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GENERAL EMPLOYEES RETIREMENT BOARD MEETING
THURSDAY, MAY 10, 2001, 1:30 P.M.

I CALL TO ORDER

The meeting of the General Employees Retirement Board of Trustees was called to order by Chairman James McC. Wearn, at 1:30 p.m., May 10, 2001 in the Town Council Chambers.
Attending were Chairman James McC. Wearn, Vice-Chairman Robert Garvy, and Trustees Charlie Boggs and Peter Elwell. Also attending were Board Attorney John McCracken, Finance Director Jane Skittone, and Human Resources Director and Plan Administrator William Crouse. Mr. Vernon Richards, Secretary, was absent.

II APPROVAL OF AGENDA

Mr. Wearn brought up the additional item on the final agenda, Item 8, the report on the annual report and true-up calculation. Mr. Wearn asked if there was a need to consider and approve the Revised Statement of Investment Policy. Mr. Crouse explained it had already been approved under his Administrative Report. Mr. McCracken stated that the dates on both the Revised Statement of Investment Policy and the Manager Retention Guidelines would reflect the previous board meeting date of February 9, 2001. Mr. Boggs moved that the agenda be approved, Mr. Garvy seconded, and the motion carried unanimously.

III APPROVAL OF THE MINUTES - REGULAR MEETING OF FEBRUARY 9, 2001

General Retirement Board Meeting 05/10/01
Mr. Wearn commented on a few editorial type changes that were insignificant and did not effect the procedure or the subjects of these minutes. Mr. Boggs moved to accept the minutes and Mr. Garvy seconded, and the motion carried unanimously. Mr. Elwell asked that he abstain as he had not been present at that meeting. Mr. Wearn stated that he should not abstain unless it was a specific conflict of interest. Mr. Elwell then stated he should be counted in forunanimity unanimity. Mr. Wearn explained that the minutes had been prepared in both summary and verbatim format, depending upon the complexity and actions required.

IV ADMINISTRATOR'S REPORT

Mr. Crouse reported that the Management Retention Guidelines and the Statement of Investment Policy have been revised by the attorney, Mr. McCracken, and the revised copies were included in the Board's packages. Mr. Crouse stated that the Board had approved both at the February 9, 2001 meeting. Mr. Crouse reported that at the February meeting of the Public Safety Board, action had been taken to request a search for a new custodian. Mr. Crouse stated that an RFP had gone out and that the report was to be given by Jeanne Valcik under Item 5C, should this Board decide to follow through with the decision to join with Public Safety in this pursuit, and would probably be best discussed at that time. Mr. Wearn stated that at the February meeting, a request had been made that Roanoke submit a monthly sales and purchases summary and that he had not received any of these. Mr. Wearn asked Mr. Crouse if these had been received at the Town. Mr. Crouse stated he had not seen these reports. Mr. Wearn asked that a specific letter of request be sent to Roanoke to remind them of that.

V CALLAN & ASSOCIATES (Jeanne Valcik)

A. QUARTERLY REPORT

Jeanne Valcik of Callan Associates appeared before the Board and presented the quarterly report for Callan Associates on asset allocation and performance. The report being on file with the Plan Administrator. Ms. Valcik recommended a re-balance back to the targets at the time of the true-up.

Mr. Boggs asked if Loomis would have done better if they had been able to buy Triple B bonds. Ms. Valcik stated that she was going to go over that in the bond evaluation, however, they would have done better had they had this ability. Mr. Boggs asked if Public Safety made the change to allow Triple B's. Mr. McCracken stated they had not. Ms. Valcik stated it had been on the table for the last couple of quarters. Mr. Garvy asked Ms. Valcik if she considered Triple B's investment grade bonds. Ms. Valcik stated Triple B, Double A and above were investment grade, so Triple B's were not. Ms. Valcik stated that it was the B and Double A that were excluded in this portfolio. Ms. Valcik stated that the Lehman Brothers Aggregate was 100% investment grade, it had no junk bonds in it, so the Lehman Brothers Aggregate was used, minus that one last slice which was still investment grade. Mr. Boggs stated that that was the one they were not allowed to invest in. Mr. Boggs asked if it was by ordinance that the fund could not invest in these. Mr. McCracken stated that it is was by the policy of the Board. Mr. Boggs stated that maybe the policy should be changed. Mr. Garvy stated that it should be constantly evaluated. Ms. Valcik stated that this was a recommendation she had made in the bond evaluation. Mr. Garvy stated that moving to Triple B would move the portfolio out of investment grade bonds. Mr. Garvy suggested that a five year ranking be used on risk return ratios rather than a ten year ranking. Ms. Valcik stated that the last five years would be a better forecast. Mr. Boggs agreed, as did Mr. Wearn.

B. BOND REVIEW

Ms. Valcik also presented a bond review, which is also on file with the Plan Administrator. Ms. Valcik stated that two managers were appropriate for this style. Ms. Valcik also stated that she had sent this to Loomis for comments on CMO's, and they saw that Roanoke potentially may not be in the picture and Loomis said they would handle the whole portfolio. Ms. Valcik reported that she asked them to make an offer, and they stated they would manage the whole portfolio for 27 basis points and they're currently at 30. Mr. Boggs asked what Roanoke charged, and Ms. Valcik stated they charged 30 basis points.

Ms. Valcik recommended decreasing the bond portfolio and increasing the equity with a 60/40 split. Ms. Valcik stated that the restrictions should be lifted from Loomis and that the Board should allow CMO's. Ms. Valcik stated that CMO's were allowed in the portfolio prior to 1998. Ms. Valcik defined CMO's as Collateralized Mortgage Obligations. Ms. Valcik stated that the advantages to allowing a manager to use CMO's was that they could get a more targeted duration structure when they get a full mortgage. Mr. Garvy asked if Loomis had managed CMO's and Ms. Valcik stated that they did and that they would typically hold 3% to 6%. Mr. Wearn asked Ms. Valcik if Loomis' style was what this Board would want. Ms. Valcik responded that Loomis' style would certainly come up in a core bond fixed income search and be appropriate. Ms. Valcik reported that mortgages were becoming a more important piece of the total bond world.

Mr. Wearn stated that they would now move on for discussion Item 7, B.

VII

B. Request to increase the percentage investment allowed in equities to 60% (Charlie Boggs)

Mr. Boggs stated he was asking that the allocation be moved up to that of the Public Safety Board. Mr. Boggs reported that the Public Safety Board had drafted an ordinance to increase the percentage of equities investment to 60% and he recommended that this Board do the same. Mr. McCracken stated that this had not been presented to the Town as yet, as they were hoping to present both policies at the same time. Mr. Boggs recommended that the wording be exactly as that of the Public Safety Board for both simplicity and to maintain identical policies. Mr. Elwell agreed, stating that this would be very wise, and if this board was comfortable in moving in that direction, it would be for the benefit of the Town Council in reviewing the proposed changes. Mr. Wearn agreed with the concept of one Statement of Investment Policy that would apply to both boards, but stated that he was concerned with the increase in the equities. Mr. Wearn stated that a change had been made to the policy a number of years back to increase equities and that this could be a favorable and prudent thing to do when equities were performing solidly. He stated that he was concerned with moving away from the historically conservative approach of this Board, as this approach had resulted in being currently substantially over-funded. Mr. Wearn stated that the individuals who benefitted from this approach were both the taxpayers and the Town employees.

Mr. Garvy stated that generally many pension plans in the country, many public funds, had allocations to equities that were in the 60% range and 40% in bonds. Mr. Garvy also stated that it was absolutely true that the mix should be affected by the tolerance for risk and the funding level of the plan itself. He further stated that when a plan was under funded, generally, the exposure to equity should be higher, to attempt to achieve the high returns and to bring it back to a better funding level. He further stated his experience had been that as people understood the power of diversification and the fact that over the long term there was a risk premium associated with equities, if the volatility could be tolerated then there was a general movement to more exposure to equities, but, it largely depended upon the appetite to risk and the funding level for that kind of decision.

Ms. Valcik stated that her recommendation of a 60/40 split came at the time where there were funds both over-funded and under-funded moving to a 70/30 split. Denise Jones of Gabriel, Roeder, Smith & Co. also stated that other funds were moving to a 70/30 split and that the State of Michigan changed their state statutes regarding investments that would allow for 70% investment in equities. Mr. Elwell stated that, as he understood it, the recommendation was to increase the proportion of equities, but not to increase the riskiness of how those equities were invested. Ms. Valcik stated that that was correct. Mr. Boggs stated that it was three years ago that the fund moved to 50%, at 103-108% funded, and now the fund was at 125%, which meant the fund would be lower if it was still at 40%, so not only had it done well by changing to 50%, it would have done even better if it had been 60%.

Mr. Wearn stated that he was reluctant to contemplate taking more liberal equity investments because of past difficult times with the equity manager and because of the volatility. He stated that he did not have the tolerance for that risk on a personal basis, much less on a fiduciary basis, so he saw a need for the board to restrain themselves to insure protection of the current and future fund. He then asked if anyone else had comments regarding this issue.

Mr. Boggs reiterated that he felt it was appropriate to change the allocations to provide for 60% in equities, particularly since the Public Safety Board had already done so and he felt that it was important to present a unified front to the Town Council.

Mr. Wearn asked Mr. Boggs how comfortable he was with the language that Ms.Valcik had suggested. Mr. Boggs stated he was very comfortable with it, stating that the increased risk that the fund would be taking on was very little and that the returns would be much greater than the risk. He stated that eventually everyone would like to get to the point where the fund was self sufficient and the employees and the Town would not need to make further contributions. Mr. Boggs stated that he saw this as an attainable goal.

Ms. Valcik reported that she had made this initial recommendation last August due to the fact that the 50/50 level may not allow the fund to meet the actuarial target going forward. Ms. Valcik stated that Callan's expectations in the equity markets were relatively conservative, but using their five year outlook for equities and bonds, if the asset allocation was run as it was now, the return would be less than 8%. Ms. Valcik stated that if the equity exposure was increased it would allow for a better chance of meeting the actuarial target of 8%. Ms. Valcik stated that when she made this recommendation, the fund had been at 60% and had been there for about a year due to the market and the fund drifting before re-balancing.

Mr. Elwell stated that he shared the Chairman's concern about the desire to continue the Town's conservative approach to managing the fund as it had been successful over a long period of time, however, in the discussion today, while each of the three proposals that were inter-related would increase the risk of the investment to some degree, it sounded that in each of the three instances, with the exception of going to the single manager, this would still leave the fund in a position more conservative than many, if not most, of the funds that Callan worked with. Ms. Valcik stated that in August, she had done a review of funds around the county, and they were all at 60% and above, with one exception, and she could not recall who that was. Mr. Elwell stated that while in fact it would be increasing the exposures in cautious ways and well-thought-out ways, it would not be irresponsible, and would be in fact that happy medium between enough risk to make sure the fund was performing as well as it possibly could, without getting so risky that it got into trouble, and this seemed to be certainly still short of the mark of getting excessively risky. Mr. Elwell stated that he would be comfortable with Loomis having all the equities at this point in time, however, it could always be changed back to two managers.

Mr. Wearn asked Mr. Elwell if he would like to fashion a motion for a recommendation to the Town Council for a change in the statement of investment policy.

Mr. Elwell asked Ms. Valcik to explain Yankee bonds. Ms. Valcik stated that the policy had been long standing to not allow Yankee investments, which were investments from non U.S. companies, but they are denominated in dollars. Ms. Valcik stated that they did not have currency risk, and did not look and act like an international fixed income investment, but rather like U.S. investments. Ms. Valcik stated that the manager had to do the credit analysis like they would do on the company, and she did not know why that restriction was there.

Mr. McCracken inquired if Yankee Bonds were investment grade bonds. Ms. Valcik stated they were, that everything on the Lehman Aggregate was investment grade. Mr. McCracken stated that if this change was adopted, the target would change just to be the Lehman Brothers Aggregate Index, and it would not be conditioned in any sense, and that the provision of the investment policy which says there will be no non U.S. securities investing would have to be changed to say that the exception of Yankee Bond Investments were considered U.S. investments. Ms. Valcik stated that most policies consider Yankees to be U.S. investments. Mr. McCracken inquired as to the meaning of Yankees. Ms. Valcik stated that Yankees were bonds issued by multi-national corporations whose headquarters would not be in the United States necessarily, but were denominated in dollars, so they did not have currency risk. Mr. Garvy stated that the capital and the interest payments were denominated in U.S. dollars. Mr. Boggs stated that the policy should say that all bonds shall be denominated in U.S. dollars. The Board with the exception of Mr. Wearn, stated they would be comfortable with this.

Mr. Elwell moved that the Board recommend to the Town Council changes to the Statement of Investment Policy of the General Employee retirement plan to permit the investment of up to 60% of plan assets in equities; that the benchmark for fixed income investing be changed to the "Lehman

Brothers Aggregate Index minus the Bonds BBB and below" and that fixed income managers be allowed to invest in " any investment grade bonds" as well as in "Yankee Bonds", defined as "U.S. dollar-denominated bonds sold by foreign companies and soverigns in the U.S. markets"; and that the present restriction of "no Collateralized Mortgage Obligationsw (CMOs) shall be held in the portfolio" be deleted and revised to allow "CMOs", "Pos", "TACs", and "PACs".

Mr. Wearn stated that he found the risk tolerance of these elements, individually and altogether, to be too difficult for him to vote in favor of the motion. Mr. Wearn then called the question, and the motion carried three to one, with Mr. Wearn dissenting.

Mr. Boggs inquired if the last motion included accepting Loomis' proposal of 27 basis points to manage the entire fixed income portfolio. Mr. Elwell stated that it didn't explicitly include that, but, that his expectation was that since it was represented to the Board in the discussion that if they received 100% responsibility for managing those investments, that in fact they would reduce their fee. Mr. Garvy suggested that they entertain a motion to implement the policy of one manager if the Town Council approved it. Mr. Wearn agreed. Mr. Garvy moved to accept Loomis' proposal of 27 basis points to manage the entire fixed income portfolio. Mr. Boggs seconded, and the motion carried unanimously.

Mr. Wearn brought attention to the May 4, 2001 letter from Roanoke Asset Management. Mr. Wearn stated that he had asked the Plan Administrator to write a letter to inform Roanoke of the action that the Board had taken, and that they would be kept advised as the Town Council met to determine and consider the issues they had raised, as well as to acknowledge their letter.
Mr. Wearn stated he wanted to make sure that Roanoke knew their management was very much appreciated and very successful over the past years.

V CALLAN & ASSOCIATES (con't)

C. Report On Custody Services for Retirement Plan (Bo Abesamis)

Mr. Abesamis, of Callan & Associates presented a report via the telephone, regarding the custody service search RFP which he conducted as directed by the Public Safety Board in February. A copy of the report is on file with the Plan Administrator. Mr. Abesamis reported that State Street, Bank of New York, and Northern Trust were the top three candidates based on his scoring system. Ms. Valcik explained that Callan targeted the search to identify any bank with a physical presence within the Town of Palm Beach, also in Palm Beach County, then identified those banks that were well known within the custody world of the United States.

Mr. Garvy inquired of Mr. Abesamis if he had sought references for the banks currently holding public retirement clients within the state of Florida. Mr. Abesamis reported reference checks had not been done due to the RFP, stating that if they were a finalist or on the short list, the references would be checked at that time. Mr. Abesamis stated that he does numerous custody searches with reference checks and most of these banks have always come through with good marks.

Mr. Wearn stated that he felt the Public Safety Board would probably go forward with a selection for interviews, therefore, he suggested that this Board give their recommendations as to who they would like to interview, and asked that there be a joint meeting in which to interview these candidates. The Board was in agreement, and Mr. Wearn requested that the Plan Administrator advise the Public Safety Retirement Board of Trustees of this Board's desire to have them participate in these interviews. Mr. Garvy stated that he felt the scoring by Callan was excellent and that their top three picks were correct.

Mr. Boggs stated that when reviewing an RFP containing this type of in-depth detailing of evaluation criteria, there is the option to choose to interview all the firms that met that criteria or the option to award custody to the firm with the highest score based on the RFP criteria. Mr. Boggs stated that the Public Safety Board may want to go ahead and select the firm based on this evaluation, as they were less conservative than this Board. Mr. Boggs suggested that this board be prepared for one of two actions that the Public Safety Board could take: one, to conduct joint interviews with State Street, The Bank of New York, and Northern Trust; and two, to choose the custodian with the highest rating. He stated that this Board should be prepared to do this as well, but provide the Public Safety Board with the General Employees Board's recommendation to select State Street.

Mr. Elwell recommended that all three of the top scorers be interviewed. Mr. Wearn stated that he had made contact as a citizen with several of the institutions with occupational licenses in the Town of Palm Beach, however, none of them were able to meet the criteria. Mr. Wearn stated he had made contact with Northern Trust and showed them the criteria and was advised that without involving them with some investment management, they were not specifically interested.
Mr. Wearn stated that the interviews of the top three, State Street, Bank of New York, and Northern Trust, should be encouraged. Mr. Wearn asked Mr. Crouse to inform the Public Safety Board of the desire to participate in the interview process by having a joint meeting and to submit the three top choices, ranked in order of State Street, Bank of New York, and Northern Trust.

Mr. Wearn brought up the May 1, 2001, letter from Mr. O'Leary of First Union, that indicated the fee accommodation of 25% reduction in fees for six months had been implemented. Mr. Wearn stated that he did not want to take any action regarding First Union until after the interviews, and would then like to hold a special meeting to decide this issue. Mr. Boggs inquired as to what action the Public Safety Board took with First Union. Mr. Wearn stated that the Public Safety Board had fired them, but he did not know when that was to become effective. Mr. Crouse reported that the effective date had not been determined as yet, but they did proceed to fire First Union and to proceed with the RFP and the hiring of a new custodian. Mr. Crouse stated that they knew this search would take some time, and that is why a specific date for termination of the contract with First Union was not set. Mr. Crouse stated that he felt the Finance Director would prefer that relationship to at least continue until the end of the fiscal year. Ms. Skittone concurred.

Mr. McCracken stated that the other Board would be very interested to know if this Board is willing to participate in the expense of this search. Mr. Wearn stated that this board had not engaged Callan or contributed any funds for this search and RFP. Mr. Wearn stated that perhaps they would consider that after the interviews. Mr. Elwell inquired as to the payment of expenses, such as flying in for this interview process or if it was done at their own risk. Ms. Valcik stated it would be at their own risk. Mr. Elwell stated that he felt the issue of participating in the fees could wait until after the interviews were conducted. Mr. Wearn stated that if this Board took the benefit of the action of the Public Safety Board and applied it to this Board, the timing of that would come at the end of the joint meeting, and that it would only be fair to participate at that time. Mr. Garvy stated that if this Board did not take action against First Union, then there would be no reason to participate in the costs. Mr. Boggs inquired of Ms. Valcik as to whether this Board had been included in the fee quoted for this search. Ms. Valcik stated that only one fee had been quoted for the entire search process, and the other Board had agreed to pay it, but hoped that this Board would share the costs.

Ms. Valcik reported that Callan had to make a decision at the time the RFP was sent out whether to include the assets and transactions of one fund or both funds, and all of the institutions indicated that splitting the assets would mean that the fees would rise. Ms. Valcik stated that that would make a difference, should the Boards choose to use two separate institutions. Ms. Skittone stated it would make a difference to her as well, and she would prefer to deal with one custodian for both funds. Ms. Skittone stated that she would not want to work with First Union if given the choice and to continue to work with those problems for one board and work with a clean slate with another company for the other board would cause more difficulty. Ms. Skittone stated that should the funds be split between State Street and Bank of New York, it would not be as “clean” a process as having the same kind of statement, and it would be more difficult to review each statement in the time frame they dealt with, as well as the transfer of funds between the money managers. Ms. Valcik agreed with Ms. Skittone, stating that working with multiple custodians was very difficult. Mr. Elwell inquired as to whether this Board was heading toward making a change from First Union. Mr. Boggs, Mr. Wearn, and Mr. Garvy all stated change was definite. Mr. Elwell asked if this Board was then willing to pay its fair share providing, that the custodian who was retained came out of this process. Mr. Wearn stated that the fee could be either half and half or pro rata based on the investments that were involved. Mr. Elwell moved that should a candidate be chosen by this Board from these interviews, this Board would pay its pro rata share of the fee incurred for the search. Mr. Boggs seconded the motion, the motion carried unanimously.

Mr. Elwell excused himself at 5:25 p.m. due to a prior commitment.

Mr. Wearn asked if would be acceptable to defer some items, as there were a number of items that needed to be postponed to a special meeting or, if necessary, to the August regular meeting in order for the full Board to be present. All members agreed to defer number VIA, Mr. Garvy’s presentation; number XI, request to eliminate or reduce the two percent reduction in pensions for General DROP participants; number XII, request for a retiree healthcare subsidy program for general retirees; and XIII, discussion of continuing education for board members.

VI ANNUAL ACTUARIAL VALUATION (Denise Jones)

Denise Jones of Gabriel, Roeder, Smith & Co. reported that she would be returning to the next meeting to present a revised actuarial report for the Public Safety board, therefore, she would be more than willing to defer her presentation to this board at this time. The board agreed to defer her presentation until the August meeting.

VIII REPORT ON ANNUAL REPORT AND TRUE-UP RECALCULATION (Scott Porter)

Scott Porter of Caler, Donten, Levine, et al, Town Auditor, presented the True-Up Adjustment and the Annual Report. A copy of this report is on file with the Plan Administrator. Mr. Porter reported that the true-up adjustment was reported in the annual audit report. Mr. Boggs moved to accept the revision of true-up adjustment report. Mr. Garvy seconded. The motion carried unanimously.

IX REPORT ON QUARTERLY EXPENDITURES (Jane Skittone)

Ms. Skittone, Finance Director, presented the report on quarterly expenditures, and estimated that the fund would end the quarter with $152,000. She stated that she was not recommending any transfers at this time. A copy of this report is on file with the Plan Administrator. Mr. Boggs moved to accept the quarterly report, Mr. Garvy seconded, the motion carried unanimously.

X REPORT ON SUPPLEMENTAL PENSION DISTRIBUTIONS TO GENERAL RETIREES

A. Report on Employee and Retiree Poll

Mr. Crouse reported that the poll of current General Employees and Retirees showed that the distribution method preferred among all who responded to the poll was a distribution based on years of service.

B. Consideration of Ordinance Providing Supplemental Pension Distributions To General Retirees

Mr. McCracken stated that he would prefer to use the same language as the ordinance drawn up for Public Safety. Mr. Wearn stated that Alternative 2 should be inserted where the three choices were in the draft, this being the alternative chosen by the General employees and retirees. Mr. Wearn asked for a motion to provide for the supplemental pension benefit as drafted in the ordinance with Alternative 2, and the word "may" in section B, as well as the editorial and legal changes discussed. Mr. Boggs stated that Public Safety would probably not go along with the changes and asked Mr. McCracken that a separate section for General Employees be added. Mr. McCracken stated that he would do this. Mr.

Garvy moved approval of the ordinance as stated by Mr. Wearn. Mr. Boggs seconded, the motion carried unanimously.

Mr. McCracken asked for clarification on sub-section A on the first page of the ordinance draft, stating that he felt the word "shall" should be changed to "will". The Board agreed.

XIV REQUEST AUTHORIZATION FOR MEDICAL EVALUATIONS TO BE PERFORMED ON DISABILITY RETIRANTS

Robert Doney, Town Manager

Mr. Crouse reported that in the past, all medical evaluations were taken on a case by case basis, leaving it up to the Board's discretion whether an individual would be submitted to a medical evaluation and that it could be done annually, bi-annually or any method that the Board chose. Mr. Crouse reported that Mr. Doney had just started his disability retirement, effective 8/11/00, so he hadn't even been on disability retirement for a year, therefore, he recommended that the Board postpone the evaluation for at least another year, and possibly consider whether it was reasonable to do an evaluation. Mr. Crouse stated that Mr. Doney did not turn retirement age for another three years, and his actual retirement age date would be June, 2004. Mr. Wearn stated he would like a motion on Robert Doney to postpone the medical evaluation for a one year period. Mr. Garvy moved, Mr. Boggs seconded for discussion. Mr. Boggs stated he felt it would be wasting money to have Mr. Doney evaluated in a year's time or two year's time, since in just over three years he would be of regular retirement age, therefore, he would like the motion amended to waive any medical evaluation. Mr. Wearn stated he thought it had to be considered every year. Mr. Crouse stated that the Board could make a motion to postpone consideration based on a number of issues, one example being Diane Gale, who was on a postponement and had been since 1997. He explained that the Board's action at that date was to hold any further evaluation until a worker's compensation settlement was made. Mr. Crouse stated that the Board could take a postponement again next year if they wished. Mr. Wearn called the motion and it carried unanimously.

Kevin Reynolds, Electrician

Mr. Crouse reported that Mr. Reynolds had sustained a very serious back injury and that this was a duty injury. Mr. Crouse stated that Mr. Reynolds had settled with Worker's Compensation and that the Town did not have current information on him, but the latest information indicated that it was extremely doubtful that he would return to work. Mr. Wearn stated that the medical evaluation would have to be done to provide up to date information as well as a baseline to judge whether yearly evaluations would be necessary, and also inquired if the medical information could be obtained from another source. Mr. Crouse stated that if the Board chose to do a medical evaluation, Mr. Reynolds would be sent to an appropriate physician to provide the Board with a medical update. Mr. Crouse stated that the latest information from the Town Clinic was eight months old and may not be current, but it was within a year. Mr. Garvy asked if they could postpone this until the next meeting, Mr. Crouse stated that this was the regular meeting that these evaluations were brought up in and he hoped it could be handled at this meeting, as it allowed better control by administration knowing that these considerations were handled at the same time every year. Mr. Boggs reported that he had talked to people who worked with Mr. Reynolds, and it sounded as if he had not improved any in the last eight months and that an evaluation at this time may be a waste of money. Mr. Boggs moved to postpone medical consideration until next year, Mr. Garvy seconded, the motion carried unanimously.

XV APPROVAL OF RETIREMENT APPLICATIONS

A. Peter Foote, Beach Cleaner, Public Works (Application to DROP)

Mr. Crouse stated that Mr. Foote was the first part-time employee working year round to retire in the past twenty-two years, and that he qualified for retirement under the age requirements of the ordinance. Mr. Crouse recommended that the Board approve the retirement request.
Mr. Boggs moved to approve the request as recommended, Mr. Garvy seconded, the motion carried unanimously.

XVI ANY OTHER MATTERS

Mr. Wearn stated that Mr. Vernon Richards had requested authorization to attend the 17th Annual FPPTA conference at Lake Buena Vista with the dollar amount not to exceed $1200. Mr. Wearn stated that Mr. Richards would give a report on this conference. Mr. Boggs moved to approve the request, Mr. Garvy seconded, the motion passed unanimously.

XVII ADJOURNMENT

There being no further business, Mr. Boggs moved to adjourn, Mr. Garvy seconded, the motion passed unanimously at 6:08 p.m.

Approved:

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Vernon Richards, Secretary