

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
TUESDAY, JANUARY 19, 2010 at 2:00 PM**

I. ROLL CALL: 2:07 PM

A. Employees' Retirement Board:

A meeting was called to order at 2:07 PM.

Those persons present included:

Trustees: Valerie Hurley, Chair
Robert Lepa, Vice-Chair
Rene Varela, Mayor
Robert Kahant
Michael Geoghegan

Others: Ken Harrison, Sugarman & Susskind
J. Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Members of Public:
Jacqueline Wildman
Holly Johnson
Donald Mead

B. Police Retirement Board:

A meeting was called to order at 2:07 PM.

Those persons present included:

Trustees: Rene Varela, Mayor
Kerri Casper
Michael Geoghegan

Others: Ken Harrison, Sugarman & Susskind
J. Scott Baur, Resource Centers
Dixie Martinez, Resource Centers
Members of Public

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

No additions, deletions or reordering to the Agenda were made for the General Retirement Board.

B. Police Retirement Board:

No additions, deletions or reordering to the Agenda were made for the Police Retirement Board.

III. UNFINISHED BUSINESS

A. Employees' Retirement Board:

B. Police Retirement Board:

C. Employees' and Police Retirement Boards:

1. Appeal to the Board by Jaqueline Wildman:

Ms. Martinez reported that they had received GRS certification on Ms. Wildman's final calculation. Mr. Harrison reported that this item on the Agenda had been tabled from last meeting pending actuary's certification. Ms. Wildman explained that her estimated calculations changed by \$50.00 to 108.00. Mr. Harrison explained that all calculations are preliminary, subject to review by the Actuary and approval by the Board. Mr. Baur explained that at the end of July his office had received payroll data that included a vacation payment made to Ms. Wildman which was not pensionable. Mr. Baur explained that once the estimated calculation was processed by his office for Ms. Wildman, it was sent to the city and the amount was questioned. Mr. Baur reported that in mid November and due to the urgency to send payment to Ms. Wildman his office had further provided her with an estimated calculation and had sent her payment while still going through the normal internal review, pending actuary's certification, and approval by the Board. Ms. Wildman explained that following her payment she had received a letter explaining that she had been overpaid by \$108 and change each month. Mr. Harrison explained that it's the Board's responsibility to make every effort to make sure that calculations are correct and if an error is discovered they have the responsibility to fix the error and if there is an overpayment or an underpayment it's at the Boards discretion to wave those amounts.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to approve the final calculation that was certified by the actuary for Jaqueline Wildman and to waive the \$216.64 overpayment.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

2. Benefit Recalculations:

a. Appeal to the Board by Janet Petrone:

Action: Consensus of the Board to move item III.C.2.a. Appeal to the Board by Janet Petrone until her arrival.

b. Appeal to the Board by Holly B Johnson:

Mr. Baur reported that he had received new information within the last day regarding a longevity payment that had been not included on the City's recalculation nor was it included on the recalculation he had processed. Mr. Baur explained that no pension contributions had been deducted from the longevity payment therefore when the City recalculated her benefit they had excluded the longevity payment. Mr. Baur is currently recreating the payroll history for Ms. Johnson and will need additional time to finish it. Ms. Hurley commented that the Board will move on to Mr. Mead's appeal and come back to

Ms. Johnson's appeal as soon as Mr. Baur had finished working with her payroll history.

c. Appeal to the Board by Donald Mead:

Mr. Baur reported that he had also received new information on Mr. Mead and this new information did not get them back to the original benefit calculation but it got them half way there. Mr. Baur explained that in the case of Mr. Mead's original calculation, his benefit was calculated at \$4,195.32 per month. Mr. Baur explained that the City had done a recalculation where they determined his benefit should be \$4,095.38. The City's notes on Mr. Mead's recalculation were vague. Mr. Baur reported that he had processed a recalculation of Mr. Mead's benefit of \$4,115.58 which only revised the final average salary to include .3 extra weeks and he also added 10 days back to his service. Mr. Baur's recalculation was \$10.00 more than the City's recalculation based on those two items. The information that Mr. Baur just received is that there was a retro pay for \$972.53 where pension contributions had not been deducted but it were added to the original calculation but not into the city's recalculation. Mr. Baur has gone ahead and entered the \$972.53 back into the recalculation. Mr. Baur explained that his position on this recalculation is that if there was an amount like longevity pay or retro pay that should have been pensionable but was not, the correct response or fix to that is not to then exclude those amounts from a pension calculation but to include them and then if a member owes pension contributions on those amounts that's a different issue. Mr. Baur explained that we should not be revising calculations or excluding these amounts, it's not the correct way to process a calculation. Mr. Baur explained that we should be able to include these amounts and ask the members to pay the pension contributions owed. Mr. Baur reported that in the case of Mr. Mead's calculation by adding the \$972.53 retro pay it does bring his calculation up to \$4,144.87 but they still have a difference going back to his original calculation. Ms. Hurley's recommended labeling this item to the next Pension Board meeting until the Board receives final authorization from Palmquist that this is the correct amount.

Mr. Mead explained that Ms. Martinez had just provided him with a copy of the new calculation that included the retro pay. Mr. Mead explained that he wants an explanation of all the differences from the original calculation processed at the time of his retirement. Mr. Baur explained that he will need to go back to 1998 to be able to verify the payroll totals. Ms. Hurley asked why there was a check on November 4th, 1999 for only \$500. Mr. Mead explained that he believes it was when he was on workers comp. Ms. Hurley asked Mr. Geoghegan if he could find out if Mr. Mead received a workers comp payment back in 1999 to make up the difference in his salary. Mr. Geoghegan said that he would look into it. Ms. Hurley explained that she does not believe Mr. Mead's recalculation should go to the actuary until the Board can confirm if there was a workers comp payment made to Mr. Mead in 1999. Ms. Hurley recommended tabling this item to the next pension Board meeting or until the Board can confirm if there were additional amounts that needed to be included.

Action: Consensus of the Board to table Mr. Mead's appeal to the Board until next pension Board meeting.

d. Boards Review of Letters of Appeal:

The Board reviewed the letters of appeal from Sue Warner, Mark Thiboult, and Rodney Seagraves.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to schedule the appeals of Sue Warner, Mark Thiboult, and Rodney Seagraves in order of receipt and two per meeting.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

e. Retirees to address the Board:

There were no retirees to address the Board.

b. Appeal to the Board by Holly B Johnson:

Mr. Baur reported that he believes that Ms. Johnson's appeal based on the new information he received will become a moot point. Mr. Baur explained that Ms. Johnson's recalculation of benefit which includes the longevity pay has not been subjected to any internal review or certification by the actuary. Mr. Baur explained that if Ms. Johnson owed pension contributions to the Plan she may have to pay them. Mr. Harrison reported that since Ms. Johnson is still in the DROP they have the option of adjusting her DROP account instead of having her make a payment.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to table Ms. Johnson's appeal until the March meeting provided that the actuary has certified Ms. Johnson recalculation.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

The Board explained to Ms. Johnson why she may owe pension contributions on the longevity payment that she received.

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Benefit Approvals:

Ms. Martinez presented to the General Employees' Pension Board the following benefit applications for approval: Application for retirement for Hyancinth Blake, Roy Clark, Sherrill Clark, Robert McCaffrey, George Murphy, Judy Reed, Dennis Spyker and Jaqueline Wildman; Application to enter the DROP for Wilner Sainteloi; Application for Distribution of DROP account for Theresa White; Application for Refund of Contributions for Tony

Peterson, Sandra Wade and Tamica Clinton.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to approve the application for retirement for Hyacinth Blake, Roy Clark, Sherrill Clark, Robert McCaffrey, George Murphy, Judy Reed, Dennis Spyker, and Jaqueline Wildman.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made by Mr. Geoghegan and seconded by Mr. Lepa to approve the application to enter the DROP for Wilner Sainteloi

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made by Mr. Geoghegan and seconded by Mr. Lepa to approve the application for Distribution of DROP account for Theresa White.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Action: A motion was made by Mr. Lepa and seconded by Mr. Geoghegan to approve the application for Refund of Contributions for Tony Peterson, Sandra Wade, and Tamica Clinton.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

B. Police Retirement Board:

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application to enter the DROP for David Mathews, Deborah Wilson, and Kenneth White.

Action: A motion was made by Ms. Kasper and seconded by Mr. Geoghegan to approve the application to enter the DROP for David Mathews, Deborah Wilson, and Kenneth White.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

C. Employees' and Police Retirement Boards

D. Board Attorney Report:

Mr. Harrison reported that he had been corresponding with Ms. Martinez regarding the calculation for Mr. Michael Brown. Ms. Martinez explained that she believes all of the actuary's questions had been answered and that she was waiting for certification of his benefit. Mr. Harrison reported that Mr. Brown's benefit exceeds the 415 limits and there

will have to be some payment out of the excess provision on the Plan. Mr. Harrison reported that he has been working with the investment monitor regarding the investment policy. Mr. Harrison reported that the investment policy has been revised to comply with the City's policies and if the Pension Plan has any holdings with any of the scrutinized companies they will have to divest. Mr. Harrison reported that the investment consultant will be presenting the revised investment policy to the Board at the next pension Board meeting. The Board had a discussion regarding these changes. The Board asked Ms. Martinez to request a report from the investment manager to see whether or not the Plan has any of those holdings. Mr. Harrison reported that his interpretation of the Policy is that it has to be in place by January 10th therefore in his opinion the Board will be fine if they adopt it at the February meeting.

D. Administrator Report

1. Letter from GRS – City's GASB 45:

Ms. Martinez reported that the City has made the request to the General Employees' Board to grant GRS authorization to use pension data to complete the City's GASB 45 report. Ms. Martinez reported that the letter to the state regarding the annual expected rate of return is ready for the Chair's signature for both Boards. Mr. Harrison reported that the letter needs to be revised to say that the expected annual rate of return for the coming year is 8.25% with the direction to reduce it to 7.75% over the next five years.

Action: A motion was made by Mr. Lepa and seconded by Mr. Geoghegan to authorize GRS to use pension data for the GASB 45 report.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Action: A motion was made by Mr. Lepa and seconded by Mr. Geoghegan to approve the letter to the Division of Retirement regarding the expected annual rate of return with the change as noted by Mr. Harrison.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None

Ms. Martinez reported that she was waiting for a quote to renew the General Employees' fiduciary liability insurance.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

Mr. Geoghegan explained that he wanted to confirm the fees for Rigel Capital. He believes that 80 basis points are a little high. Mr. Baur explained that the investment consultant could address the fees at the next pension Board meeting.

Action: A motion was made by Mr. Lepa and seconded by Mr. Geoghegan to approve the

Consent Agenda, which included a Warrant for invoices.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

B. Police Retirement Board:

Action: A motion was made by Ms. Kasper and seconded by Mr. Geoghegan to approve the Consent Agenda, which included a Warrant for invoices.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

Ms Hurley commented that the Board needed to move back to Ms. Petron's appeal. The Board had a short discussion regarding Ms. Petrone's case. Mr. Geoghegan will research how the City had records of her AFLAC payment. The Board instructed the administrator to contact Ms. Petrone and see if she wanted to reschedule her appeal to the next Pension Board meeting in February.

Action: A motion was made by Mr. Lepa and seconded by Mr. Kahant to table Ms. Petrone's appeal until the February Pension Board meeting.

Vote: Voice vote showed: AYES: Unanimous. NAYS: None.

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Tuesday, February 16 at 2:00 PM, the Trustees adjourned the meeting at 3.22 p.m.

MINUTES APPROVED: February 16, 2010

Valerie Hurley, Chair Employees' Retirement Board

Kenneth White, Chairman Police Retirement Board

Dixie Martinez, Administrator
Employees' & Police Retirement Boards