

**Minutes of Study Session  
Board of Trustees  
Non-Uniformed Employees' Retirement Fund  
March 9, 2009**

A meeting of the Board of Trustees was called to order at 7:00 p.m. in EOC Room, Basement Level, City Hall, 6801 Delmar.

Members in attendance: Diane Sher, Anne Silverstein, Jaime Mendez, Mark Winer, Erich Haring, Donald Humphrey

Members absent: James Carr (excused)

Others in attendance: Janet Watson, Deputy City Manager/Finance Director (Treasurer) Yolanda Williams, Human Resources Director (Secretary)  
Julie Feier, City Manager  
Tom Deken, Police & Fire Pension Rep  
Roy Combs, ICMA-RC Retirement Specialist

**City Council Charge to Non-Uniformed Pension Board**

*The City Council met on 1/5/09 in a study session pertaining to the Non-Uniform Employees Pension Plan. The Council discussed at length the current Plan and the option of pursuing the establishment of a new Defined Contribution Plan for a portion of Non-Uniform employees. Those employees would include new hires and non-vested (10 years or less) employees.*

*After discussion, it was the consensus of the Council to request that the Pension Board research this proposal and bring their detailed recommendations back to the Council. Specifically, the Council is requesting the Pension Board:*

- *Propose a Defined Contribution Plan design;*
- *Recommend which employees would be a part of the new plan;*
- *Determine the method of transition of any current employees in the plan; and,*
- *Determine the impact of this change on the current Defined Benefit Plan, with the assistance of the actuary.*

Mr. Roy Combs, ICMA-RC Retirement Specialist, attended the meeting to discuss Defined Contribution (DC) plan designs with the Board. Mr. Combs' presentation included the following notable points:

- 401a is the only option (no 401k)
  - Money purchase—mandatory employee/employer set contribution
  - Profit Sharing – contribution not set in stone
- Midwest non-uniformed plans range from 6-10% employer contribution
- Employers generally try to align a new plan with the benefits of the previous plan
- Simplest design –new hires only
- Surveys have been useful when surveying the potential affected employees

- If employees are allowed to choose, general elections are:
  - Non-vested, early in career typically switch to DC
  - Mid-career, stay with DB
  - 10 yrs or less from retirement, many convert because of survivor benefit
- Bad time for City to convert due to selling assets at low market, but good time for employees since due to buying into a low market
- Employers generally establish a graduated vesting schedule (no more than 5 yrs)

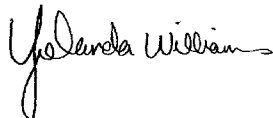
After discussion, the Board determined actuarial expertise would be required. Specifically, the Board requested projections for the plan as it exists, the impact to the DB plan if only new employees were enrolled in a DC plan, and/or if new and non-vested employees were enrolled in a DC plan.

The Board inquired about the cost to perform the actuarial study and how it would be funded. Ms. Watson explained that Council authorized actuarial assistance in the above charge and that it could cost up to \$5,000. She was unsure if it would be charged to the pension plan or the general fund. The employee representatives did not support charging it to the pension plan because it's for a cause that the City Council wants to investigate, not the employees. Majority of the Board agreed and asked for direction from Council as to how to proceed with requesting the actuarial assistance and how the study would be funded.

**Adjournment**

Member Winer moved to adjourn the meeting. The motion was seconded by Member Humphrey and carried. There being no further business, the meeting adjourned at 8:29 p.m.

Respectfully submitted,



Yolanda Williams  
Secretary