

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM HELD IN THE CONFERENCE ROOM AT CITY HALL ON WEDNESDAY, JUNE 6, 2001, AT 1:30 P.M.**

**I. ROLL CALL:**

**A. Employees' Retirement Board:**

The Vice-Chairman called the meeting to order at 1:39 PM.

Trustees present were, Vice Chairman John Charest, Pat Testa, Robert Lepa and Finance Director Chuck Powers. Mayor Rodney Romano 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. Employees' Retirement Board:**

None

**B. Pertained to Police Retirement Board.**

**C. Employees' and Police Retirement Boards:**

Action: Motion made by Mr. Testa and seconded by Mr. Powers to waive the rules and reorder agenda to consider next New Business C-3 Mr. Michael Callaway - review fund valuation for quarter ending 3/31/01 and to add New Business-C.4.- Consider allowing use of accumulated sick time as time served when determining retirement date.

Vote: All aye.

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

**3. Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending March 31, 2001**

Before reviewing the quarterly figures, Mr. Calloway presented a chart that visually showed bear markets of the last 30 years with declines of 10% or more nationally and also showed the rebound in each case. The recent national market he believed had hit bottom and should rebound in the near future and the current quarterly fund figures showed a decrease in value from the previous quarter due to investment earnings. He further explained specific areas and the relationship to market activity. In spite of the poor market and

it's negative affect on the funds' investments, the long term investment performance was above average and tracked closely to the target index.

**III. UNFINISHED BUSINESS:**

**A. Employees' Retirement Board:**

None.

**B. Pertained to Police Retirement Board:**

**C. Employees' and Police Retirement Boards:**

**1. Consider self-directed DROP program.**

Lyn Ludtke, Payroll Specialist, had contacted both PEBSCO and ICMA regarding information relative to self-directed DROP programs. ICMA was the only one that had that type of program. Attorney Harrison explained some issues that would need to be addressed including tax implications and fund monitoring.

CONSENSUS was to ask representatives from ICMA and Gabriel & Roeder to attend next meeting to present their proposal for a self-directed DROP program.

**2. Consider preparing DROP information packets similar to those available from Firefighters' Pension Fund.**

The Firefighters' Pension Fund information packets were done by their attorney.

Action: Motion made by Mr. Powers and seconded by Mr. Testa to direct the Board Attorney to prepare an information packet similar to the Firefighter's Pension Fund regarding the DROP plan.

Vote: All Aye.

**IV. NEW BUSINESS:**

**A. Employees' Retirement Board:**

**1. Schedule election and appoint canvassing committee to conduct election for Employee member to serve on Board for three-year term to expire August 1, 2004. (Pat Testa's term expires 8/1/2001)**

Action: It was moved by Mr. Powers and seconded by Mr. Lepa, to hold the election from July 23-26, 2001, for the Employee member to serve on the Board for a three-year term to expire August 1, 2004; to certify the results of the election on July 27, 2001; and to appoint employees Cynthia Hammond, Sylvia Woods and Bill Openshaw as the canvassing committee.

Vote: All Aye.

**2. Discuss overpayment of retirement benefits to Grady Lowe..**

A communication from Payroll Specialist Lyn Ludtke advised that there had been an error in the recording of Mr. Lowe's birthdate, which resulted in overpayment of his retirement benefit of \$1915.80. The adjustment has been made for his continued monthly pension amounts. Ms. Ludtke requested direction on how to handle the overpayment.

Action: Motion made by Mr. Lepa and seconded by Mr. Powers to waive collection of reimbursement by Mr. Lowe of the amount overpaid to him.

Vote: All Aye.

**B. Pertained to Police Retirement Board:**

**C. Employees' and Police Retirement Boards:**

**1. Consider letter dated May 15, 2001, from Charles Slavin, Actuary, Division of Retirement, re: various information pertaining to Actuarial Valuation Reports and the DROP plan.**

The board secretary had forwarded the letter to Steve Palmquist, Actuary, for a reply.

Action: Motion made by Mr. Testa and seconded by Mr. Powers to receive and file the communication.

Vote: All Aye.

**2. Discuss military buyback.**

Mr. Powers said that by submitting the request to the board the actuarial costs for determining the calculations could be better controlled and passed on to the employee requesting the calculation.

CONSENSUS was to direct personnel to refer all military buy back requests to the Board.

3. **Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending March 31, 2001.**

**Considered earlier in the meeting.**

4. **(Added) Consider allowing use of accumulated sick time as time served when determining retirement date.**

In full discussion it was noted that the Personnel Policy would need to be changed and such time would be considered phantom time, which would not be applicable for retirement benefits.

Action: None.

**V. CONSENT AGENDA:**

**A. Employees' Retirement Board:**

Action: Motion made by Mr. Powers and seconded by Mr. Lepa to approve Consent Agenda (A), in its entirety, as follows:

1. **Approve minutes of August 23, 2000 Regular Meeting, as submitted.**
2. **Approve minutes of September 27, 2000 Regular Meeting, as submitted.**
3. **Authorize payment of invoice from Sugarman & Susskind, dated May 1, 2001, in amount of \$750.00 for retainer fee for month of May 2001.**
4. **Authorize payment of invoice from Sugarman & Susskind, dated May 31, 2001, in amount of \$750.00 for retainer fee for month of June 2001.**
5. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated May 1, 2001, in amount of \$20,032.05 for Investment Manager services for quarter ending March 31, 2001.**
6. **Authorize payment of invoice from Lazard, dated April 25, 2001, in amount of \$16,421.97 for Investment Manager services for quarter ending March 31, 2001.**

Vote: All Aye.

**B. Pertained to Police Retirement Board.**

**C. Employees' and Police Retirement Boards:**

Action: Motion made by Mr. Powers and seconded by Mr. Testa to approve Consent Agenda (C), in its entirety, as follows:

1. **Approve minutes of August 23, 2000 Joint Workshop Meeting, as submitted.**
2. **Ratify refunds of pension contributions as reported by Finance Department.**

**Checks Disbursed 5/3/01**

LaDonna Parker, Building, Planning & Zoning, 4 Months, \$463.20, separated from service March 20, 2001.

Daniel Vasile, Public Works - Parks Department. 1 Month \$26.86, separated from service April 13, 2001.

Romona Metz, Building, Planning & Zoning, 7 Days, \$25.30, separated from service April 16, 2001/


Vote: All Aye.

**VI. ADJOURNMENT:**

**A. Employees' Retirement Board:**

Motion made by Mr. Testa and seconded by Mr. Lepa to adjourn the meeting at 3:37 P.M. by unanimous vote of those members present.

**MINUTES APPROVED:** 7-23-03

  
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Mayor Rodney G. Romano, Chair  
Employees' Retirement Board

for   
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Valerie Hurley, Recording Secretary  
Employees' Retirement Board