

City of Delray Beach
Police and Firefighters' Retirement System
Minutes of Regular Meeting
January 20, 2010

Members: Off. Chuck Jeroloman, Sgt. Brady Myers, Asst. Chief Ralph Phillips, Lt. Joe Liguori, Lt. Jim TabEEK, Chief Greg Giaccone, Asst. City Manager Doug Smith, Commissioner Adam Frankel, Melvin Sacharow

Steve Cypen, Board Counsel Anne Woods, Plan Administrator
Karen Schell, Plan Administrator-City

Guests: Barry S. Balmuth, Esq.

Off. Jeroloman, Chairperson, called the meeting to order at 2:15pm. A roll call was taken of members and guests.

1. Approve December 16, 2009 Meeting Minutes:

The minutes were reviewed and only grammatical changes were made to the originals. Mr. Sacharow made the motion to accept the minutes. Chief Giaccone seconded the motion. None opposed.

2. New Business:

a. Off. Jeroloman - Further Discussion, Bogdahn Consulting Liability Insurance: Off. Jeroloman stated that at two prior meetings, the Board had discussed this issue and it was time to make a decision.

Mr. Cypen stated that Mr. Welker had not provided a copy of the firm's financial statement as promised. Lt. Liguori stated that he had spoken to Mr. Welker and was told that there was no way that the terms of their liability insurance could be changed. Mr. Cypen stated that he did not agree, because he could have been satisfied with the financials and then there would have been no issue.

Lt. TabEEK made the motion to table this item to the January 27th investment meeting where Mr. Welker would be present. Commissioner Frankel seconded the motion. None opposed.

b. Karen Schell – Richard Vurchio, COLA (Ref. Warrant #1374): Ms. Schell stated that Mr. Vurchio would be receiving his first pension benefit effective February 1, 2010. She stated that Mr. Vurchio had inquired about whether he would be entitled to the benefit enhancement since he had not completed 20 years of service. Ms. Schell wanted the Board to be aware that she had reviewed the pension ordinance and informed Mr. Vurchio that he would be eligible to receive the benefit enhancement after his 25 year anniversary.

3. Reports:

a. Steve Cypen, Board Counsel

i. Status of Pending Litigation Matters:

Certification - Mr. Cypen stated that Mr. Balmuth was the Board's counsel in the case in the Palm Beach County Circuit Court against the City regarding the certification litigation. The City had filed a motion for rehearing to stay the appeal time while the calculations were being prepared, which it was hoped would settle the case. The court moved on its own and denied the motion for rehearing. Due to the court's ruling, the City's 30 days are now running and before time expires they will probably file a notice of appeal to preserve its rights. Mr. Cypen stated that if the calculations are figured as agreed, he felt that the City would accept the issue as settled.

ii. Benchmark Financial Services, Inc. - Mr. Cypen stated that he had asked Mr. Balmuth to attend the meeting due to the potential representation in the case involving Benchmark Financial Services. He recommended that the Board consider retaining Mr. Balmuth to represent the Board in Palm Beach County Circuit Court. Mr. Cypen stated that Mr. Balmuth's hourly rate would be \$275 an hour.

Mr. Cypen stated that he was asking the Board for an executive session, also known as a Shade Meeting, in the Benchmark Financial Services case and in the two (2) cases involving the City as well as the Smith Barney case. He stated that he was asking for one or more shade meetings or continuing meetings in all pending matters going forward. Mr. Cypen stated that the February 17, 2010 meeting would be both a shade and regular meeting, and Mr. Balmuth would be in attendance to discuss case strategy. Mr. Cypen stated that he received an extension on the return date until February 23, 2010.

Mr. Sacharow made the motion to retain Barry Balmuth at an hourly rate of \$275 an hour in the case of Benchmark Financial Services Inc. vs. The Board of Trustees. Lt. Tabeek seconded the motion. None opposed.

iii. Status of Desired Ordinance Changes (SB538) – Ordinances will be finalized and ready for approval at the February 17th meeting.

iv. IRS Updates Safe Harbor, Eligible Rollover Distributions – Mr. Cypen stated that whenever there is a distribution made from a share plan or a DROP plan and does not apply to regular pension payments which are periodic. His office had customized the IRS form, but additional changes might be necessary because Holland & Knight made him aware that the IRS had removed items from the old form. In the next few months, a revised form that would conform with the IRS form may be made available.

4. Expenditures:

a. Approve payment of Warrants 1370 through 1385: Mr. Sacharow made the motion to approve the payment of warrants. Commissioner Frankel seconded the motion. None opposed.

Warrant 1370: Approve Normal Retirement Benefit Enhancements Effective March 2010 – John Fletcher, Jr. (\$4,355.37), Glenn Goss (\$5,496.61), Edward Morley (\$3,907.26), Howard S. Lunsford (\$7,538.13), Joseph Schroeder, III (\$9,175.57)

Warrant 1371: Approve DROP Retirement Benefit Enhancements Effective March 2010 – Thomas Myers (\$5,527.02), James Tabeek (\$6,269.23)

Warrant 1372: Approve Normal Retirement Pension Benefit Retroactive Date of January 1, 2010 for Thomas Matava (\$5,174.70)

Warrant 1373: Approve Normal Retirement Pension Benefit as of March 1, 2010 for Howard S. Lunsford (\$7,538.13)

Warrant 1374: Approve Normal Retirement Pension Benefit as of February 1, 2010 for Richard Vurchio (\$1,929.02)

Warrant 1375: Approve Refund of Pension Contribution for Mary Duggan (\$23,727.53)

Warrant 1376: Approve DROP Full Lump Withdrawal for Veronica Covington (\$37,279.73).

Warrant 1377: Holland & Knight, LLP (\$680 Professional Services Rendered – Pension Plan Compliance Review (IRS), Invoice #2466964)

Warrant 1378: Bogdahn Group (\$11,125 Performance Evaluation and Consulting Services, Invoice #4669 and \$2,000 DROP Performance Evaluation and Consulting Services, Invoice #4852)

Warrant 1379: Steven I. Gordon (\$3,715 Progress Billing for Certified Audit of Financial Statements as of September 30, 2009, Invoice #6139)

Warrant 1380: Platinum Plus for Business (\$2,427.15 Total - \$600 FPPTA Annual Membership Fee, \$1,187.19 Travel Expenditures, \$800 FPPTA CPPT Registration for Adam Frankel), AT&T (\$99.81 Monthly Service, Account #5110450)

Warrant 1381: Investment Management Fees for Quarter Ending September 30, 2009 for - Rigel Capital (\$20,148.09), ICC Capital-Fixed (\$12,370.41, Invoice #57530256), ICC Capital-Growth (\$11,826.17, Invoice #57530255)

Warrant 1382: Per Diem for Adam Frankel, Brady Myers, Mel Sacharow, Chuck Jeroloman and Joe Liguori – FPPTA Trustee School, February 2010 (\$172.88 each attendee)

Warrant 1383: Travel Reimbursement – Institute for International Research's Public Fund Boards Forum (IIR), December 2009 for Adam Frankel (\$88) and Brady Myers (\$75.18)

Warrant 1384: Foster & Foster (\$3,875 Professional Services Rendered, Invoice #1136)

Warrant 1385: Mutual of America (\$1,757.17 Management Fee for Quarter Ending 12/30/2009)

Asst. Manager Smith recommended that due to the present financial hardships, the Board consider not approving the expenditures for trustees to attend the IFEPB Annual Conference that is going to be held in Hawaii (November 2010). Mr. Cypen stated that it's a perception more than a cost issue. Lt. Liguori stated that he would prepare a cost analysis and bring the information back to the Board. Chief Phillips stated that if the issue is the cost factor, then typically the Board approves expenditures for trustees to attend the IFEPB conferences. Should it be a perception issue, then the perception would not change. (Note: The Board agreed to have Lt. Liguori prepare a cost analysis.)

Lt. Tabeek announced that he would not be seeking another term once his term expires on April 22, 2010. He stated that with the upcoming issues facing the Board, he strongly urged Chairperson Jeroloman, whose term also expires on April 22nd, to consider running again even though he would be retiring in October. Lt. Tabeek stated that with Chairperson Jeroloman's knowledge and expertise, it would be in the best interest of the Board, the City and the membership if he would seek another term, no matter the length of time. Off. Jeroloman stated that he would seek another term if that was the will of the Board and the membership.

Lt. Liguori made the motion to adjourn the meeting at 3:17pm. 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 January 20, 2010 which minutes are formally approved and adopted by the Police and Firefighters' Retirement System, Board of Trustees on February 17, 2010.



Charles Jeroloman, Chairman

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 to: Members of the Board Asst. Finance Director, M. Walinski
 City Commissioners Finance Director, J. Safford
 City Manager, D. Harden Human Resource Director
 Police & Fire Departments Asst. City Attorney, T. Pyburn