

**Minutes of Study Session
Board of Trustees
Non-Uniformed and Police & Fire Employees' Retirement Fund
March 23, 2010**

A meeting of the Board of Trustees was called to order at 7:07 p.m. in EOC Room, Basement Level, City Hall, 6801 Delmar.

Members in attendance: Diane Sher, Anne Silverstein, James Carr, Jaime Mendez, Erich Haring, Tom Deken, Fred Kramer

Members absent: Mark Winer (excused)

Others in attendance: Janet Watson, Deputy City Manager/Finance Director (Treasurer)
Yolanda Williams, Human Resources Director (Secretary)
Police & Fire Employees
Citizens

Member Sher stated the purpose of the meeting was to discuss governance, goals and objectives, fiduciary responsibility, checklist and process, compliance with state laws and city ordinances, and reporting to Council and plan participants.

Member Silverstein reviewed the City's governing statutes for the Board of Trustees for the Police and Fire Retirement Fund and the Non-uniformed Fund—Municipal Code 2.50.060 and 2.48.020, respectively.

Ms. Silverstein questioned compliance with Joint Committee on Public Employee Retirement (JCPER) Governing Statutes Section 105.661 regarding annual financial reporting and auditing.

Ms. Watson confirmed that the City's Comprehensive Annual Financial Report (CAFR) and the annual Retirement Funds' Actuarial Valuation comply with the Statutes.

Ms. Silverstein suggested the board review the CAFR. Ms. Watson said she will provide the CAFR to board members.

Member Carr commented that he was not clear on the processes and he does not think the JCPER training CD meets the training requirements and what the board is supposed to do. He suggested a more methodical approach. Ms. Silverstein agreed.

Member Carr commented that some critical issues for him are that he is provided a statement of assets and the voucher process needs to be clearer.

Ms. Watson, at the next meeting, will provide the board statement of assets and she will bring every check written for the last two quarters to clarify the voucher process.

Member Silverstein inquired about insurance for the board. Ms. Watson offered to provide insurance declaration page(s) of at the next meeting.

Further review of Municipal Code 2.48.020 and 2.50.060: Ms. Silverstein questioned the City Manager's role at meetings. Ms. Williams commented that the City Manager assigned her and Ms. Watson to attend the meetings on her behalf and the City Manager attends when necessary and/or requested.

In reference to 2.50.020, Member Carr asked if anyone was being paid administratively out of the fund. Ms. Watson responded, no, but perhaps there should be financial support from the plans because significant staff time is involved and the board should discuss the matter at a future meeting.

Member Sher commented that the Board is not the employer and that City Council wanted to delegate the responsibility of designing the plan, etc, to the Board but the Board is not a taxing authority. The role of the Board is administrating what's there.

In reference to 2.50.010, Member Carr asked if the Board should have a Vice Chair. Board members said they could vote on a vice chair at the next regular meeting.

Member Mendez commented that Section 2.48.020 (C) does not mandate plan design.

Member Sher commented that she is not comfortable that the Board knows enough about the plan administration and controls. She also questioned if ICMA-RC is effective at communicating with employees.

Ms. Watson said she will provide the annual report from ICMA-RC and that the ICMA-RC rep comes onsite to meet with individual employees at least twice each year.

There was discussion about Section 2.62.250 and 2.64.200—Disbursement of Funds and whether anyone on the board signs off on vouchers. This needs to be reviewed and perhaps the ordinance needs to be changed to reflect the process.

A question was also raised regarding controls in place to determine when retirees die. Ms. Watson and Ms. Williams commented that they've always been notified by the deceased employees' relatives and/or other employees; however, the City will take a closer look at this process and check with other cities and/or larger plans on their process.

Member Deken discussed 2.62.080 (D) regarding retirement age and years of service and that he would like to get the ordinance changed to allow eligible employees to separate service with 25 years of service regardless of age, and then subsequently collect a full pension at age 50 instead of a deferred benefit at age 55.

Ms. Watson explained the difference between the non-uniformed and police and fire pension calculations.

Member Deken commented that the plan investors are being held less accountable at 6.5% than the participants at 7%.

Member Kramer commented about JCPER 105.666 (2) pertaining to annual benefit statements being provided to participants in a manner calculated to be understood by the average plan participant, and that this may not be the case for many of the plan participants of the police and fire plan.

Member Deken asked if the statements could be changed to reflect the minimum retirement benefit.

Ms. Watson suggested meeting with the actuary before the next meeting to see what can be done to provide more clarity to the benefit statements before they are presented to employees this spring.

Member Sher requested a sample of benefit statements of both plans and that Member Deken present his questions in advance to the actuary so he can come more prepared.

Member Deken referred to JCPER 105.691 (5) and asked if there is a method of providing earned creditable service under another plan to a member who becomes vested in the City's plan.

Ms. Watson said she would seek a legal opinion on that Statute and report back to the board.

Ms. Watson asked how often FAMCO should present at the board meetings and if they should present at the next regular meeting. The Board decided to request FAMCO's presence as needed, but at least annually and they would not be needed at the next meeting.

Member Carr commented that the Statement of Policies and Objectives needs to be reviewed and revised as they seem to have conflicting goals and he cannot understand what the money manager is supposed to do.

Member Sher asked if the board should seek consultants to help make decisions about asset allocations.

Member Carr asked if there could be more understandable plan descriptions for both plans and if employees are able to ask questions and get information from the HR dept.

Ms. Williams responded that the plan descriptions reflect language from the municipal codes with an attempt to present the information in a more straightforward manner but it can be reviewed for improvement. Ms. Williams also responded that with the exception of early retirement calculations which must be performed by the actuary, the non-uniformed calculation is straightforward and she responds to employee inquiries in that regard. Most inquiries are from police and fire and if she does not have the answer she does the research and/or makes the appropriate contact to get the answers to respond to employees.

The Board asked that Ms. Williams provide the current plan descriptions provided to employees in addition to the sample benefit statements requested earlier.

Member Deken stated he is eligible to retire in June and his anniversary is in October wherein he could get an extra 1% and he wants to know if it would be worthwhile to wait and he wants to understand where the tipping point lies.

Ms. Watson suggested that Members Deken and Kramer make a list of questions and provide them to her so she can submit them to the Actuary for response.

Ms. Watson suggested inviting the (UMB) Trustees to the July meeting to explain their role and describe their procedures. The Board agreed.

Adjournment

Member Carr moved to adjourn the meeting. The motion was seconded by Member Deken and carried. There being no further business, the meeting adjourned at 9:30 p.m.

Respectfully submitted,

Yolanda Williams
Secretary