

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
FEBRUARY 28, 2006,
AT 3:00 P.M.**

I. ROLL CALL: 3:00 PM

A. Employees' Retirement Board:

The Chair called the meeting to order at 3:19 p.m.

Trustees present from the Employees' Retirement Board were Valerie Hurley (Chair), Finance Director Anne Costello (Vice Chair), Robert Lepa, Robert Kahant, and Mayor Marc J. Drautz. Also present were Board Attorney Robert Sugarman, Sugarman & Susskind, and Recording Secretary Evanna Stephenson, City Clerk's Office.

B. Police Retirement Board:

The Vice Chair called the meeting to order at 3:19 p.m.

Trustees present from the Police Retirement Board were Lt. Kenneth White (Chairman), Finance Director Anne Costello, Gary "Bo" Allen, and Mayor Marc J. Drautz. Absent was Mark Bouchard (Vice Chair). Also present were Board Attorney Robert Sugarman, Sugarman & Susskind and Recording Secretary Evanna Stephenson, City Clerk's Office.

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

None.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

1. Clarence Morgan, Streets, requests non-duty disability instead of duty disability

Ms. Hurley gave a brief update to the Board and asked if the Board Secretary should schedule Mr. Morgan for a doctor's appointment.

Ms. Costello said if Mr. Morgan did have the surgery, he would be in rehabilitation for a year and said she informed him if he did recover, he would be expected to come back to work.

The Board Attorney said he could arrange a doctor's evaluation, people were usually measured for disability after surgery, asked if Mr. Morgan had any sick leave banked, and recommended granting Mr. Morgan's request now and see if the City was going to hire him back.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to approve Clarence Morgan's request for non-duty disability, to be effective the day after Mr. Morgan goes off the City's payroll.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Lepa, Mr. Kahant, and Mayor Drautz. NAYS: None.

B. Police Retirement Board:

None.

C. Employees' and Police Retirement Boards:

1. Discuss results from fee requests from Asset Consulting Group, Pension Fund Evaluations, Inc. and BCA (Institutional Investment Advisor)

The Board Attorney gave a brief update; said he sent letters to firms that his clients were happy with; said he would be happy to negotiate with Merrill Lynch; the Board was not obligated to accept the firm with the lowest fee; and neither Merrill Lynch, nor Smith Barney Group, sell their information.

Mr. Lepa asked why there was disparity in the fee amounts, if it would be more time efficient to ask BCA to make a presentation, or the Board Attorney could negotiate with Merrill Lynch to get them to agree to the Board's terms.

CONSENSUS - direct the Board Attorney to negotiate with Merrill Lynch.

2. Update regarding how retirement calculations are done and recommendations regarding training

Ms. Costello said Stephen Palmquist visited the Finance Department and spoke with Mary Henline and Phyllis Thrasher to review how pension calculations were being computed now; said Mr. Palmquist did not find any errors at this time; had proposals for future calculations; and would provide a formal proposal to the Board for software that would do only calculations or a complete package that included everything from calculations to printing benefit statements and would interface with the City's payroll.

The Board Attorney said there were web-based calculators available, some of his clients use that method now, and suggested telling Mr. Palmquist that the Board wanted the web-based system.

Mr. Lepa asked how hard it would be to make update changes to a software program, who paid for final calculations, and if it would be more efficient to do calculations on a quarterly basis.

Mr. Lepa left the meeting at 4:00 p.m.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to direct the Board Secretary to contact Mr. Palmquist to provide the Board with a presentation and cost for a basic, mediocre, high end, and web-based program.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

Action: Motion made by Mayor Drautz and seconded by Mr. Allen to direct the Board Secretary to contact Mr. Palmquist to provide the Board with a presentation and cost for a basic, mediocre, high end, and web-based program.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, Mr. Allen, and Mayor Drautz. NAYS: None.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

- 1. Vivian Salmon, Garage, requests entrance into the Deferred Retirement Option Plan (DROP), to be effective February 1, 2006**

Action: Motion made by Ms. Costello and seconded by Mayor Drautz to accept, with regret, Vivian Salmon's request for entrance into the Deferred Retirement Option Plan (DROP), to be effective February 1, 2006.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

2. Brenda Wellhoff, Dispatch, requests non-duty disability

Ms. Hurley was concerned that the medical form appeared to be filled out in the same handwriting as the doctor's paperwork and the paperwork did not have the doctor's signature, but had the doctor's name and address stamped on it. She asked if the Board wanted to accept the application.

The Board Attorney suggested having the Board Secretary confirm that the paperwork was processed at the doctor's office, that the stamp was indeed that of the doctor's office, and suggested a signature line for the doctor should be added to the disability paperwork.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to accept Brenda Wellhoff's request for non-duty disability, to be effective the day after Ms. Wellhoff goes off the City's payroll.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

3. Bill Bucklew, Building & Zoning, requests to purchase 2 years of military buyback and regular retirement based on the Rule of 20 Years and Out

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to accept, with regret, Bill Bucklew's request to purchase 2 years of military buyback and regular retirement based on the Rule of 20 Years and Out, to be effective March 17, 2006.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

B. Police Retirement Board:

1. Gerald Craig, Police Department, requests regular retirement based on the Rule of 55 & 10, to be effective May 1, 2006

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

Action: Motion made by Mayor Drautz and seconded by Mr. Allen to request quotes for \$1.5 million - \$3 million of fiduciary liability insurance for the Police Retirement Board upon renewal.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, Mr. Allen, and Mayor Drautz. NAYS: None.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind dated February 3, 2006 in amount of \$1,041.87**
- 2. Authorize payment of invoice from Lazard Asset Management in amount of \$14,132.46 for period October 1 – December 31, 2005**
- 3. Authorize payment of invoice from Davis Hamilton Jackson & Associates in amount of \$13,266.67 for period October 1 – December 31, 2005**

Action: Motion made by Ms. Costello and seconded by Mayor Drautz to approve Consent (A) in its entirety, as presented.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

B. Police Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind dated February 3, 2006 in amount of 1,562.80**
- 2. Authorize payment of invoice from Lazard Asset Management in amount \$4,764.03 for period October 1 – December 31, 2005**
- 3. Authorize payment of invoice from Davis Hamilton Jackson & Associates in amount of \$4,530.73 for period October 1 – December 31, 2005**

Action: Motion made by Mr. Allen and seconded by Ms. Costello to accept, with regret, Gerald Craig's request for regular retirement based on the Rule of 55 & 10, to be effective May 1, 2006.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, Mr. Allen, and Mayor Drautz. NAYS: None.

C. Employees' and Police Retirement Boards:

1. Discuss cost of living allowance (COLA)

Ms. Hurley said Officer Bouchard asked for that discussion regarding cost of living allowance (COLA) be placed on the agenda.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to table discussion regarding the cost of living allowance (COLA) until the next meeting.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

Action: Motion made by Mayor Drautz and seconded by Mr. Allen to table discussion regarding the cost of living allowance (COLA) until the next meeting.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, Mr. Allen, and Mayor Drautz. NAYS: None.

2. Discuss fiduciary liability insurance

Ms. Hurley said each plan had a \$1 million policy for fiduciary liability insurance and asked the Board Attorney if that was enough.

The Board Attorney suggested getting \$3 million - \$5 million of fiduciary liability insurance for the Employees' Retirement Board upon renewal and \$1.5 million - \$3 million of fiduciary liability insurance for the Police Retirement Board upon renewal.

Ms. Costello said the renewal date was August 31, 2006.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to request quotes for \$3 million - \$5 million of fiduciary liability insurance for the Employees' Retirement Board upon renewal.

Action: Motion made by Mr. Allen and seconded by Ms. Costello to approve Consent (B) in its entirety, as presented.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, Mr. Allen, and Mayor Drautz. NAYS: None.

C. Employees' and Police Retirement Boards:

- 1. Approve minutes of January 24, 2006, joint meeting, as presented**
- 2. Ratify refunds of pension contributions as reported by Finance Department**

Employees Pension Fund:

Checks Disbursed 01-31-06

Carlos Herrera, PW – Parks, 4 Months/13 Days, \$440.49, separated December 21, 2005

Barbara Rupp, Utilities – Customer Service, 7 Months/13 Days, \$920.32, separated November 9, 2005

Aleksey Vyskrebentsev, Finance, 2 Years/8 Months/23 Days, \$4,743.54, separated January 1, 2006

Police Pension Fund:

Check Disbursed 01-31-06

Michael Lundy, Police, 2 Years/9 Months/21 Days, \$7,803.07, separated January 12, 2006

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to approve Consent (C) in its entirety, as presented.

Vote: Voice vote showed: AYES: Ms. Hurley, Ms. Costello, Mr. Kahant, and Mayor Drautz. NAYS: None.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to approve Consent (C) in its entirety, as presented.

Vote: Voice vote showed: AYES: Lt. White, Ms. Costello, Mr. Allen, and Mayor Drautz. NAYS: None.

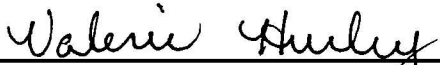
D. Board Attorney's Report:

The Board Attorney said he sent letters to firms asking for fee indicators, not prospectus; reminded Trustees that they needed to attend training; and answered questions regarding the DROP.

VI. ADJOURNMENT:

The meeting adjourned at 4:30 p.m.

MINUTES APPROVED: 3-28-06


Valerie Hurley, Chair
Employees' Retirement Board


Kenneth White, Chairman
Police Retirement Board


Evanna Stephenson, Recording Secretary
Employees' & Police Retirement Boards

Minutes transcribed by: Evanna C. Stephenson, City Clerk's Office.

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