

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, JUNE 6, 2001, AT 1:30 P.M.

I. ROLL CALL:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

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

Trustees present were Deputy Chief Patrick Hampshire (Vice Chairman), Lt. Kenneth White and Finance Director Chuck Powers. Mayor Romano and Philip Blumel were 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.

Action: Motion made by Mr. Powers and seconded by Lt. White to waive the rules and add New Business B-4 Request from Richard A. Sluman for vested retirement, effective June 16, 2001.

Vote: All Aye.

C. Employees' and Police Retirement Boards:

Action: Motion made by Mr. Powers and seconded by Lt. White to waive the rules and reorder the 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 in 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 which 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 but 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. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

None.

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 proposals for a self-directed DROP program.

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

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

Action: Motion made by Mr. Powers and seconded by Lt. White 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. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

- 1. Schedule election and appoint Judge and Clerk to conduct election for Employee member to serve on Board for three-year term to expire August 1, 2004. (Deputy Chief Hampshire's term expires 8/1/2001)**

Action: It was moved by Lt. White and seconded by Mr. Powers, to hold the election from July 24-26, 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 Lt. Wellborn as the judge and Secretary Lori Kelly as the clerk.

Vote: All Aye.

- 2. From Sergeant Kevin Conry, Police Department, requesting duty disability retirement.**

Confidential discussion ensued regarding proper procedures to be considered in order to process the application and the details pertinent to the application. After all medical records were received, Sgt. Conry would be sent by the Board for an independent evaluation of his condition.

Action: Motion made by Lt. White and seconded by Mr. Powers to accept and process the application.

Vote: All Aye.

- 3. Consider payment of \$200.00 fee to Dr. Neil Merkatz for copy of Sgt. Kevin Conry's medical file.**

Action: Motion made by Lt White and seconded by Mr. Powers to authorize payment of the \$200.00 fee to Dr. Neil Merkatz for a copy of Sgt. Kevin Conry's medical file.

Vote: All Aye.

- 4. From Richard A. Sluman requesting vested retirement, per Section 16-144(b) of the Police Pension Code effective June 16, 2001.**

Action: Motion made by Lt. White and seconded by Mr. Powers to accept, with regret, the request of Richard A. Sluman for vested retirement, per Section 16-144(b) of the Police Pension Code, effective June 16, 2001.

Vote: All Aye.

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 Lt. White 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 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. 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), 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 \$1,100.00 for retainer fee for month of May 2001.**
4. **Authorize payment of invoice from Sugarman & Susskind, dated May 31, 2001, in amount of \$1,110.00 for retainer fee for month of June 2001 and photocopies re Kevin Conry's disability application.**
5. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated May 1, 2001, in amount of \$6,179.65 for Investment Manager services for quarter ending March 31, 2001.**
6. **Authorize payment of invoice from Lazard, dated April 25, 2001, in amount of \$4,898.27 for Investment Manager services for quarter ending March 31, 2001.**

Vote: All Aye.

C. Employees' and Police Retirement Boards:

Action: Motion made by Mr. Powers and seconded by Lt. White 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.**

None.

Vote: All Aye.

VI. ADJOURNMENT:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

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

MINUTES APPROVED: 7-23-03



Mayor Rodney G. Romano, Chair
Employees' Retirement Board

for 

Valerie Hurley, Recording Secretary
Employees' 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.