

POMPANO BEACH POLICE & FIREFIGHTERS' RETIREMENT SYSTEM

**TEMPORARY OFFICE LOCATION
627 E. ATLANTIC BLVD.
POMPANO BEACH, FLORIDA**

**BOARD OF TRUSTEES MINUTES
REGULAR MEETING
MARCH 19, 2007**

The Board of Trustees convened at the Pompano Beach Elks Lodge No. 1898, 700 NE 10th Street, Pompano Beach, Florida. The Chairman called the meeting to order at 3:15 p.m.

PRESENT: Chairman Paul D. O'Connell
Vice Chairman Richard E. Avallone
Trustee Daniel M. Christophers
Trustee Patrick S. Fletcher
Trustee Ernest J. Lee, Jr.
Trustee Peter McGinnis
Trustee Richard H. Samolewicz
Trustee Jeffrey J. Valerga

ABSENT: Trustee Sharra Aaronian

ALSO PRESENT:
J. Stephen Palmquist of Gabriel, Roeder, Smith & Company
BSO Lieutenant Robert Drago
Police Retiree Gary Morton
Robert Sugarman, Esq., Board Attorney
Pedro Herrera, Esq. Sugarman & Susskind, P.A.
Lindsay Dalton, Deputy Administrator

APPROVAL OF AGENDA

MOTION: To approve the revised Meeting Agenda of March 19, 2007.

O'Connell
Avallone
Christophers
Fletcher
Lee, Jr.
McGinnis
Samolewicz
Valerga

M O T I O N	S E C O N D	V O T E D Y E S	V O T E D N O
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		X	
		X	
		X	
		X	
	X	X	
		X	
X		X	
		X	

RETIREE MATTERS OF INTEREST

Retired Police Chief Gary Morton addressed the Board on issues of concern to retirees. One concern was the inability of surviving beneficiaries of members to remarry without having benefits stopped. Mr. Sugarman reviewed the Plan and said the surviving spouse of a member killed in the line of duty is free to remarry without losing benefits. Another concern was in the event a beneficiary predeceases the retiree, the retiree should have the ability to remarry and designate the new spouse as the beneficiary. Again, the Plan does allow this, however, the monthly benefit would be recalculated so it is actuarially equivalent. Also, Mr. Morton said the HELPS Retirees Act of the Pension Protection Act of 2006 gives a tax advantage of up to \$3,000 to retirees who have the City's group health insurance premiums deducted from their monthly benefit payments. The issue for some retirees is they did not elect at retirement to continue their health coverage through the City and now they would like the City to re-open enrollment to them. The Board suggested that they contact either the PBA or the IAFF on this issue.

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<u>RETIREE MATTERS OF INTEREST (cont'd)</u>						
<p>Mr. Morton suggested that Comerica Bank discontinue sending retirees a monthly check advice, showing the year-to-date distribution amount and send it only at year-end to save postage. Ms. Dalton will check into this.</p>						
<p>Also, Mr. Morton said suggested having retirees sit on the Board. Trustee Christophers said there is retiree representation on the Board. Chairman O'Connell explained that by ordinance, a retiree cannot serve on the Board from the firefighter side, but because the police side is closed, a retiree may sit on the Board and the Chairman is a police retiree. There was further discussion and the Board proposed that the retiree organizations select one firefighter retiree and one police retiree to sit with the Trustees at Board meetings with a voice in matters, but no voting power.</p>						
<p>Chairman O'Connell thanked Mr. Morton for bringing these retiree concerns to the attention of the Board. These concerns will also be addressed in the quarterly Newsletter and the website.</p>						
<u>APPROVAL OF MINUTES</u>						
<p>MOTION: To waive reading of the minutes of January 16, 2007 and to approve same as submitted.</p>	<p>O'Connell Avallone Christophers Fletcher Lee, Jr. McGinnis Samolewicz Valerga</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>
<u>APPROVAL OF WARRANT NOS. 2585 THROUGH 2597</u>						
<p>MOTION: To approve payment of bills set forth on Warrant Nos. 2585 through 2597 as follows: No. 2585 \$8,909.55, No. 2586 \$4,169,161.05, No. 2587 \$26,890.20, No. 2588 \$91,262.00, No. 2589 \$211.50, No. 2590 \$465.05, No. 2591 \$10,402.00, No. 2592 \$1,034.07, No. 2593 \$782.65, No. 2594 \$1,110.67, No. 2595 \$6,350.00, No. 2596 \$3,032.56 and No. 2597 \$310,104.83, as amended.</p>	<p>O'Connell Avallone Christophers Fletcher Lee, Jr. McGinnis Samolewicz Valerga</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p>(Detailed listing of Warrants is attached to Minutes)</p>						
<p>Trustee Christophers questioned the payment to Arvin Peltz, real estate counsel, in the amount of \$2,520.00 which was included in total of Warrant No. 2595. He felt that there was no professionalism and mistakes were made at the time of the closing. He requested that the payment to Mr. Peltz on Warrant No. 2595 be removed from the Warrant, subject to the review and approval of the invoice by BCOM, the fiduciary, before payment is reconsidered.</p>						

APPROVAL OF WARRANT NOS. 2585 THROUGH 2597 (cont'd)

MOTION: To amend the motion by removing payment to Arvin Peltz in the amount of \$2,520.00, subject to review by BCOM, and to change amount of Warrant No. 2595 to \$6,350.00.

O'Connell			X
Avallone			X
Christophers	X		X
Fletcher			X
Lee, Jr.		X	X
McGinnis			X
Samolewicz			X
Valerga			X

APPLICATIONS FOR RETIREMENT

MOTION: To approve Application for Normal Retirement effective 5/12/07 for Deputy Sheriff Dominic DiPerna and Application for Normal Retirement effective 3/29/07 and DROP entry 4/1/07 for Firefighter Charles Ellington.

O'Connell			X
Avallone			X
Christophers	X		X
Fletcher			X
Lee, Jr.		X	X
McGinnis			X
Samolewicz			X
Valerga			X

OCTOBER 1, 2006 ACTUARIAL VALUATION REPORT

Mr. Palmquist reported for the first time in seven years, the Plan had an actuarial experience gain. After six years of experience losses, this year the Plan had a net experience gain of \$4.47 million, which was more favorable than expected. Of this gain, \$2.7 million was due to better than expected investment return and the balance of \$1.7 million was mainly due to less than expected salary increases and fewer new retirements than anticipated.

Mr. Palmquist said the experience gain caused the required employer contribution to decrease by 0.47% of payroll for the City with respect to firefighters and 1.28% of payroll for BSO for police officers (page 2). He reported as of this valuation date, the unused State revenue being held in reserve for benefit improvements for firefighters is \$1,291,061. Chairman O'Connell asked whether that excess money is to be fund firefighter benefits. Mr. Palmquist said last year he had to revise the report to reflect that only \$165,000 of the additional annual revenue would be used to fund the firefighters' benefit improvements in accordance with the agreement between the City and union and the \$1,089,211 would remain in reserve. The unused amount for this Plan year was \$201,850 thereby increasing the accumulated excess as of the valuation date to \$1,291,061. The new base amount is \$732,754, which is the maximum of Chapter 175 revenue that may be taken by the City as credit against the required contribution.

Mr. Palmquist said concerning the police officers, they have been gradually using the State revenue so at this point, the accumulated excess State revenue is only \$29,027. The new base line amount is \$798,463, which included the overtime amendment. He said the overtime ordinance was

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<p><u>OCTOBER 1, 2006 ACTUARIAL VALUATION REPORT (cont'd)</u></p>						
<p>in order to insure that the State revenue would not be held up. Ms. Dalton reported that the ordinance has not been implemented to date due to the pending litigation so as not to further complicate benefits recalculations once settlement is reached.</p>						
<p>Next, Mr. Palmquist reviewed the participant data as of 10/1/06. He reported that the Plan has fewer police officers and more firefighters. The annual rate of benefits for 246 retirees, beneficiaries and DROP participants in pay status, is \$9.3 million and the annual disability benefit payments for 25 recipients is \$1.1 million.</p>						
<p>In regard to the actuarial value of benefits, Mr. Palmquist reported that the actuarial present value of future benefits is greater for inactive members (\$124.1 million) than for active members (\$113.9 million).</p>						
<p>Mr. Palmquist discussed the funded ratio. The funded ratio as of this valuation is 71.3%. The funded ratio is derived at by dividing the actuarial value of assets of \$146,953,152 million by the actuarial accrued liability of \$206,016,881 million which equals 71.3%. He said the 2005 funded ratio was 67.9% so again this is the first time in seven years that we have seen an increase in the funded ratio (page 35). Mr. Palmquist then distributed a chart of funded ratio comparisons for a sample group of pension plans as of 10/1/05 valuations. The data was compiled from a survey of some Florida plans and a NASRA survey of large public plans. He reported that less than 20% of the plans had a funded ratio below 70%. The median funded ratio was the low to mid-80s, placing our Plan's funded ratio below the median. He noted that in 2000 before the big decline in the stock market about 90% of the plans were over 100% funded including our Plan.</p>						
<p>Chairman O'Connell also pointed out that the Plan's investment losses in 2001 and 2002 were exacerbated by the smoothing effect that came into play when actuarial assets were marked up to market value and the money was taken by the City for purposes of funding the COLA.</p>						
<p>Mr. Palmquist then reviewed a chart that shows actual compared to expected retirements among active employees. There were fewer service and DROP retirements than expected which is better for the employer. Over the last four years, there were seven disability retirements which was very close to the expected disabilities. However, he informed the Board that the disability probability that GRS uses for our Plan is double the rate they use for most of their other clients. He also noted that salary increases were less than expected. He then went over some of the actuarial assumptions and methods (page 24). He said it is important that the Board consider all the assumptions, not just the 8.5% investment earnings assumption.</p>						
<p>Next, he reviewed a chart, showing the investment rate of return on an actuarial basis and market value basis (page 33). As of 9/30/06, the return that was recognized under the smoothing method was 10.5% and the actual market return was 6.2%.</p>						

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<u>OCTOBER 1, 2006 ACTUARIAL VALUATION REPORT (cont'd)</u>						
<p>In reference to a chart showing the history of the Chapter 175 and 185 premium tax refunds, Mr. Palmquist said last year the Plan received \$1,762,094 in State revenue. This amounts to 9.13% as a percentage of payroll which is high compared to the average 5% for other Florida plans. He said the reason for this is the police group is dwindling and the payroll is going down while the State money keeps going up.</p>						
<p>Mr. Palmquist reported that investment-related and administrative expenses totaled \$1.3 million which is less than 1% of the plan assets and that is the place you want to be.</p>						
<p>Next, Mr. Palmquist explained the details related to the smoothing method (page 30). He said they take the capital appreciation for the year which is the total realized and unrealized gains of \$6.5 million and spread that out over four years which amounts to \$1.6 million. He said the recognized appreciation equals \$11.3 million plus interest and dividends for net investment earnings of \$14.9 million, which translates to a recognized return of 10.5% on actuarial basis for the year. He pointed out that the negative \$5 million, which was recognized in 2005, was the last remnant of the 2001 and 2002 investment losses.</p>						
<p>Mr. Palmquist reported that both the police and fire groups had an experienced gain for the year. The experience gain for firefighters was \$2,040,207 and the experience gain for police officers was \$2,427,312. Therefore, in accordance with the Board's interpretation of the pension ordinance, the 1% variable COLA is payable to both groups on 10/1/07. He will send a letter to the Board certifying this.</p>						
<p>Lastly, Mr. Palmquist said it is great to have finally turned the corner. With continued positive returns, we can normally expect the funded ratio to increase approximately 1 to 3% each year.</p>						
<u>THE FIXED RATE OF INTEREST RETURN DROP INVESTMENT OPTIONS</u>						
<p>Vice Chairman Avallone reported that at the February board meeting, he brought up the topic of offering a fixed rate of return as an additional investment option for the DROP participants to choose from. He said this is a viable option that needs to be looked into. Many plans now offer a fixed rate of return as does FRS and the Pompano Beach General Employees Retirement System.</p>						
<p>Mr. Palmquist said this would give a lot of flexibility to our members by allowing them to choose one of three options. Using a fixed rate, there would be an actuarial gain or loss depending on if Plan's actual return was higher or lower than the DROP fixed rate.</p>						
<p>Mr. Sugarman stated that we have a unique DROP Plan where any changes would have to be negotiated through collective bargaining.</p>						

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<p>Commissioner Charlotte Burrie stopped in the meeting to say hello and was introduced to the Trustees.</p> <p>At this point, the recorder's cassette tape 2 malfunctioned.</p> <p><u>ROBERT A. SUGARMAN, ESQ.</u></p> <p><u>Recommendation on Real Estate Counsel Leopold Korn Leopold & Snyder, P.A.</u> – Mr. Sugarman stated after hearing the Board's dissatisfaction with Arvin Peltz, he talked to Michael Baumann of BCOM, who recommended Leopold Korn Leopold & Snyder, P.A. This is a boutique law firm that only deals with real estate. The firm does not work on an hourly fee basis. They will submit fee proposals for the services we request. Karen Leopold will be primarily responsible for leasing issues. Trustee Christophers felt it was unnecessary for the Building Committee to interview this firm since BCOM has given its approval. Mr. Sugarman stated that he will advise BCOM to contact LKL&S to get started on the commercial lease agreement needed for the Bank of America Building.</p> <p><u>Signatory on Building Bank Accounts</u> – Ms. Dalton asked Mr. Sugarman if BCOM had provided him with the recommended thresholds and signators on the bank accounts for the Bank of America Building. He replied that to date he had not received them.</p> <p><u>News Article: "Pension Gap Divides Public and Private Workers"</u> – Mr. Sugarman distributed a recent article that appeared in USA Today that talked about the widening gap between the pension benefits of public workers and those of private sector workers. The article also stated the private sector now pays less than in the public sector.</p> <p><u>Tellalabs Supreme Court Amicus Brief</u> – Mr. Sugarman reported that Lerach Coughlin was filing an amicus brief with the US Supreme Court on the Tellalabs case, seeking to overturn a circuit court decision that raised pleading standards in securities class action cases to a more difficult level and they wanted the Retirement System to join several major Police & Fire Funds in this case. Although the System desired to participate, we were informed by Lerach Coughlin that the deadline had been moved up and it had unfortunately passed.</p> <p><u>Sugarman & Susskind Retainer Fees</u> – As set forth in his letter of 3/14/07, Mr. Sugarman reported that their \$1,800 retainer fee has been in effect since 2002. In 2005, S&S agreed to keep this fee in effect through 9/30/06 due to the contingency fee that they received in the Safeway derivative case. He said the current retainer fees do not come close to covering their hours worked per month and they would normally ask for substantial increase. However, in consideration of the contingency fee that S&S received from Lerach Coughlin in the Krispy Kreme case of \$335,464 plus 15,703 shares of common stock, they will freeze the retainer fee at least until October 2008.</p>						

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<u>ROBERT A. SUGARMAN, ESQ. (cont'd)</u>							
<p><u>Settlement Meeting</u> – Mr. Sugarman reported that a settlement meeting was held on 3/16/07 in regard to the litigation with the City and BSO. He said we are working toward becoming partners with the City in the continued financial viability of the police side of the Plan, which was a positive note that came out of the meeting. The City raised two issues. One issue is the City feels the actuarial assumption rate is too high. The other issue is the high cost of operating the Plan with a cost to provide pensions for police officers that is double the cost to provide pensions for firefighters.</p>							
<p>Mr. Sugarman said he proposed to the City that we should keep everything pending until after the legislative session concludes to see if the bill is passed which would increase the buy back of credit for past service to a 3% accrual rate. The City, however, wanted to continue with the Motion for Summary Judgment on Count IV, concerning the Board's approval power. He said Mr. Linn stated that the City may be willing to reschedule the hearing on Count IV if the pension board agrees that it will not take any action on the two pending variable COLAs during the delay.</p>							
<p>MOTION: To agree with the City and authorize the Chairman to sign an agreement that the Board will take no action on the two pending variable COLAs for FYE ending 9/30/05 and 9/30/06 in return for the City not holding the hearing on their Motion for Summary Judgment on Count IV for 30 days after the close of the 2007 Florida Legislature or any special session.</p>		O'Connell Avallone Christophers Fletcher Lee, Jr. McGinnis Samolewicz Valerga	X	X X X X X X X	X X X X X X X		
<p><u>October 1, 2006 Actuarial Valuation Report</u> - Mr. Sugarman advised the Board to set the adoption and approval of the Report at its May board meeting and to forward copies of the Report to the City Manager, Attorney Jim Linn, Assistant City Attorney Erin Robles, the Sheriff, Attorney Ed Dion and Attorney Brett Divers with a letter informing them of the date.</p>							
<p><u>BCOM Investment Advisory Agreement</u> – Mr. Herrera reported that the Agreement is still being negotiated. Basically, they are waiting for E.C. Blackburn of Cherry Bekaert & Holland to sign off on the formulas that will dictate the fee structure, but Mr. Blackburn has not been responsive to his emails and calls. Mr. Sugarman asked the Board to authorize S&S to engage another accounting firm if they are not able to get the information they need by the end of the week.</p>							
<p>MOTION: Should Cherry, Bekaert & Holland not satisfactorily provide the assistance needed in the BCOM Investment Advisory Agreement by 3/23/07, Board counsel is authorized to engage the services of another accounting firm for this sole purpose at a fee not to exceed \$2,000.</p> <p>Motion carried 7-1.</p>		O'Connell Avallone Christophers Fletcher Lee, Jr. McGinnis Samolewicz Valerga	X	X X X X X X X	X X X X X X X	X	
<p>The Chairman and Ms. Dalton will call Mr. Blackburn tomorrow.</p>							

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<p><u>ROBERT A. SUGARMAN, ESQ.</u> (cont'd)</p> <p><u>Schwab Side Letter Agreement</u> – Mr. Herrera reported that they have concluded negotiations and The Charles Schwab Trust Company has accepted the proposed side letter agreement to the Custody Agreement pertaining to the employee-directed DROP Plan. Schwab will send executed originals of the Agreement to the pension office for the Chairman to sign and return one executed copy to Schwab.</p> <p><u>IRS Form 1065</u> – Ms. Dalton reported that we received correspondence from the IRS regarding the application for the EIN for the Pompano Beach Investors, LLC which was filed by Arvin Peltz, real estate counsel. The name on the application was incorrect. Also, the IRS correspondence stated that Form 1065 must be filed with the IRS by 4/15/07. She faxed a copy of the correspondence to Mr. Sugarman. Also, Ms. Dalton said she has not received any documents with respect to the formation of the Pompano Beach Investors, LLC. Mr. Herrera will send an email to Mr. Peltz regarding Form 1065 and the name correction and also request that the LLC documents be forwarded to Ms. Dalton.</p> <p>Vice Chairman Avallone said at the last Board meeting there was discussion on possibly changing the pay out options for DROP distributions upon termination of employment. Mr. Sugarman replied that we need to review the old collective bargaining agreement that initially set-up the DROP Plan to see if these items were addressed. He asked the Vice Chairman to contact the Union and compile a book of all the firefighter contract provisions that deal with DROP back to when it was first implemented and this should give us the answers. He said the DROP must be administered in accordance with the contracts.</p> <p>At this point, Ms. Dalton excused herself briefly from the meeting. The Chairman also called for a five-minute break.</p> <p><u>SALARY REVIEW FOR DEPUTY ADMINISTRATOR</u></p> <p>Professional Advisors' Review Committee Chairman Samolewicz said he was directed by the Chairman to do a comparative salary survey with regard to our Deputy Administrator's salary review. He then proceeded with a detailed PowerPoint report as follows. He had contacted Dave Williams, Administrator for Hollywood Police Pension, who provided him with most of the information for eleven local area public pension plans including the salaries and benefit packages of their respective plan administrators that he used in his comparison. He then broke down the comparison to similar size plans and ranked the administrators' salaries from high to low and our Deputy Administrator ranked last in salary.</p> <p>Trustee Samolewicz said the bottom line is if we need to get a replacement for Ms. Dalton for whatever reason, we need to stay in a competitive market in order to attract a replacement. Next, Trustee Samolewicz reviewed a chart showing the Deputy Administrator's current salary of \$93,600 and a</p>						

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<p><u>SALARY REVIEW FOR DEPUTY ADMINISTRATOR (cont'd)</u></p>						
<p>total benefits package that included vacation days, Employer 401(a) contributions and health insurance as of January 2007. Beginning July 2007, the chart showed his recommended benefits packages and gave a comparison of a 3.5% and 4.0% salary increase and a car allowance increase of \$100 per month and the results of these salary increases on total benefits package. In July 2008, Ms. Dalton would receive a 5% longevity increase on her 19th year of service and an annual 3% step increase would begin. He then reviewed increases through July 2010 which would include a \$100 monthly increase in car allowance. In July 2011, the salary would be capped and a performance evaluation would be performed with a lump sum payment based on a performance scale of 0-5% of base salary. Then, a new salary range would be developed and a new step scale would be established. Trustee Samolewicz said this would make the total benefits package more competitive in the market should Ms. Dalton decide to retire in 4-5 years. He said what the Board needs to do down the road is to establish a salary range since currently we do not have one.</p>						
<p>Discussion was held. Chairman O'Connell said what stands out is Ms. Dalton appears to be under compensated. He said the need to bring the Deputy Administrator's salary in line is a function of the marketplace and Trustee Samolewicz has presented that. Therefore, the Chairman said he is comfortable and feels there is good justification for a salary increase. When asked if there would also be an annual COLA, Trustee Samolewicz replied there would be no COLA. The 3% would be the step increase. He pointed out that he added some additional responsibilities to the position description including lead liaison with the building property manager and leasing agent. The Chairman called for a motion. Vice Chair Avallone amended the motion to accept the 4.0% compensation package as he did not feel a 3.5% increase was high enough, but it died for lack of a second.</p>						
<p>MOTION: To accept the compensation package for the Deputy Administrator as set forth in the 3.5% column on the chart presented by Trustee Samolewicz for years July 2007 through July 2011 that includes a \$100 increase per month in car allowance and an additional \$100 per month in 2010. In 2011, there will be lump sum payment based on a performance scale of 0-5% of base salary and the salary is either capped, reconsidered or a new step plan is established.</p> <p>Motion carried 5-3.</p>	<p>O'Connell Avallone Christophers Fletcher Lee, Jr. McGinnis Samolewicz Valerga</p>	<p>X</p>	<p>X</p>	<p>X X X X</p>	<p>X X</p>	<p>X X</p>
<p><u>BUILDING COMMITTEE REPORT – BANK OF AMERICA BUILDING</u></p>						
<p>Committee Chair Christophers reported that Pompano Beach Investors, LLC finally closed on the purchase of the Bank of America Building on 3/9/07. BCOM approved and authorized the release of funds from the Sugarman & Susskind Trust Account.</p>						

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<u>BUILDING COMMITTEE REPORT (cont'd)</u>						
<p>Chair Christophers also advised that there was a problem with the original architectural drawings for the pension office space and the wall cannot be moved as shown on the drawings. He informed the Board that the lease on the office space across the hall is up for renewal in June 2007 and this could be another option. Trustee Lee asked what the rent would be on the both spaces for purposes of comparison and Chair Christophers said the rent has yet to be determined.</p>						
<p>Discussion was held on who is responsible for making decisions on the office building. Chair Christophers responded that it was his understanding that BCOM will make all the decisions as will the management company. He also said the tile in the foyer needs to be replaced and BCOM will handle this.</p>						
<u>INVESTMENT COMMITTEE REPORT ON THE APRIL EDUCATIONAL SYMPOSIUM</u>						
<p>Committee Chair Avallone informed the Board that a copy of the program agenda was included in the backup material. It was decided to purchase 20 large notebooks to hold the program and the investment managers' presentations. The investment managers will be instructed to send their presentation booklets in advance so we can insert them in the notebooks. In addition, the printer will prepare 25 spiral-bound copies of the program.</p>						
<p>Trustee Christophers reported that the Friday dinner event will be held at JB's on the Beach and the City of Deerfield Beach has offered free bus transportation from the Embassy Suites to and from the restaurant. He also said he received an email from former Trustee Robert Lynn asking if he could make a presentation on a product at the Symposium. Chairman O'Connell will advise Mr. Lynn that it is not possible to include any more presentations at this late stage.</p>						
<u>LETTER OF RETIREMENT FROM ADMINISTRATIVE ASSISTANT BARBARA GODFREY</u>						
<p>Chairman O'Connell reported that he received a letter from Ms. Godfrey informing him and the Board that she will be retiring on May 31, 2007. Ms. Dalton stated that Ms. Godfrey has eleven years of service as a full-time employee and meets the eligibility requirements for normal retirement under ICMA 401(a) Money Purchase Plan adopted by the Board for the pension staff.</p>						
<p>MOTION: To accept Ms. Godfrey's letter of normal retirement, effective May 31, 2007.</p>						
		O'Connell Avallone Christophers Fletcher Lee, Jr. McGinnis Samolewicz Valerga	 X 	 X	 X X X X X X X	 X X X X X X X

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<p>Ms. Dalton stated that the Board has followed the City policy with respect to employee benefits as well as the City policy on the payout of sick leave and vacation accruals at retirement. There was discussion and the Board will continue to follow the City policy. Vacation accruals will be paid out at the current hourly salary rate and a maximum of 840 hours of accrued sick leave will be paid out based on a 10-year average hourly rate. Also, Ms. Dalton informed that Board that the pension staff participates in the City group health insurance and the Board needs to confirm that Ms. Godfrey may elect to continue her participation in the City group health plan just as City employees have that option at retirement. She spoke with Michael Smith, Director of Human Resources, on this subject and since there is no precedent, a memo needs to be sent to the City to get confirmation. It was decided that the Chairman will send a memo to the City Manager in May.</p> <p>Ms. Dalton informed the Board that Ms. Godfrey is willing to continue to do the bookkeeping after she retires. Chairman O'Connell said Ms. Godfrey will be paid at her current hourly rate until we find a replacement.</p> <p>Ms. Dalton stated the Board or Committee needs to move forward with the job search to find a replacement for the Ms. Godfrey as soon as possible.</p> <p>Chairman O'Connell directed Committee Chair Samolewicz and the Professional Advisors Review Committee to review the current job description or develop a new job description, establish a competitive salary range and to start the process of advertising for the position. Then the Committee can select candidates to interview and make its recommendations to Board. He said the Committee's goal is to look for a person who is highly motivated, has the qualifications, and may be trained to potentially succeed the Deputy Administrator one day.</p> <p><u>OLD BUSINESS</u> – The item of BCOM Investment Advisory Agreement was taken up earlier in the meeting.</p> <p><u>COMMITTEE REPORTS</u> – No other Reports.</p> <p><u>DEPUTY ADMINISTRATOR'S REPORT</u></p> <p><u>Invesco Global Equity Team Update</u> - Ms. Dalton reported that we received an email from Invesco regarding a change in the international investment team. On 3/1/07, Invesco accepted the resignation of Charlie Radtke, a portfolio manager of their Atlanta Global Equity team, who had research responsibilities for the industrial sector. Invesco does not plan to replace Mr. Radtke. His research responsibilities have been assumed by Sargent McGowan who has been with the group since 2002. Ms. Dalton stated that the email was forwarded to Mr. Mulfinger for his review and comments.</p> <p>Also, Ms. Dalton informed the Board that Mr. Mulfinger is not able to attend the May meeting to present the 3/31/07 performance evaluation. The Board decided to reschedule Mr. Mulfinger's presentation to the June board meeting.</p>						

