

**City of Delray Beach
Police and Firefighters' Retirement System**

**Minutes of
November 3, 2010**

Members: Sgt. Brady Myers, Lt. John Palermo, Chief Anthony Strianese, Lt. Joseph Liguori, FF Justin Caruso, Chief Gregory Giaccone, Commissioner Adam Frankel, Asst. City Manager Douglas Smith, Melvin Sacharow

Anne Woods, Plan Administrator Stephen Cypen, Board Counsel
Karen Schell, Pension Administrator

Guests: Mike Welker, Bogdahn Consulting; Lt. James Tabeek, Fire Department; Chuck Jeroloman, PD Retiree

Lt. Liguori, Chairman, called the meeting to order at 1:03pm. Roll call was taken of members and guests.

Lt. Liguori welcomed Police Chief Strianese to the Board, and informed the members that the City Commission denied the request for an ordinance change regarding appointments. Mr. Smith stated that the commissioners discussed limiting the chiefs designated person to a certain position or above. He anticipated that the request would be brought back to the City Commission as an amended ordinance.

Mr. Cypen suggested that the Board inform the City that they felt that the Chief should have the broadest discretion and no limitations be imposed on his selection of appointees. Mr. Cypen stated that he was unsure if the State would agree to a limited group of individuals. Lt. Liguori stated that the State (DOR-Trish Shoemaker) had approved the original wording. He stated that if the City decided to further amend the wording, the ordinance would have to be resubmitted to the Board and the State. Mr. Smith stated that he would bring the Board's recommendation back to the City Attorney.

Commissioner Frankel arrived at 1:10pm. He re-emphasized the City Commissions intent and informed the Board that he did vote in favor of the original wording.

1. Approve Meeting Minutes:

- a. August 18, 2010 – Sgt. Myers made a motion to approve the August 18th minutes. Mr. Sacharow seconded the motion. None opposed.
- b. August 25, 2010 (Special Meeting, 99-1 Litigation) – Sgt. Myers made the motion to approve the August 25th minutes. Mr. Sacharow seconded the motion. None opposed.
- c. September 22, 2010 – Sgt. Myers made the motion to approve the September 22nd minutes. Chief Giaccone seconded the motion. None opposed.

Lt. Liguori suggested that the agenda be amended to add the following: Item 6, Expenditures – Warrant 1501 – Approve Payment for Platinum Plus for Business in the amount of \$3,104.49. Mr. Sacharow made a motion to amend the agenda as suggested. Commissioner Frankel seconded the motion. None opposed.

2. New Business:

- a. Domestic Partner Policy – Lt. Liguori stated that at the request of a fire employee the Board had discussed this issue at a prior meeting. After conferring with Mr. Cypen and reviewing the City's Domestic Partner Policy (No. EB-4, Rev. 4 –Dependent Insurance Coverage) regarding health insurance with certain parameters that allows non-married couples to qualify for insurance as a spouse, he suggested that the Board might want to discuss and consider adopting the same policy. After lengthy discussion, and polling each trustee, the Board decided to take no further action.

3. Old Business:

a. RFI for Plan Auditor (2011)-Proposals Received: Goldstein Schechter Koch, MarcumRachlin and Davidson, Jamieson & Cristini – After lengthy discussion, and reviewing the written presentations, Sgt. Myers made a motion to retain Davidson, Jamieson & Cristini. Mr. Sacharow seconded the motion. None opposed.

The following is the fee schedule accepted by the Board:

Annual Audit:	September 30, 2010	\$14,500
	September 30, 2011	\$15,000
	September 30, 2012	\$15,500
Annual State Report:	\$2000	
Additional Tasks:	\$150/hour	

4. Reports:

a. Steve Cypen, Board Counsel

i. Status of Pending and Potential Litigation Matters –

Benchmark Financial – The case is still in the process of discovery.

Smith Barney – Motion for rehearing has been filed. Three (3) opinion errors were pointed out to the court. Cautiously optimistic that the court would grant a rehearing.

McAloney Estate – The estate is about ready for distribution, and the bulk of the estate is a condominium located in Delray Beach. The Pension Fund was left 75% of the condominium with 25% left to the brother of the deceased. The recommendation to the Board was to notify the estate attorney and request that the unit be sold as quickly as possible.

b. Mike Welker, Bogdahn Consulting (via telephone)

i. Portfolio Performance Review for Quarter Ending September 30, 2010 (3rd. Quarter) –

Total Fund:	\$107,281,565	Returns (Net):	8.89%
		Policy Index:	8.2%

The following are the recommendations made by Mr. Welker, and the actions taken by the Board.

-DG Capital (watch status) – Recommended termination of the contract and allocate the portfolio assets to the I-Share account. GTS would act as the transition manager. Sgt. Myers made the motion to terminate DG Capital, allocate the assets to the Index fund, and use GTS as the transition manager. Mr. Sacharow seconded the motion. None opposed

-Recommendation – Consider adding Barings Focused International Plus (Commingled Fund – Fee 90bpts) as an international growth manager to complement WHV with a 3.25% allocation (approx.\$3.2 million) taken from the I-Share account. Mr. Sacharow made the motion to retain Barings with an allocation of 3.25% taken from the I-Share account. Commissioner Frankel seconded the motion. None opposed

-DROP Plan (Emerging Markets Fund) – Recommendation to add the Oppenheimer Developing Markets A LW (Mgmt. Fee 0.86 to a Max Fee of 1.00bpts). No deferred or redemption load fee and a net expense ration of 1.43% as of 8/31/2009). Sgt. Myers made the motion to add the Oppenheimer Developing Markets to the DROP investment platform. Commissioner Frankel seconded the motion. None opposed.

Commissioner Frankel leaves the meeting at 3:20pm.

c. Brad Heinrichs, Foster & Foster –

i. Retiree COLA Study (99-1 Litigation) – Tabled to next meeting (information not completed).

5. Input from Active and Retired Members of the Plan: None

6. Expenditures:

a. Ratify – Warrant 1485: Hand's Office Supplies (\$2,800 for Fire King Cabinet, Account #58519) and Approve Payment of Warrants 1485 through 1501. Mr. Sacharow made the motion to ratify Warrant 1485 and approve Warrants 1485 through 1501. Chief Giaccone seconded the motion. None opposed.

- i. Warrant 1486: Approve Normal Retirement Benefit Enhancement for December 2010- William Berry (\$2,970.72), Selwyn Lee (\$2,867.92), Richard Lincoln (\$4,306.32), Julius Mitchell (\$3,231.50), Bernard Tillson (\$3,184.54), Douglas Vaughn (\$5,043.72), Gregory Young (\$2,867.68)
- ii. Warrant 1487: Approve DROP Retirement Benefit Enhancement for December 2010 – Richard Bush (\$7,580.48)
- iii. Warrant 1488: Approve Disability Retirement Benefit Enhancement for December 2010 – Allen Lewis (\$4,614.59)
- iv. Warrant 1489: Approve Normal Retirement Benefit Enhancement for January 2011 – Veronica Covington (\$4,213.28), Matthew Mitchell (\$4,896.50), Marc Woods (\$7,348.81)
- v. Warrant 1490: Approve Disability Retirement Benefit Enhancement for January 2011 – Jeffery Galyon (\$2,472.54)
- vi. Warrant 1491: Approve DROP Retirement Pension Benefit to Commence Retroactively Effective October 1, 2010 – John Young (\$4,288.13)
- vii. Warrant 1492: Approve Refund of Employee Contribution – Ryan Senkier (\$6,564.27)
- viii. Warrant 1493: Approve Refund of Employee Contribution – Laqueda C. Smith (\$851)
- ix. Warrant 1494: Approve Quarterly Investment Management Fees –
 - ICC Capital (Multi Cap) \$ 9,301.13
 - ICC Capital (Fixed) \$12,275.68
 - Mutual of America \$ 1,837.82
 - Delaware Investments \$18,782.00
 - DG Capital \$ 8,841.90
 - RBC Global (Voyager) \$18,298.34 (Info Only–account not housed at Salem Trust)
- x. Warrant 1495: Foster & Foster – Professional Services Rendered, Invoice #1585 (\$1,000)
- xi. Warrant 1496: Barry S. Balmuth, P.A. – Professional Services Rendered (Benchmark Litigation), Invoice #13651 (\$3,002.54)
- xii. Warrant 1497: Annual Membership Fees for 2011 – NCPERS (\$150, Invoice #27367), FPPTA (\$600) and IFEBP (\$835, Invoice #113783-8PSOR8)
- xiii. Warrant 1498: Travel Reimbursement to attend FPPTA PGA Resort, September 26-29, 2010 for Melvin Sacharow and Gregory Giaccone: Melvin Sacharow (Total \$47.60 -- 8 miles @ .50/mile = \$44 and tolls \$3.60), Gregory Giaccone (\$106.50, 213 miles @ .50/mile)
- xiv. Warrant 1499: AFE (\$150 – Joseph Liguori, Conference Registration Fee. Seagate Hotel (Delray Beach on November 9-12, 2010)
- xv. Warrant 1500: Administrative Expenses –
 - AT&T \$100.58 (Account #5110450)
 - FedEx \$151.05 (Account #2107-3951-3 Police/Fire Pension Fund)
 - FedEx \$ 6.96 (Account #1229-0831-3 Finance Dept.)
- xvi. Warrant 1501: Platinum Plus for Business (\$3,104.49, Account #1505)

Sgt. Myers made the motion to adjourn the meeting at 3:30pm. Mr. Sacharow seconded the motion. None opposed.

City of Delray Beach Police & Firefighters' Retirement System

The undersigned are the Chairman and Secretary of the Police and Firefighters' Retirement System, Board of Trustees, and the information provided herein are the Minutes of the Meeting of said body for November 3, 2010 which minutes are formally approved and adopted by the Police and Firefighters' Retirement System, Board of Trustees on January 13, 2011.



Joseph Liguori, Jr.
Chairman, Board of Trustees

NOTE TO THE READER: If the minutes that you have received are not complete as indicated above, then this means that these are not the official minutes of the Police and Firefighters' Retirement System, Board of Trustees. They will become official minutes only after they have been reviewed and approved, which may involve some amendments, additions or deletions to the minutes as set forth above.

Copies:	Members of the Board	Acting Finance Director, M. Walinski
	City Commission	Karen Schell, Pension Admin.-Finance
	City Manager, D. Harden	Human Resource Director
	City Attorney, B. Shutt	Police & Fire Departments
	Asst. City Attorney, T. Pyburn	