within 5 years was not included. Mr. Harrison confirmed that it was not included.

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

Mr. Harrison stated that they are free to discuss the Merrill Lynch settlement.

Mr. Harrison reported that the request to the IRS for an IRS Determination letter is still pending.

**2. Retainer Increase Request**

Mr. Harrison reviewed the proposed legal fee increase. He explained that he is proposing to increase the General Employee's monthly retainer from \$ 1,206.00 to \$2,850.00 over a three year period. He explained that the fees would increase on April 1, 2012 to \$1,750.00; on April 1, 2013 to \$2,250.00; and on April 1, 2014 to \$2,850.00. He is also proposing to increase the Police Officer's monthly retainer from \$ 1,899.00 to \$2,200.00 over a three year period. He explained that the fees

would increase on April 1, 2012 to \$2,000.00; on April 1, 2013 to \$2,100.00; and on April 1, 2014 to \$2,200.00. The Board had a lengthy discussion regarding this matter.

Ms. Valerie Hurley addressed the Board. She explained that she wanted to remind the Board that the Plan's Legal Council has always given the Board very good direction and advice. Mr. Kahant questioned the last invoice and the fees charged. Mr. Harrison reported that there may be a typographical error on the letter. He will have to check on that. The Board gave their thoughts and opinion regarding the fee increase proposal. Some members of the Board believe that it is their fiduciary responsibility to see what it is out there and confirm that the fees are within range. Mr. Harrison noted that what the Board could do would be an informal solicitation. The Board authorized Ms. Martinez to do an informal solicitation to see what other law firms are charging.

Action: A motion was made for the General Employees' Retirement Board by Mr. Carr and seconded by Ms. Triolo to ask the Administrator to do an informal solicitation for legal services.

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

Action: A motion was made for the Police Officers' Retirement Board by Mr. Carr and seconded by Ms. Triolo to ask the Administrator to do an informal solicitation for legal services.

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

Mr. Harrison will revise the agreement for June 1.

#### **E. ADMINISTRATOR REPORT:**

##### **1. Disability Review**

Ms. Martinez reported that the disability review letters have been mailed via certified mail. All letters have been received with the exception of Mr. Daniel Lynch. The letter for Mr. Lynch was returned unclaimed. She explained that she had called the number on file and the phone has been disconnected. Mr. Carr suggested sending him a letter via regular mail to let him know that his benefit will be stopped unless we receive the information requested. Ms. Martinez reported that according to the monthly death search report he has not passed away. Ms. Martinez reported that there will be no disability offsets.

Action: A motion was made for by Mr. Carr and seconded by Ms. Triolo to send Mr. Lynch a letter to let him know that his payment will be suspended if he does not comply with the annual disability review.

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

##### **2. Trustee Election (Police Retirement Board)**

Ms. Martinez reported that the Trustee Term for Sgt. Collier has expired and the term for Trustee Lt. Moss will be expiring July 31, 2012. She reviewed the election process and asked the Board to nominate a Judge and a Clerk to supervise the election in case there is more than one nomination for each position. Lt. Moss nominated Maria Khan and Amanda White to serve as Judge and Clerk. Lt. Moss will provide with Martinez with the e-mail addresses for the active participants. Lt. Moss will not be able to re run for the position because he is retired from the Plan.

### **3. First Southern Bank Signature Cards**

Ms. Martinez reported that the signature cards for First Southern Bank are ready to be signed. She suggested that the Police Officers wait until after the election to sign the cards but the General Employees Board can go ahead and sign it today.

Ms. Martinez reported that included in their meeting packets there was a copy of the Court Reporters transcripts for the Joint Shade Meeting of the Employees' Police Officers' and Firefighters' Pension Plans on January 11, 2012.

She reported that the Ordinance Amendment regarding the Military Service Buyback for the Plans have been forwarded to the City and it has been received by the City's attorney. She is unsure when the first reading will take place.

### **V. 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: March 28, 2012 Regular Meeting**
- 2. Receipt of Court Reporters Transcripts: Joint Shade Meeting, Employees', Police Officers', and Firefighters' Pension Fund on January 11, 2012.**

Mr. Harrison reported that the Court Reporters transcripts: Joint Shade Meeting of the Employees' Police Officers' and Firefighters' Pension Plans on January 11, 2012 do not require approval from the Board. Therefore it should be taken out of the Consent Agenda. The Board should only accept receipt.

**Action:** A motion was made by Ms. Copeland and seconded by Ms. Triolo to approve the consent Agenda which included the warrant for accounts payable, the minutes for the February 22, 2012 Regular Meeting and the receipt of the Court Reporters Transcripts: Joint Shade Meeting, Employees', Police Officers' and Firefighters' Pension Fund on January 11, 2012.

**Comment [MSOffice9]:** Changed from Easterday to Copeland

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

**Action:** A motion was made by Mr. Carr and seconded by Ms. Triolo to approve the consent Agenda which included the warrant for accounts payable, the minutes for the February 22, 2012 Regular Meeting and the receipt of the Court Reporters Transcripts: Joint Shade Meeting, Employees', Police

Officers' and Firefighters' Pension Fund on January 11, 2012.

**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 23, 2012 at 1:30 PM, the General Employees' and Police Officers' Pension Board adjourned the meeting at 3:42 p.m.

MINUTES APPROVED: May 23, 2012

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Robert Kahant, Chairman Employees' Retirement Board

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Lt. David Moss, Chairman Police Retirement Board

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Dixie Martinez, Administrator  
Employees' & Police Retirement Boards