

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT
CITY HALL ON TUESDAY,
JANUARY 23, 2007,
AT 3:00 P.M.**

I. ROLL CALL: 3:00 PM

A. Employees' Retirement Board:

The Chair called the meeting to order at 3:06 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 Kenneth Harrison, Esquire, sitting in for Board Attorney Robert Sugarman, Sugarman & Susskind and Recording Secretary Evanna Stephenson, City Clerk's Office.

B. Police Retirement Board:

The Chair called the meeting to order at 3:06 p.m.

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

II. ADDITIONS/DELETIONS/REORDERING:

A. Employees' Retirement Board:

1. **Add Consent, Item A-5 - authorize payment of invoice from Davis, Hamilton, Jackson & Associates, for period October 1 - December 31, 2006, in amount of \$17,524.91**

Action: Motion made by Mayor Drautz and seconded by Mr. Lepa to approve the agenda as set at this time.

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

B. Police Retirement Board:

1. **Add Consent, Item B-5 - authorize payment of invoice from Davis, Hamilton, Jackson & Associates, for period October 1 - December 31, 2006, in amount of \$5,816.93**

Action: Motion made by Mayor Drautz and seconded by Officer Bouchard to approve the agenda as set at this time.

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

C. Employees' and Police Retirement Boards:

None.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

1. **Update regarding hurricane pay inclusion in final average compensation**

Ms. Costello explained the Finance Department was compiling a list of employees who worked during the hurricanes. She said she would provide the list as soon as it was verified and asked that this item be scheduled to be discussed at the next meeting.

2. **Letter dated January 16, 2007, from Stephen Palmquist; Gabriel, Roeder, Smith & Company, regarding retroactive payment for Donald Webb**

Ms. Hurley explained that Mr. Webb was re-employed with the City on August 2, 2006, and the calculation was figured through end of the year. She asked if it was necessary to request a corrected retroactive payment calculation from the Actuary. She said if Mr. Webb wanted to return to retirement status, he would have to come back to the Board to request retirement benefits again.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to direct the Board Secretary to request from the Actuary an updated retroactive payment for Donald Webb.

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

3. Discuss Colleen Tidwell's disability application

The Board Attorney explained the independent medical report confirmed that Ms. Tidwell did sustain an on the job injury. He said one doctor stated Ms. Tidwell had not reached maximum medical improvement and suggested Ms. Tidwell should have surgery and therapy.

Ms. Hurley asked if Ms. Tidwell could be placed in another position if she was qualified. She said Ms. Tidwell has been away from her Auxiliary Equipment Operator position since last year, and she is now receiving Social Security benefits.

The Board Attorney said Social Security would not have given Ms. Tidwell benefits if she had not reached maximum medical improvement. He said he recommended deferring this issue and asking Dave Murphy, Risk Management, if there was a provision in Ms. Tidwell's worker's compensation settlement which prohibits her from working for the City.

Action: Motion made by Mr. Lepa and seconded by Mr. Kahant to defer this issue until the Board has received information regarding Ms. Tidwell's workers compensation settlement and invite Dave Murphy, Risk Management, to attend the next meeting to discuss Ms. Tidwell's disability request.

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

B. Police Retirement Board:

1. Update regarding 2005 premium tax moneys

Lt. White explained he received a letter from the State confirming the State had received all the information it needed from the City to release premium tax moneys. He said he spoke with Judy Fleming, Division II, and she had not received a check, but she expected to receive it soon.

At this time, the Board received a telephone call from Dave Murphy, Risk Management.

Ms. Hurley explained the Board had discussed Ms. Tidwell's disability request. She asked Mr. Murphy if Ms. Tidwell was eligible to work for the City in another position.

Mr. Murphy explained that Ms. Tidwell was no longer eligible to work for the City because of restrictions in the worker's compensation settlement.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to reconsider previous action the Board approved regarding Ms. Tidwell's disability request.

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

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to approve Ms. Tidwell's disability request.

Mr. Kahant asked if Ms. Tidwell needed to be re-evaluated again if she could not work for the City.

The Board Attorney explained the plan required that all disability retirees annually submit to the Board an Affidavit and a doctor's note.

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

C. Employees' and Police Retirement Boards:

1. Update regarding contract with Aletheia

The Board Attorney explained draft contracts were sent to Aletheia for review, but the contracts were returned to him with revisions. He said he reviewed the revisions, and the revisions were acceptable.

Officer Bouchard left the meeting at 3:45 p.m.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

None.

B. Police Retirement Board:

1. Letter dated January 4, 2007, from Stephen Palmquist; Gabriel, Roeder, Smith & Company, regarding page 6a for inclusion in the 2006 Annual Report

The Board Attorney explained that page 6a was to be included in the 2006 Annual Report when it was submitted to the State by the Finance Department.

Action: Motion made by Mayor Drautz and seconded by Officer Bouchard to receive and file a letter dated January 4, 2007, from Stephen Palmquist; Gabriel, Roeder, Smith & Company, regarding page 6a for inclusion in the 2006 Annual Report.

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

C. Employees' and Police Retirement Boards:

1. Letter dated January, 2007, from Bolton Partners, Inc., an independent benefits, actuarial, investment and compensation consulting firm

Ms. Costello explained she had received information regarding GASB-45. She said the Board needed to engage a consultant to do this new evaluation for post employment benefits, which needed to be implemented prior to 2009.

Mr. Lepa asked if Stephen Palmquist, Actuary, could do this new evaluation.

The Board Attorney recommended sending a letter to Bolton Partners, Inc. asking them what they would charge the Board to conduct a GASB-45 evaluation and sending a letter to Stephen Palmquist, Actuary, asking him if the GASB-45 evaluation was included in their retainer, and if not, what they would charge.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to direct the Board Secretary to send a letter to Bolton Partners, Inc. asking them what they would charge the Board to conduct a GASB-45 evaluation and send a letter to Stephen Palmquist, Actuary, asking him if the GASB-45 evaluation was included in the retainer, and if not, what he would charge.

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

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to direct the Board Secretary to send a letter to Bolton Partners, Inc. asking them what they would charge the Board to conduct a GASB-45 evaluation and send a letter to Stephen Palmquist, Actuary, asking him if the GASB-45 evaluation was included in the retainer, and if not, what he would charge.

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

2. Letter dated December 19, 2006, from Salem Trust, regarding securities lending program

The Board Attorney explained that Salem Trust was now trading securities. He said he did not recommend the Board trading securities with them because the Board would only receive 50 percent.

Action: Motion made by Mr. Lepa and seconded by Mayor Drautz to receive and file a letter dated December 19, 2006, from Salem Trust, regarding securities lending program.

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

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to receive and file a letter dated December 19, 2006, from Salem Trust, regarding securities lending program.

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

3. Letter dated December 4, 2006, from Lynch, Jones & Ryan, regarding merging with BNY Brokerage LLC, the parent company of LJR

The Board Attorney explained the parent company of Lynch, Jones & Ryan was merging with BNY Brokerage LLC, and this should not have any impact on the Board.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello to receive and file a letter dated December 4, 2006, from Lynch, Jones & Ryan, regarding merging with BNY Brokerage LLC, the parent company LJR.

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

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to receive and file a letter dated December 4, 2006, from Lynch, Jones & Ryan, regarding merging with BNY Brokerage LLC, the parent company LJR.

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

4. Letter dated December 21, 2006, from Lynch, Jones & Ryan, regarding commission recapture network pricing addendum

The Board Attorney explained the letter was a pricing addendum for commission recapture.

Action: Motion made by Mr. Lepa and seconded by Ms. Costello to receive and file a letter dated December 21, 2006, from Lynch, Jones & Ryan, regarding commission recapture network pricing addendum.

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

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to receive and file a letter dated December 21, 2006, from Lynch, Jones & Ryan, regarding commission recapture network pricing addendum.

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

V. CONSENT AGENDA:

A. Employees' Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, in amount of \$2,083.74**
- 2. Authorize payment of invoice from Richmond Capital Management, for 4th quarter ending December 31, 2006, in amount of \$19,943**
- 3. Authorize payment of invoice from Gabriel, Roeder, Smith & Company, for calculation of corrected pensions for retirees since 1997; preparation of revised tables to be used to calculate optional forms of benefits (Note: Actual time charges exceeded \$7,000) (proj #100780-106 - \$5,000); buy back calculation for Ridge (proj #100780-606 - \$400) - total amount \$5,400**
- 4. Receive fee advice from Salem Trust, for period October 1 - December 31, 2006, in amount of \$5,233.56**
- 5. (Add) - authorize payment of invoice from Davis, Hamilton, Jackson & Associates, for period October 1 - December 31, 2006, in amount of \$17,524.91**

Ms. Hurley said she wanted to remove Item 3 from Consent (A) for discussion.

Action: Motion made by Mayor Drautz and seconded by Mr. Lepa to approve Consent (A), less Item 3, as presented.

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

Discussion ensued regarding Item 3 of Consent (A).

Ms. Hurley said she realized the Actuary gave the Board a \$2,000 deduction, but she was not willing to pay more than \$3,500 for the corrected pension calculations for retirees because the Actuary shared as much fault as the Board. The Actuary could not find any record that the updated calculation chart was forwarded to the Finance Department.

Mr. Lepa said he agreed that both parties were to blame and should share the liability equally.

Mayor Drautz suggested the Board Attorney should draft a letter to the Actuary stating the Board would pay half of the amount billed, which was \$3,500, because both parties were at fault.

Action: Motion made by Mayor Drautz and seconded by Mr. Lepa to direct the Board Attorney to draft a letter to the Actuary stating the Board would pay half of the amount billed, which was \$3,500, because both parties were at fault.

Mr. Lepa said a 50/50 split of the expenses with the Actuary was fair.

Action: Amended motion made by Mayor Drautz and seconded by Mr. Lepa to direct the Board Attorney to draft a letter to the Actuary stating the Board had no responsibility for the error and would agree to 50/50 split of the expenses.

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

B. Police Retirement Board:

- 1. Authorize payment of invoice from Sugarman & Susskind, in amount of \$3,125.60**
- 2. Authorize payment of invoice from Richmond Capital Management, for 4th quarter ending December 31, 2006, in amount of \$6,489**

3. **Authorize payment of invoice from Gabriel, Roeder, Smith & Company, for calculation of corrected pensions for retirees since 1997; preparation of revised tables to be used to calculate optional forms of benefits (Note: Actual time charges exceeded \$6,000) (proj #100790-106) in amount of \$4,000; buy back calculation for Hermanson (proj #100790-606 \$400) - total amount \$4,400**
4. **Receive fee advice from Salem Trust, for period October 1 - December 31, 2006, in amount of \$1,713.83**
5. **(Add) - authorize payment of invoice from Davis, Hamilton, Jackson & Associates, for period October 1 - December 31, 2006, in amount of \$17,524.91**

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to approve Consent (B), less Item 3, as presented.

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

Discussion ensued regarding Item 3 of Consent (B).

Lt. White agreed that the 50/50 split of the expenses with the Actuary was fair.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to direct the Board Attorney to draft a letter to the Actuary stating the Board had no responsibility for the error and would agree to 50/50 split of the expenses.

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

C. Employees' and Police Retirement Boards:

1. **Approve minutes of September 26, 2006, joint meeting, as presented**
2. **Approve minutes of October 24, 2006, joint meeting, as presented**
3. **Approve minutes of October 30, 2006, joint meeting, as presented**
4. **Approve minutes of November 2, 2006, joint meeting, as presented**
5. **Approve minutes of November 3, 2006, joint meeting, as presented**

6. Approve minutes of November 27, 2006, joint meeting, as presented

Ms. Hurley said she wanted the minutes of the September 26, 2006, joint meeting to be amended. On page 4, third paragraph, second sentence, ..."not all survivor benefit calculations"...

Action: Motion made by Mayor Drautz and seconded by Mr. Lepa to approve Consent (C), less September 26, 2006, joint meeting minutes, as presented and approve September 26, 2006, joint meeting minutes, as amended.

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

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to approve Consent (C), less September 26, 2006, joint meeting minutes, as presented and approve September 26, 2006, joint meeting minutes, as amended.

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

D. Board Attorney's Report:

The Board Attorney explained the Internal Revenue Service came out with guidelines regarding the Pension Protection Act (PPA) for Police Officers. He said that only employer provided insurance premiums were allowed to be pre-taxed up to \$3,000 a year.

The Board Attorney gave a brief update regarding the Records Retention Schedule. He said a few of the retention schedules were changed during the last legislative session, and he recommended the Trustees formally adopt the updated schedule.

Action: Motion made by Mayor Drautz and seconded by Ms. Costello to adopt the amended Records Retention Schedule.

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

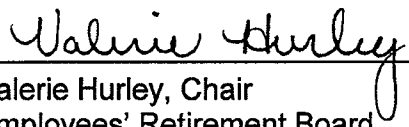
Action: Motion made by Mayor Drautz and seconded by Ms. Costello to adopt the amended Records Retention Schedule.

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

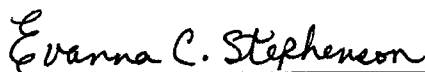
VI. **ADJOURNMENT:**

The meeting adjourned at 4:21 p.m.

MINUTES APPROVED: 5-29-2007


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.

An audio recording of this meeting will be available in the Office of the City Clerk for two years after approval of these minutes.