

**Minutes of Meeting
Board of Trustees
Police & Firemen's Retirement Fund
October 29, 2007**

A meeting of the Board of Trustees was called to order at 7:35 p.m. in the EOC Room, Basement Level, City Hall, 6801 Delmar.

Members in attendance: Julianne Niemann, Anne Silverstein, Jaime Mendez, Mark Winer
Don Miner, Carol Jackson

Members absent: Diane Sher (excused)

Others in attendance: Julie Feier, City Manager
Yolanda Williams, Human Resources Director (Secretary)
Janet Watson, Deputy City Manager/Finance Director (Treasurer)
Michael Glickert, Council Liaison
Steve Siepman, Actuary

Minutes

Member Miner moved to approve the Board minutes of August 14, 2007. The motion was seconded by Member Mendez and carried.

Vouchers

The attached listing of vouchers was reviewed. Member Miner moved to authorize payment of these vouchers. The motion was seconded by Member Jackson and carried.

Applications for Membership

Ryan Riley – Police
Brionne Spearman – Police
Kristine Sunderman - Fire

Applications for Retirement

An application for retirement from Daniel Becker was reviewed. The applicant worked for the City for 28 years. The monthly retirement benefit will be \$2,631.11.

An application for retirement from William Becker was reviewed. The applicant worked for the City for 27 years. The monthly retirement benefit will be \$2,374.90.

An application for retirement from George Haftarzyck was reviewed. The applicant worked for the City for 34 years. The monthly retirement benefit will be \$3,190.32.

Member Miner moved to accept the above application for retirement. The motion was seconded by Member Jackson and carried.

Fiduciary Asset Management Report

Reviewed and accepted. Member Niemann commented that the performance was fair considering it was a volatile quarter.

Statement of Policies & Objectives

Member Mendez remarked that it seems in some areas, our practices are inconsistent with the policies. For example, page eight (8) states the investment manager objectives and the objectives are not being met; page six (6) reads "large caps" but should be "all caps".

The Board requested that a FAMCO representative attend and give a presentation at the next meeting (Jan 2008). The board members will review the statement of policies and objectives and be prepared to discuss amendments at the next meeting.

Cost Studies

The actuary, Mr. Siepman, performed a cost study for a flat-dollar COLA for retirees and beneficiaries. The additional liability to provide a \$21.00 increase in benefit amount to each retiree and beneficiary is \$181,934. The additional annual cost to amortize this liability over a 15-year period is \$18,168. This proposed COLA would not be classified as a substantial proposed change as defined by the state.

Member Winer moved to recommend that City Council approve a \$21.00 COLA for retirees and beneficiaries. The motion was seconded by Member Mendez and carried.

Vested Employees Ten-Year Rollover

Actuary Steve Siepman explained the Police and Firefighter Retirement Plan provides that when an employee completes the ten year vesting, there is a distribution of money from the pension plan funds into the employee's 401A individual investment account. When he calculated the first employee's distribution of vested funds it became evident that the previous calculations, through the previous actuary, were made in a different way. After much investigation, it was determined that the exact language in the ordinance regarding this distribution does not best describe the previous method of calculation. All employees have received this distribution, except those with less than ten years of service. The result of the few words difference in the ordinance would provide approximately \$30,000 less to each employee's 401A distribution in the future than has previously been distributed to other employees.

The Pension Board reviewed this matter and believed it would be damaging to treat newly vested employees in a different way than previously vested employees. They voted unanimously to make minor alterations to the language of the ordinance to incorporate the distribution in the method that has been past practice.

Member Silverstein moved to recommend that City Council amend the ordinance to reflect current practices. The motion was seconded by Member Miner and carried.

Review of Administrative Procedures

Ms. Watson, Treasurer, reviewed the administrative procedures and suggested the following changes:

1. Include names of new (employees) members in minutes, but no vote is necessary from the board.
2. Include retirement statements from actuary for board approval of retirement payments.

New State Law –Update

Ms. Watson, Treasurer, updated the Board on the Joint Committee on Public Employee Retirement Governing Statutes, specifically noting:

1. Actuarial valuation must be performed at least biennially
2. Pension Board of Trustees education
3. Annual Benefit Statements for participants
4. Funded ratio must be at least 80% prior to benefit enhancement and not less than 75% after enhancement

Other Matters

Member Miner asked if there is some way to simplify the plan and/or the method of calculation such that the average person could reasonably estimate his/her pension. The Board is open to discussing and exploring ideas in this regard in the near future.

Next Meeting Dates

The Board affirmed the following meeting dates for 2008: January 22, April 15, July 15, and October 14.

Adjournment

There being no further business, the meeting adjourned at 8:30 p.m.

Respectfully submitted,

Yolanda Williams
Secretary