

**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, DECEMBER 12, 2001, AT 1:30 P.M.**

I. ROLL CALL:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

The Vice Chair called the meeting to order at 1:31 p.m.

Trustees present Deputy Chief Patrick Hampshire (Vice Chair), Finance Director Chuck Powers, Lt. Kenneth White, and Philip Blumel. Absent was Mayor Rodney Romano (Chairman). Also present were Board Attorney Robert A. Sugarman and Recording Secretary Valerie Hurley, City Clerk's Office.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

B. Police Retirement Board.

C. Employees' and Police Retirement Boards:

Reorder Unfinished Business C-4 and New Business C-1 to follow this item.

(III. UNFINISHED BUSINESS:)

(C. Employees' and Police Retirement Boards:)

(4.) Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to discuss self-directed DROP

Action: Motion made by Mr. Powers and seconded by Lt. White, to table discussion at this time.

Vote: 4-Aye. Nay-none.

(IV. **NEW BUSINESS:**)

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

- (1.) **Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending September 30, 2001**

As of September 2001, the fund had a market value of \$19,925,830 including accrued income. This represented a decrease in value from the previous quarter of \$1,736,220. The total fund earned a -1,174,098 and paid out \$562,122 in net distributions.

As of September 30, 2001, 53.0% of the fund was invested in equities including international equity, 45.4% in bonds, and 1.6% in cash and equivalents. The allocation to stocks was slightly more aggressive than the median fund.

For the quarter, the fund earned a -5.5% return, which ranked in the Top 46% of the public balanced funds.

III. **UNFINISHED BUSINESS:**

A. **Employees' Retirement Board:**

B. **Police Retirement Board:**

None.

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

1. **Consider amendment of Section 16 – 151 (c) (d) – Severance benefits, per Ordinance No. 90-4 and actuarial study for lowering age for vested termination benefit to normal retirement age or lowering normal retirement age to 55 or both**

Action: Motion made by Lt. White and seconded by Mr. Powers, to table discussion at this time.

Vote: 4-Aye. Nay-none.

2. **Receive and file letter dated October 25, 2001, from Michael Callaway, Vice President, Merrill Lynch Consulting Services, regarding self-directed DROP**

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

Vote: 4-Aye. Nay-none.

3. **Receive and file letter dated October 8, 2001, from J. Stephen Palmquist, Actuary, Gabriel, Roeder, Smith & Company, regarding actuarial study for proposed amendment to Pension Code allowing actuarial gains in excess of stated Consumer Price Index (CPI) to be carried forward for future COLAs**

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

Vote: 4-Aye. Nay-none.

4. **Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to discuss self-directed DROP**

Discussed earlier in meeting.

IV. NEW BUSINESS:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

1. **From Lt. Paul Patti, requesting entrance into Deferred Retirement Option Plan (DROP), effective January 5, 2002**

Action: Motion made by Mr. Powers and seconded by Lt. White to grant the request of Paul Patti, for entrance into Deferred Retirement Option Plan (DROP), effective January 5, 2002.

Vote: 4-Aye, Nay-none.

2. From Judith Fleming, requesting entrance into Deferred Retirement Option Plan (DROP), effective January 5, 2002

Action: Motion made by Mr. Powers and seconded by Lt. White to grant the request of Judith Fleming, for entrance into Deferred Retirement Option Plan (DROP), effective January 5, 2002

Vote: 4-Aye, Nay-none.

C. Employees' and Police Retirement Boards:

1. Mr. Michael Callaway, Vice President, Merrill Lynch Consulting Services, to review fund valuation for quarter ending September 30, 2001

Discussed earlier in meeting.

V. CONSENT AGENDA:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

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

- 1. Authorize payment of invoice from Sugarman & Susskind, dated October 3, 2001, in amount of \$2,171.31 for retainer fee for month of October 2001 (\$1,100), medical records for Conry's request for disability retirement (\$78.16), and IME appointment (\$675.00) and medical records (\$318.15) for Viera's request for disability retirement**
- 2. Receive fee advice from PIMCO (Oppenheimer Capital), dated September 30, 2001, in amount of \$10,1662.76 for investment management services for quarter ending September 30, 2001**
- 3. Receive fee advice from Salem Trust, dated October 15, 2001, in amount of \$829.23 for custodian services for quarter ending September 30, 2001**

4. **Authorize payment of invoice from Davis Hamilton Jackson & Associates, dated October 22, 2001, in amount of \$5,696.67 for investment management services for quarter ending September 30, 2001**
5. **Authorize payment of invoice from Lazard Asset Management, dated October 19, 2001, in amount of \$5,824.70 for investment management services for quarter ending September 30, 2001**
6. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, dated October 31, 2001, in amount of \$3,759.00 for first of three payments for October 1, 2001, Actuarial Valuation Report calculated as 25% of fee for last Report (\$3,765)**
7. **Authorize payment of invoice from Sugarman & Susskind, dated November 6, 2001, in amount of \$1,100.00 for retainer fee for month of November 2001**
8. **Approve minutes of November 29, 2000, regular meeting, as submitted**

Vote: 4-Aye, Nay-none.

Deputy Chief Hampshire exited the meeting at 2:50 p.m.

C. Employees' and Police Retirement Boards:

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

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

Check Disbursed 10-04-01:

Steven F. Quagliaroli, 4 Years/1 Month/14 Days, \$8,999.36, separated from service August 28, 2001.

Check Disbursed 10-18-01:

Micah Skowronski, Police Department, 8 Months, \$1,499.74, separated from service October 5, 2001.

VI. ADJOURNMENT:

A. Pertained to Employees' Retirement Board:

B. Police Retirement Board:

Meeting adjourned at 3:00 p.m.

MINUTES APPROVED: 7-23-03



Mayor Rodney G. Romano, Chair
Police Retirement Board

for 

Valerie Hurley, 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.