

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
WEDNESDAY, DECEMBER 5, 2012 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 Kahant, Chair
Steve Carr, Vice Chair
Alexis Copeland

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

B. Police Retirement Board:

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

Those persons present included:

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

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

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

The Employees' Retirement Board added the following items to the Agenda; item. IV.A.2. Trustee Election and item. IV.E.1. Fee Increase.

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

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

B. Police Retirement Board:

The Police Officers' Retirement Board added the following items to the Agenda; item. IV.B.2. Representation Letter from Auditor and item. IV.E.1. Fee Increase.

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

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

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

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 Refund of Contributions for Samuel Hernandez, Isisah Tysinger and Paul Ricard; Application for Entering the D.R.O.P for Joshua Klein; Application for Retirement for Rene Maxau.

Action: A motion was made by Ms. Copeland and seconded by Mr. Carr to approve the following benefit Applications: Application for Refund of Contributions for Samuel Hernandez, Isisah Tysinger and Paul Ricard; Application for Entering the D.R.O.P for Joshua Klein; Application for Retirement for Rene Maxau.

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

2. Trustee Election:

Trustee Copeland reported that she had been offered a position at the Delray Library. Therefore her last day of employment with the City of Lake Worth will be December 15, 2012 and she will be resigning from the Board. The administrator will send out the notice of election as soon as possible so that the position can be filled for the remainder of Ms. Copeland's term.

B. Police Retirement Board:

1. Benefit Approval:

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application to Exit D.R.O.P for Brian Hermanson.

Action: A motion was made by Mr. Carr and seconded by Lt. Baer to approve the following benefit Applications: Application to Exit D.R.O.P for Brian Hermanson.

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

2. Representation Letter from Auditor:

Ms. Martinez reported that the representation letter from the auditor was ready for execution. Mr. Harrison reported that this was a standard letter that was sent by the auditor every year. The Board needs to approve the letter and sign it.

Action: A motion was made by Mr. Carr and seconded by Lt. Baer to approve the Representation letter from the Auditor.

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

C. Employees' and Police Retirement Boards:

D. Board Attorney's Report:

1. IRS Determination Letter:

Mr. Harrison reported that the IRS has submitted letters asking questions. He explained that the interesting thing that he needs to discuss with the Board is that if they remember when all of this started the IRS had put them in a 5 year cycle which ends in 2013. He noted that the irony of this is that they may be applying for a second determination letter before they receive the first determination letter. He reported that he will provide the Board with additional information as soon as possible. The Board had a brief discussion regarding this matter. Mr. Harrison provided a brief update on a memo sent by the Florida League of Cities regarding the Department of Management Services interpretation of extra benefits law that passed in 1999.

E. ADMINISTRATOR REPORT:

1. Fee Increase:

Mr. Baur reported that the initial agreement between his firm and the Employees' Retirement Board and the Police Retirement Board had a two year guarantee. He reported that his firm was retained by both Boards in 2007. He explained that he understands that during the current environment there is no good time and no good way to address fees in anyway whatsoever. He reported that he has found more recently that his clients would rather consider smaller annual increases than larger increases every several years. Therefore he asked the Employees' Retirement Board to grant a one-time adjustment to the current fees from \$3,500 to \$3,800 and the Police Retirement Board a one time adjustment to the current fees from \$1,875 to \$2,025 effective January 1, 2013. Thereafter, he proposed an annual cola increase each January 1 of 3.5% stating in 2014. The Board had a brief discussion regarding the proposed fee increase presented by Mr. Baur. Both Boards agreed to the fee increase and a cola increase of 3.5% in 2014 but they asked Mr. Baur to come back thereafter on an annual basis to request the cola increase.

Action: For the Employees' Retirement Board a motion was made by Mr. Copeland and seconded by Mr. Carr to approve the administrator's fee increase from \$3,500 to \$3,800 effective January 1, 2013 with a 3.5% cola increase effective January 1, 2014.

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 to approve the administrator's fee increase from \$1,875 to \$2,025 effective January 1, 2013 with a 3.5% cola increase effective January 1, 2014.

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

Mr. Harrison and Mr. Baur will work on revising the Administrators fee addendum.

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: October 24, 2012 Regular Meeting

Action: For the Employees' Retirement Board a motion was made by Mr. Carr and seconded by Ms. Copeland to approve the consent agenda which included; warrant for accounts payable and minutes of the October 24, 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 Lt. Baer to approve the consent agenda which included the warrant for accounts payable and minutes of the October 24, 2012 Regular Meeting.

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

VI. ADJOURNMENT FOR THE EMPLOYEES' RETIREMENT BOARD:

There being no other business and the next meeting having been previously scheduled for Wednesday, January 23, 2013 at 1:30 PM, the General Employees' Pension Board adjourned the meeting at 2:05 p.m.

VII. JOINT MEETING POLICE RETIREMENT BOARD DIVISION I & DIVISION II:

A. Police Retirement Board Division I:

A meeting was called to order at 2:16 PM.

Those persons present included:

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

Others: Ken Harrison, Sugarman & Susskind
Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Bonni Jensen, Law Offices of Perry & Jensen
Members of Public:

B. Police Retirement Board Division II:

The Police Retirement Board Division II did not have a quorum therefore a workshop was called to order at 2:16 PM.

Those persons present included:

Trustees: Michael Murray

Others: Ken Harrison, Sugarman & Susskind
Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Bonni Jensen, Law Offices of Perry & Jensen
Members of Public:

1. Merger of Division I & Division II - Discussion

Mr. Harrison stated that the issue for Division I was that they needed to know if there would be any cost associated with the merger of both Divisions. Ms. Jensen reported that she does not believe there would be any additional costs for Division I that Division II wouldn't be able to pick up. In her mind this merger would run much like the West Palm Beach Police and West Palm Beach Fire Pension Funds. She explained how these Pension funds are administered. She noted that Division I and Division II have the same consultant. She explained that the Board for Division II as well as their service providers are aware and understand that if this merger happens the Division II Board will go away and there would be no further relationships. The relationship after the merger would be through the Division I Board and their service providers. The areas where there could be a potential increase to Division's I fees seem to be the asset based investment manager fees. The share account funds could pay for the cost of their administration. She reported that there should be no increase to the investment monitor fees. She reported that Pension Resource Centers has a proposed fee schedule for the administration of Division II. The Board had a lengthy discussion regarding the merger of the Divisions. The Board asked various questions to which the Ms. Jensen, Mr. Harrison and Mr. Baur answered accordingly. The Board discussed how the financials would have to be reported and how assets can be segregated.

Mr. Harrison reported that in order to do this there will have to be a change to either Division's I or Division's II Ordinance. Mr. Baur briefly explained how the administration of both Divisions would take place. The Board for Division I agreed that they need to ask the investment monitors to provide them with definite information regarding the investment piece. Mr. Harrison reported that the best time to get this accomplished would be the beginning of April. Ms. Jensen will work with Mr. Harrison to write the Ordinance change. Mr. Carr explained that he would feel more comfortable waiting until Trustee Caper and Trustee Triolo are present to make the final decision regarding the merger. Mr. Harrison will communicate with Mr. Nash from the Bogdahn Group and Salem Trust so that they can provide the Board with a formal proposal. Mr. Harrison will also talk to the actuary for Division I for their input on the merger of Divisions.

Action: For the Police Div I Retirement Board a motion was made by Mr. Carr and seconded by Lt. Baer to move forward.

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

Action: For the Police Div I Retirement Board a motion was made by Mr. Carr and seconded by Lt. Baer to Adjourn the meeting.

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

VIII. ADJOURNMENT FOR THE POLICE RETIREMENT BOARD DIVISION I & DIVISION II:

There being no other business and the next meeting for the Police Retirement Board Division I having been previously scheduled for Wednesday, January 23, 2013 at 1:30 PM, the Police Retirement Pension Board Division I adjourned the meeting and the Police Retirement Pension Board Division II adjourned the workshop at 2:46 p.m.

Sgt. Randy Collier, Chairman Police Retirement Board Div I

Dixie Martinez, Administrator
Employees' & Police Retirement Boards