

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
WEDNESDAY, SEPTEMBER 26, 2012 at 1:30 PM**

I. ROLL CALL: 1:36 PM

A. Employees' Retirement Board:

A meeting was called to order at 1:36 PM.

Those persons present included:

Trustees: Robert Kahant, Chair
Steve Carr, Vice Chair
Alexis Copeland (1:55 pm)
Pam Triolo

Others: Robert Sugarman, Sugarman & Susskind
Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Tim Nash, The Bogdahn Group
Members of Public:

B. Police Retirement Board:

A meeting was called to order at 1:36 PM.

Those persons present included:

Trustees: Sgt. Randy Collier, Chair
Lt. Todd Baer, Vice Chair
Steve Carr
Pam Triolo

Others: Robert Sugarman, Sugarman & Susskind
Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Tim Nash, The Bogdahn Group
Members of Public:

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

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

Action: A motion was made by Mr. Carr and seconded by Ms. Triolo to approve the Agenda as presented.

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

B. Police Retirement Board:

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

Action: A motion was made by Lt. Baer and seconded by Mr. Carr to approve the Agenda as presented.

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

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

1. Possibility of co-mingling Div I and Div II Police Pension Plan:

Lt. Baer explained that he had introduced this idea at the last meeting. He explained why the Pension Board for Division II has been considering the possibility of co-mingling Division I and Division II Police Pension Plans. Mr. Nash reported that if the Plans were to merge the investment consultant cost would remain the same. The Board briefly discussed how this would work and how the assets can be segregated by Plan. Mr. Nash reported that if the assets are to be pooled together then the Ordinance language will have to be the same for both Plans. Mr. Baur briefly explained how the administration of both Divisions would take place. He explained that the administrative cost would be very minimal. Mr. Sugarman reported that first Division II should make a formal proposal requesting the merger of both divisions. The Board had a brief discussion as to how assets should be classified.

C. Employees' and Police Retirement Boards:

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 Distribution of D.R.O.P Account Balance for Roger Josey.

Action: A motion was made by Mr. Carr and seconded by Ms. Triolo to approve the following benefit Applications: Application for Distribution of D.R.O.P Account Balance for Roger Josey.

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 for Distribution of D.R.O.P Account Balance for Ralph Brillinger and John Roberts.

Action: A motion was made by Mr. Carr and seconded by Ms. Triolo to approve the following benefit Applications: Application for Distribution of D.R.O.P Account Balance for Ralph Brillinger and John Roberts.

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

C. Employees' and Police Retirement Boards:

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

Mr. Nash reported that this has been a great quarter. He reported that for the equity markets, the year-to-date performance through September is the best nine months in a calendar year since 2009. He reported that after the negative performance last quarter the markets rebounded during this quarter. He briefly reviewed the one year market performance. Mr. Nash reported that for quarter ending September 30, 2012 the assets for the General Plan were \$58,658,518 and for the Police Plan they were \$22,097,921. He reported that the portfolios had been rebalanced at the end of the quarter and are now back in line with the targets. He reviewed the financial reconciliation for each Plan. He reported that fiscal year to date the General Employees' total fund (gross) was 19.28% versus the bench mark at 18.48% and the Police Plan was 19.62% versus the bench mark at 18.10%. For quarter ending September 30, 2012 the General Employees' total fund (gross) was up 5.60% versus the bench mark at 4.67% and the Police Plan was up 5.51% versus the bench mark at 4.61%. He reviewed the individual performances by investment managers. He reported that the reports now have an additional page which provides the fees charged by each manager. He reviewed the compliance checklist for both Plans. Mr. Kahant asked Mr. Nash to add Real Estate to the compliance check list. Mr. Nash reported that he has a recommendation to the Board so that they can save money. He recommended exchanging all shares of the American Funds Europacific Fund "R-5" share class to the lower cost retirement "R6" share class. This change will provide a cost savings from the portfolio's current holdings in the "R5" share class of American Funds EuroPacific Growth Fund.

Action: For the Employees' Retirement Board a motion was made by Mr. Carr and seconded by Ms. Copeland to exchange all shares of the American Funds Europacific Fund "R-5" share class to the lower cost retirement "R6" share class.

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

Action: For the Police Retirement Board a motion was made by Mr. Carr and seconded by Mr. Baer to exchange all shares of the American Funds Europacific Fund "R-5" share class to the lower cost retirement "R6" share class.

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

2. Letter from Salem Trust dated 9-26-12 – Class Action Processing:

Ms. Martinez reported that Salem Trust had sent a letter with proposed changes to the class action processing effective October 1, 2012. Subsequently they sent a second letter to inform them that they will not be moving forward with the proposed changes.

D. Board Attorney's Report:

Mr. Sugarman reported that the Annual Police Officers and Firefighters' Pension Trustees' School is scheduled to be May 20-22, 2013 in Tallahassee.

E. ADMINISTRATOR REPORT:

1. Schedule Date for the November & December Pension Board Meeting:

Ms. Martinez reviewed with the Board the dates available in December to schedule the November and December joint meetings. The Board agreed to have the next meeting on Wednesday December 5, 2012 at 1:30 pm.

Action: For the Employees' Retirement Board a motion was made by Mr. Carr and seconded by Ms. Triolo to schedule the next Pension Board meeting on Wednesday December 5 at 1:30 pm.

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

Action: For the Police Retirement Board a motion was made by Mr. Carr and seconded by Ms. Triolo to schedule the next Pension Board meeting on Wednesday December 5 at 1:30 pm.

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

Ms. Martinez reported that she had been contacted by Mr. Bruce Stoller, retired member of the Police Officers' Pension Plan. She explained that he retired on June 24, 1986 as a duty disability and elected a joint and survivor form of benefit. When he called he explained that he had gotten divorced and had changed his beneficiary June 1, 2007. She explained that it seems that his benefit was not recalculated at that time with the new beneficiary's date of birth. She reported that the former spouse and first beneficiary's date of birth was May 20, 1944 and the current wife and beneficiary's date of birth is March 7, 1951. She reported that on July 25, 2012 the Employees Pension Board made a motion to have the member pay for recalculations of benefits due to a change in beneficiaries, but the Police Pension Board did not make the same motion. She reported that Mr. Stoller had explained to her that he can not afford to pay for a recalculation of his benefit and that the fact that his benefit had not been recalculated at the time of the change was not his fault. Ms. Martinez reported that the estimated cost of a recalculation of benefit is \$200.00. The Board had a lengthy discussion regarding this matter. Mr. Carr explained that in his opinion the key here is that Mr. Stoller made a change and the City did not follow through with the recalculation of his benefit. Based on this he believes Mr. Stoller should be given an exception and the Board should not make him pay for the recalculation of his benefit.

Action: For the Police Retirement Board a motion was made by Mr. Carr and seconded by Ms. Triolo do to the unique circumstances of Police Officer disability retiree Bruce Stoller and the City error made through no fault of his own his joint and survivor benefit will be recalculated prospectively only to reflect his new joint annuitant and he will not be charged for the cost of the this re calculation at this time.

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

Action: For the Police Retirement Board a motion was made by Mr. Carr and seconded by Lt. Baer that the Policy of the Board will be that in the case of any changes in joint annuitant on a joint and survivor option for any retiree of any type for any reason the actuarial cost will be paid by the member.

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

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: September 26, 2012 Regular Meeting

Action: For the Employees' Retirement Board a motion was made by Mr. Carr and seconded by Ms. Triolo to approve the consent agenda which included; warrant for accounts payable, warrant for accounts and minutes of the September 26, 2012 Regular Meeting.

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

Action: For the Police Retirement Board a motion was made by Mr. Carr and seconded by Ms. Triolo to approve the consent agenda which included the warrant for accounts payable and minutes of the September 26, 2012 Regular Meeting.

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, December 5, 2012 at 1:30 PM, the General Employees' and Police Officers' Pension Board adjourned the workshop and meeting at 3:13 p.m.

MINUTES APPROVED: December 5, 2012

Robert Kahant, Chairman Employees' Retirement Board

Sgt. Randy Collier, Chairman Police Retirement Board

Dixie Martinez, Administrator
Employees' & Police Retirement Boards