

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE RETIREMENT SYSTEM HELD IN THE CONFERENCE ROOM AT CITY HALL ON WEDNESDAY, FEBRUARY 28, 2001, AT 1:30 P.M.

I. ROLL CALL:

A. Pertained to Employees' Retirement Board

B. Police Retirement Board:

The Chairman called the meeting to order at 1:32 PM.

Trustees present were Mayor Thomas Ramiccio (Chairman), Deputy Chief Patrick Hampshire (Vice Chairman), Lt. Kenneth White and Chuck Powers. Philip Blumel was absent. Also present were Kenneth Harrison, Esquire, sitting in for Board Attorney Robert A. Sugarman and Recording Secretary Valerie Hurley, City Clerk's Office.

II. ADDITIONS/DELETIONS/REORDERING:

A. Pertained to Employees' Retirement Board

B. Police Retirement Board

None.

C. Employees' and Police Retirement Boards:

Action: Motion made by Vice Chairman Hampshire and seconded by Lt. White to reorder New Business-C-1 and C-2 and considered under Unfinished Business C-1 and C-2.

Vote: All-Aye.

III. UNFINISHED BUSINESS:

A. Pertained to Employees' Retirement Board

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards: (reordered)

- 1. Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending December 31, 2000 and for calendar year January 1, 2000 – December 31, 2000.**

Using graphs, Mr. Calloway reviewed the fund valuation portfolios for quarter ending December 31, 2000 comparing the year 1999 to 2000 and stating although it was a bad quarter for many, the funds for the City employee boards did better than most due to diversification.

Action: Motion made by Mr. Powers and seconded by Vice Chairman Hampshire to receive and accept the presentation.

Vote: All-Aye.

2. Davis Hamilton Jackson & Associates, report for calendar year January 1, 2000 – December 31, 2000.

Ms. Jennifer Woods of Davis, Hamilton Jackson & Associates reviewed their report for the calendar year January 1, 2000 – December 31, 2000 explaining market increases and decreases with the resulting effects and benefits of diversification.

Action: None

3. Consider letter dated February 15, 2001, from Michael Callaway, Vice President, Merrill Lynch Consulting Services, to Robert A. Sugarman, Esq., Sugarman & Susskind, re Trusco Capital Management's Finova Bond settlement.

Mr. Calloway, reviewed the proposed settlement offer explaining the total loss was more than the downgrade which left Trusco with liability and explained how the calculated liable amount was determined as per the contract issues with the Board. Discretionary and competency issues were discussed and whether litigation was needed.

Action: Motion made by Vice Chairman Hampshire and seconded by Mr. Powers to keep quarterly fees that had been with-held in lieu of their offer and consider that as settlement.

Vote: All- Aye.

4. Receive and file letter dated January 31, 2001, from Robert A. Sugarman, Esq., Sugarman & Susskind, to Michael A. Callaway, First Vice President, Merrill Lynch Consulting Services, re Trusco Capital Management's Finova Bond settlement.

Considered with above item (reordered #3).

5. **Receive and file letter dated January 31, 2001, from Robert A. Sugarman, Esq., Sugarman & Susskind, to J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, requesting an actuarial study for proposed amendment to Pension Code to modify the DROP Plan.**

Action: Motion was made by Lt. White and seconded by Mr. Powers to receive and file the letter.

Vote: All Aye.

6. **Receive and file letter dated January 31, 2001, from Robert A. Sugarman, Esq., Sugarman & Susskind, to Jennifer Santangelo, Account Services, Lazard Asset Management, re various requests concerning Investment Management Agreements.**

Action: Motion was made by Mr. Powers and seconded by Lt. White to receive and file the letter.

Vote: All Aye.

7. **Receive and file letter dated February 5, 2001, from Kenneth R. Harrison, Sr., Esq., Sugarman & Susskind, to Larry M. Cole, Trusco Capital Management, re termination of investment management services.**

Action: Motion was made by Mr. Powers and seconded by Lt. White to receive and file the letter.

Vote: All Aye.

8. **Receive and file letters dated January 30, 2001, from Kenneth R. Harrison, Sr., Esq., Sugarman & Susskind, to Frank Poli, Chief Legal Officer, AllianzPIMCO, and dated February 15, 2001, re PIMCO Investment Management Agreements.**

Action: Motion was made by Mr. Powers and seconded by Lt. White to receive and file the letters.

Vote: All Aye.

9. **Consider letter from J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, re the actuarial study for lower age for vested termination benefit to normal retirement age or lower normal retirement age to 55.**

Consensus was to table consideration for further study until next meeting

10. **Consider letter from J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, re the actuarial study for modification of the DROP Plan.**

Mr. Powers opposed any modification because it was not what was originally presented to and approved by the Commission and management. Discussion followed regarding negative impact on solvency of the fund.

Action: Motion made by Lt. White and seconded by Mr. Powers to table consideration to modify the DROP plan until next meeting.

All-Aye.

IV. NEW BUSINESS:

A. Pertained to Employees' Retirement Board

B. Police Retirement Board

1. **From Officer Ralph Meadows, Police Department, requesting regular retirement based on the Rule of 20-years and Out, effective March 19, 2001**

Action: Motion made by Mr. Powers and seconded by Lt. White to grant, with regret, the request of Officer Ralph Meadows, Police Department, for regular retirement, based on the Rule of 20-years and Out, effective March 19, 2001.

Vote: 4-Aye. Nays-none.

C. Employees' and Police Retirement Boards:

1. **Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending December 31, 2000 and for calendar year January 1, 2000 – December 31, 2000.**

(Reordered-considered under Unfinished Business-C-1.)

2. **Davis Hamilton Jackson & Associates, report for calendar year January 1, 2000 – December 31, 2000.**

(Reordered-considered under Unfinished Business-C-2.)

3. **From Ralph Schenk, Moors & Cabot, Inc., submitting recapture brokerage proposal.**

Consensus was to reorder and consider after Consent Agenda items.

V. CONSENT AGENDA:

A. Pertained to Employees' Retirement Board

B. Police Retirement Board:

Action: Motion made by Mr. Powers and seconded by Lt. White to approve Consent Agenda (B) as follows:

1. **Authorize payment of invoice from Sugarman & Susskind, dated February 5, 2001, in amount of \$1,100.00 for retainer fee for month of February 2001.**
2. **Authorize payment of invoice from Sugarman & Susskind, dated February 13, 2001, in amount of \$13.00 for United Parcel Service costs during month of January 2001.**
3. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated January 30, 2001, in amount of \$11,186.76 for Investment Manager services for quarter ending December 31, 2000.**

Vote: All – Aye.

C. Employees' and Police Retirement Boards:

1. **Ratify refunds of pension contributions as reported by Finance Department.**

None.

IV. NEW BUSINESS C. Employees' and Police Retirement Boards: (Reordered)

3. **From Ralph Schenk, Moors & Cabot, Inc. submitting recapture brokerage proposal.**

Mr. Schenk explained a recapture brokerage proposal from Schenk, Moors & Cabot, Inc. It was agreed that a written proposal would be needed.

VI. ADJOURNMENT:

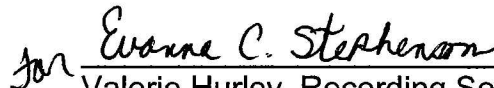
B. Police Retirement Board

Motion made by Lt. White and seconded by Mr. Powers to adjourn the meeting at 3:26 P.M. by unanimous vote of those members present.

MINUTES APPROVED: 7-23-03



Mayor Rodney G. Romano, Chair
Police Retirement Board



Valerie Hurley, Recording Secretary
Police Retirement Board

A tape recording of this meeting will be available in the Office of the City Clerk for two years after approval of these minutes.