

**Minutes of Meeting
Board of Trustees
Police & Firemen's Retirement Fund
May 3, 2005**

A meeting of the Board of Trustees was called to order at 7:48 p.m. in the conference room on the fourth floor of City Hall.

Members in attendance: Catherine Smith, Julianne Niemann, Diane Sher, Carol Jackson, Don Miner

Members absent: Gordon Myers (excused), Alison Markenson (excused)
(Cassandra Colquitt, Council Liaison)

Others in attendance: Frank Ollendorff, City Manager & Board Secretary
Willie Norfleet, Finance Director & Board Treasurer
Yolanda Williams, HR Coordinator
Keith Huffman, The Standard Life Insurance Co.

Minutes

Member Jackson moved to approve the Board minutes of January 18, 2005 as submitted. The motion was seconded by Member Smith and carried.

Vouchers

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

Applications for Membership

David James	Fire
Scott Handlan	Fire
Amy Thomsen	Fire
Michael Darden	Police
Dustan Campbell	Police

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

Applications for Retirement

None

Actuarial Fees for Benefit Statements

Actuary Jim Rubie's 2005-2006 fees do not include the cost to prepare benefit statements for each employee in the plan. The initial year's cost to prepare the statements will be about \$10,000 and thereafter the cost should be about \$2,000.

Member Miner moved to authorize the actuary to proceed with preparing members' statements. The motion was seconded by Member Smith and carried.

Defined Contribution Investment Account

The actuary could not be present for the meeting; however, he offered the following explanation:

“With respect to the employee who would now like to establish a defined contribution account, I think that the way it should be handled is to transfer the amount that would have been transferred in 2001, plus the contributions that would have been paid into the defined benefit plan subsequent to the original transfer date. The amounts transferred should be credited with interest. The question is what interest rate(s) to use. The choices would be either (a) 7% or (b) the rates actually earned by the defined benefit fund during the second half of 2001, and subsequent years. While the rates actually earned may be the most equitable approach, we would have to calculate the rates and could probably only calculate the approximate rates of return. As to the impact on the pension fund, allowing the transfer should not have a material impact, whether 7% or actual rates are used.”

Member Niemann stated that since the market had done poorly in recent years it would not be fair to other plan members to allow the transfer at anything greater than 3%. Member Miner moved to approve that the employee be allowed to establish an investment account and that the monies be transferred at the lower of the actual rate or 3%. The motioned was seconded by Member Jackson and carried.

Disability and Death Benefit

Member Diane Sher coordinated with Keith Huffman of “The Standard” Insurance Co. to explore policy designs for the death benefit. Mr. Huffman presented a number of policy design options to the board for consideration. The next step is for the purchasing agent to solicit bids based on each plan element so the board may further consider this matter.

Pending the progress of obtaining the necessary information, this item will be revisited at the next meeting.

Other Matters

Member Miner stated that some of the members have inquired about reducing the 5 year pension calculation to 3 years like the non-uniformed plan. The Board determined it would be best to do a cost study prior to making a decision. Member Miner moved to authorize a cost study. The motion was seconded by Member Jackson and carried.

Ollendorff suggested that should the board recommend this change to the Council that they also recommend making it retroactive for 1 year.

Next Meeting Dates

The Board set the following meeting dates for the remainder of 2005: July 19 and October 18. Some members said they July 19 may be a conflict so an alternate date should be considered.

Adjournment

There being no further business, the meeting adjourned at 8:37 p.m.

Respectfully submitted,

Frank Ollendorff
Secretary