

MINUTES OF A JOINT WORKSHOP MEETING OF THE BOARDS OF TRUSTEES OF THE EMPLOYEE'S, POLICE, AND FIREFIGHTERS' RETIREMENT SYSTEMS WITH THE CITY COMMISSION HELD IN THE CONFERENCE ROOM AT CITY HALL ON WEDNESDAY, AUGUST 8, 2001 AT 1:30 P.M.

Present were:

Employees' Retirement Board: Vice-Chairman John Charest, Finance Director Chuck Powers, Mrs. Theresa White, and Mr. Robert Lepa. Mayor Rodney Romano (Chairman) was absent.

Police Retirement Board: Deputy Chief Patrick Hampshire (Vice Chairman), Finance Director Chuck Powers, and Lt. Ken White. Mayor Thomas Ramiccio (Chairman) and Mr. Philip Blumel were absent.

Firefighters' Retirement Board: Chairman Jim Shook (arriving at 1:39 p.m.), and Messrs. Mark Lamb and Sam Brandsma. Messrs. Rich Seamon and George Schurter were absent.

City Commission: None present.

Actuary: Mr. Stephen Palmquist, Gabriel, Roeder, Smith & Company.

Also present was Recording Secretary Valerie Hurley (City Clerk's Office).

Deputy Chief Hampshire presided and called the meeting to order at 1:38 p.m.

SUBJECT: REVIEW ACTUARIAL VALUATION REPORT FOR YEAR ENDED SEPTEMBER 30, 2000 WITH GABRIEL, ROEDER, SMITH & COMPANY (STEPHEN PALMQUIST, ACTUARY).

(A copy of the complete October 1, 2000 Actuarial Valuation Report for the City's three pension systems is on file in the City Clerk's Office for those who wish to review it.)

Mr. Palmquist advised that the City's contribution for fiscal year 2001-2002 would be \$507,935 (for all three Systems), which was 3.01% of covered payroll; for fiscal year 2000-2001, the required City contribution was \$940,918, which was 5.41% of covered payroll, indicating a \$432,983 decrease in the required City contribution for fiscal year 2001-2002 (decrease of 2.40% of covered payroll).

The following change in the Employees' and Police Systems was noted: a COLA provision tied to actuarial gains. This change did not affect the employer contributions.

The assumed rate of investment return was 8.5%. Based on the actuarial value of assets, the net investment return for each fund ranged from 12.1% to 13.6%. The market value rate of return was between 10.5% and 14.0% for each fund.

There were gains from salary increases below the assumed rate of 6.5% for all three systems. Salary increases averaged 4.7%, 4.5%, and 3.7% for General Employees, Police Officers, and Firefighters, respectively.

The actuarial experience translated into a decrease in annual employer contributions of 5.38% of covered payroll for General Employees, 2.57% of covered payroll for Police Officers and 3.64% of covered payroll for Firefighters.

The COLA due for 1999 (payable beginning June 1, 2000) was 2.5% for Employees and 1.9% for Police. The COLA due for 2000 was 3.4% for Employees and 3.2% for Police. The 13th check to be divided among the 36 Firefighters' retirees in December 2001 was \$65,888.

Mr. Palmquist conveyed his appreciation for the long-standing association with the three plans, adding that he had been the plans' actuary since 1973.

The meeting adjourned at 2:48 p.m.

MINUTES APPROVED: 12/12/01



Mayor Rodney G. Romano, Chair
Employees' and Police Retirement Board



City Clerk Barbara A. Forsythe, Secretary
Employees' and Police Retirement Board



Chairman James Shook
Firefighters' Retirement Board

Richard Seamon, Secretary
Firefighters' Retirement Board

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