

Minutes of Meeting
Board of Trustees Police & Fire Employees' Retirement System
April 23, 2013

A meeting of the Board of Trustees was called to order at 7:56 p.m. in the Council Chambers, 5th Floor of City Hall, 6801 Delmar Blvd., University City, MO 63130

Members in Attendance: James Carr, Matthew Fillo, Edward McCarthy, Holston Black, Frank Reedy, Kevin Good, Juli Niemann, Steve McMahon, Thomas Deken

Members Excused: Terry Crow

Other in Attendance: Elaine Williams-Board Secretary
Tina Charumilind – Treasurer
Wiley Angell and Patty Boyd -FAMCO Representative
Paulette Carr- Councilmember, Lehman Walker – City Manager,
Patrick Wall – Library Director, Erich Haring and Keith Cole

Minutes

The January 29, 2013 meeting minutes were approved. A corrected copy of the November 27, 2012 minutes was included in the packet. Seconded and approved.

Disbursements

Chairman Carr asked if the pension benefit information audits are still being conducted. Ms. Charumilind responded that they are conducted twice a year.

Member McCarthy questioned the 10-year contribution as reflected on the income statement, 3rd quarter, FY 2013, this contribution is the 10 year vested funds. Ms. Charumilind responded that we transfer 30% of the benefit for police and fire who have been in the plan for 10 years at their anniversary. The calculations are made in the same manner as Mr. Siepman pointed out. We consider this as an expense because we move the money out of the fund to ICMA. These numbers reflect the financial statement YTD. So far we have approximately six individuals who were eligible for this transfer.

Member McCarthy also questioned regarding the administrative expenses. Ms. Charumilind explained that they are expenses paid to the bank, trust company and custodial. The budget is different from actual because the budget was based on previous years, and each year it has changed. The budget that we have is for a full 12 months but the financial statement YTD was for nine months.

Member McCarthy pointed out that members who are getting around \$300.00- \$400.00 a month, seems to be a little low, all others are \$1,000.00. We should ensure that the amount received is accurate. Member Deken added that the low amount could very well be for employees who left a long time ago, some are for survivors. What needs to be done is to assure that actual enrollment date is accurate since the date will affect the calculation and eventually the employee's benefits. Member McCarthy suggested that the number of pensioners and survivors need to be reclassified for accuracy of the report. The Police & Fire disbursements were approved.

Retirement Application

None

Other Matters

Chairman Carr raised a question regarding transfers between the pension fund and the general fund. Since the general fund pays the benefits for the pension fund but also receive the property taxes as well. Is there any interest associated with this as if being treated like a loan? Ms. Charumilind replied that the interest is not calculated with this transfer.

Member McCarthy questioned a decreasing of property tax revenue by almost \$50,000-\$60,000 dollars from \$832,000 to \$782,000. No areas were pointed out as being wiped out from University City. This appears to be a lot of properties. Ms. Charumilind explained that St. Louis County collects the tax and redistributes it to the City with no details. The property tax may be delinquent, but at year end, the City records all taxes that were levied as deferred revenue. The factors are assessed valuation and the rate. Our statements are accrued once a year. We can collect these taxes on the next and following years, theoretically.

General Fund

Member McCarthy stated that all property taxes are deposited into General Fund bank account, and then were allocated to other funds based on the levied rates. So, the General Fund owed to the Pension Fund. The trustee transfers \$160,000 monthly into the Pension Fund cash account, and Pension Fund paid out a total of approximately \$1.9 million. Divided \$1.9 million by 12 months, it should be enough to pay out. In the financial statement where it shows that the Pension Fund still owes the General Fund may not be accurate. Ms. Charumilind explained that the cash that was transferred from the custodian is still showed as a cash line item. However, based on accounting methodology, to record either revenues or expenditures between funds you have to show transactions in "Due to-from accounts". These transactions did not necessarily mean that Pension Fund does not have the money to pay for the benefits. Additionally, due to property tax going down but the benefit not, the regular benefits plus ten year vested benefits are now higher than the property tax.

Plan documents

Mr. McCarthy said that the Police and Fire Plan needs to be re-written. A discussion is needed. The document should be readable. Chairman Carr stated that the only change he can see is the periodic change in benefits or increases; we cannot simplify it or make it disappear.

If errors can be spotted, it should be addressed. In 2010, we did things to remain compliant with IRS, just to define and label things consistently with IRS compliance.

Member Applications

Applications for Adam Long – Fire Chief and Andrew White – Police Officer were approved

Next meeting dates

July 23, 2013, October 22, 2013

Adjourned

The meeting adjourned at 8:22 P.M.