

**MINUTES OF A JOINT EMPLOYEES' RETIREMENT BOARD
AND POLICE RETIREMENT BOARD MEETING
HELD IN THE CONFERENCE ROOM AT CITY HALL ON
WEDNESDAY, JULY 25, 2012 at 1:30 PM**

I. ROLL CALL: 1:36 PM

A. Employees' Retirement Board:

The Employees' Retirement Board did not have a quorum therefore a workshop was called to order at 1:36 PM.

Those persons present included:

Trustees: Robert Kahant, Chair
Alexis Copeland
Pam Triolo (arrived at 1:38 P.M)

Others: Ken Harrison, Sugarman & Susskind
Dixie Martinez, Resource Centers
Tim Nash, Bogdahn Group
Members of Public:
Valerie Hurley

The Employees' Retirement Board attained a quorum when Ms. Triolo arrived. Therefore a meeting was called to order at 1:38 PM.

B. Police Retirement Board:

A meeting was called to order at 1:36 PM.

Those persons present included:

Trustees: Lt. David Moss, Chair
Sgt. Randy Collier
Karri Casper
Pam Triolo (arrived at 1:38 P.M)

Others: Ken Harrison, Sugarman & Susskind
Dixie Martinez, Resource Centers
Tim Nash, Bogdahn Group
Members of Public:
Valerie Hurley

II. ADDITIONS/ DELETIONS/ REORDERING:

A. Employees' Retirement Board:

B. Police Retirement Board:

The Police Officers' Pension Board added the following items to the Agenda: item IV.E.2. Disability Application for Sheila Horne and IV.E.3. Benefit recalculation due to change in joint annuitant.

Action: A motion was made by Sgt. Collier and seconded by Ms. Casper to add to the following items to the Agenda: IV.E.2. Disability Application for Sheila Horne and IV.E.3. Benefit recalculation due to change in joint annuitant.

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

Ms. Triolo arrived. Therefore a meeting for the General Employees' was called to order at 1:38 PM.

III. UNFINISHED BUSINESS:

A. Employees' Retirement Board:

B. Police Retirement Board:

1. Brenda Koonce McMullen – Disability Application

Ms. Martinez reported that the City had provided copies of Ms. McMullen's 1099-R's for calendar years 1996 and 1997. She reported that it appeared Ms. McMullen's monthly benefit in 1996 was 1,073.08 up until October when she received she received a \$2.50 COLA which increased her monthly benefit to \$1,075.58.

Action: A motion was made by Ms. Casper and seconded by Sgt. Collier to reinstate Ms. Brenda Koonce McMullen's monthly benefit payment in the amount of \$1,075.58 effective May 1, 2012.

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

C. Employees' and Police Retirement Boards:

IV. NEW BUSINESS:

A. Employees' Retirement Board:

1. Benefit Approval:

Ms. Martinez presented to the General Employees' Pension Board the following benefit applications for approval: Refund of Contributions for Denise Rodriguez, Jean Marie Middleton and Michelet St. Claude; Application to Exit the D.R.O.P for Rita Barcaskey, Wilner Sainteloi and Jessie Webster; Application for Distribution of D.R.O.P. Account Balance for Wilner Santeloi, Jessie Webster and Rita Barcaskey and Application for Entering the D.R.O.P for Charles Renfrow.

Action: A motion was made by Ms. Copeland and seconded by Ms. Triolo to approve the following benefit Applications: Refund of Contributions for Denise Rodriguez, Jean Marie Middleton, and Michelet St. Claude.

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

Action: A motion was made by Ms. Copeland and seconded by Ms. Triolo to approve the following benefit Applications: Application to Exit the D.R.O.P for Rita Barcaskey, Wilner Sainteloi and Jessie Webster; Application for Distribution of D.R.O.P. Account Balance for Wilner Santeloi, Jessie Webster and Rita Barcaskey.

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

Action: A motion was made by Ms. Copeland and seconded by Ms. Triolo to approve the following benefit Applications: Entering the D.R.O.P for Charles Renfrow.

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

B. Police Retirement Board:

1. Benefit Approval:

Ms. Martinez presented to the Police Officers' Pension Board the following benefit applications for approval: Application for Distribution of D.R.O.P. Account Balance for Michael D. Mendelsberg.

Action: A motion was made by Sgt. Collier and seconded by Ms. Casper to approve the following benefit Applications: Application for Distribution of D.R.O.P. Account Balance for Michael D. Mendelsberg.

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

C. Employees' and Police Retirement Boards:

1. Investment Consultant Report: Tim Nash, The Bogdahn Group

Mr. Nash reported that after two consecutive quarters of double-digit performance, the equity markets were down for the second quarter. The European debt crisis, China's economic growth, and the U.S. economy weighted on the equity markets. He reported that the majority of sectors were down during quarter ending June 30, 2012. The only positive sectors were Consumer Staples, Health Care, Telecom Services, and Utilities. The worst performers during this quarter were Energy, Financials, and Info Technology. Mr. Nash reviewed the various reasons for managers to be down this quarter. Mr. Nash reported that for quarter ending June 30, 2012 the assets for the General Plan were \$56,446,685 and for the Police Plan they were \$21,642,066. He reviewed the financial reconciliation for each Plan. He reported that the General Employees' Plan was down -3.13% versus the bench mark at -1.62% and the Police Plan was down -3.52% versus the bench mark at -1.64%. He reviewed the individual performances by investment managers. He reported that for right now he does not recommend any changes. Mr. Nash reviewed the compliance check list for each Plan. Ms. Copeland asked Mr. Nash if he will be revisiting the Templeton Global Bond Fund discussion from the last quarterly meeting. Mr. Nash reported that this is an investment that he likes but did not do well during this quarter. He reported that in his opinion this is a good investment for the future. He explained that they will be revisiting this discussion in the near future. Mr. Nash reported that he may need to rebalance the portfolio. Mr. Nash asked the Board if he could start presenting the quarterly report the month immediately following the quarter end. The Board agreed.

2. Engagement Letters From Auditor Steve I Gordon:

Ms. Martinez reported that the Auditor's Engagement Letters were ready for execution. She reported that the fees had increased from \$6,000 to \$6,240. She reported that the \$6,000 had been guaranteed for the 2010 and 2011 audits. The Board discussed the services provided by Auditor Steve Gordon. They agreed to the fee increase but asked Ms. Martinez to request an explanation and to ask Mr. Steve Gordon if he could guarantee the new rate of \$6,240 for the next three years.

Action: A motion was made by Ms. Copeland and seconded by Ms. Triolo to approve the Auditor Engagement Letter for fiscal year end 2012.

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

Action: A motion was made by Sgt. Collier and seconded by Ms. Triolo to approve the Auditor Engagement Letter for fiscal year end 2012.

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

D. Board Attorney's Report:

Mr. Harrison reported that his firm had received a "Notice of Change of Settlement Hearing Date" regarding the Merrill Lynch claim. He reported that basically the settlement hearing date had been changed from July 27, 2012 to July 30, 2012. Ms. Martinez reported that her office received confirmation that the Merrill Lynch Claim Form and Release have been received for both Plans.

Mr. Harrison that the Board had already discussed House Bill 401 at the last Pension Board meeting. He explained that included in their meeting packets there was an informational news letter from his firm. Ms. Martinez reported that her office is working on the notices and designation of beneficiary forms that will be mailed to the active and retired members of the Plan.

Mr. Kahant asked Mr. Harrison if the issue with the LIBOR rate will affect the Pension Plan. Mr. Nash reported that the accusations regarding the LIBOR rate started in 2008 during the credit crisis. He has not heard that the issue applies after 2008. He reported that the Pension Plan did not use this rate in 2008. Mr. Nash briefly explained what the concerns and allegations are regarding the LIBOR rate. Mr. Harrison reported that at this point these are only allegations. Therefore at this time he can not recommend that the Board take an action because nothing has been resolved.

E. ADMINISTRATOR REPORT:

1. Election Results for Term Exp. David Moss.

Ms. Martinez reported that Lt. Todd Baer has been elected to replace Lt. David Moss. Lt. Todd Baer's term starts August 1, 2012 and expires July 31, 2015.

Action: A motion was made by Ms. Triolo and seconded by Sgt. Collier to accept the election results.

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

2. Disability Application for Sheila Horne

Ms. Martinez reported that her office received an application for Disability for Sheila Horne. She reported that Ms. Horne has been in the hospital since May. She reported the information that had been provided to her regarding her medical condition. She reported that Ms. Horne has been approved for a disability retirement from Social Security. Mr. Harrison reported that the only action that the Board can take today is to authorize the administrator to

move forward with this application and request the medical records from her doctors.

Action: A motion was made by Ms. Copeland and seconded by Ms. Triolo to authorize the administrator to move forward with the Disability Request from Ms. Sheila Horne.

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

The Board agreed that if needed they would agree to have a special meeting to expedite the process of the Disability Request from Ms. Sheila Horne.

3. Benefit Recalculation Due to Change in Joint Annuitant

Ms. Martinez reported that there is a retiree who at the time of her retirement elected a 100% Joint and Survivor form of benefit with her husband as the beneficiary. She is currently getting divorced and wants to change her joint annuitant. Since her benefit will need to be recalculated Ms. Martinez needs direction from the Board as to who pays for the recalculation of benefit, the retired member, or the Pension Plan. The Board had a lengthy discussion regarding this matter. The Board asked Ms. Martinez to find out the cost of the recalculation from Gabriel Roeder & Smith. The Board agreed that it should be the member who pays for the recalculation of benefit.

Action: A motion was made by Ms. Copeland and second by Ms. Triolo to authorize the administrator to find out the cost of the recalculation from Gabriel Roeder & Smith and to notify the member that it is the member's responsibility to pay for the recalculation of benefit due to a change in Joint Annuitant.

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

Lt. Moss reported that he had been advised that there seems to be a problem with members' DROP accounts on the website. He explained that the website does not seem to reflect current earnings. Mr. Kahant asked Ms. Martinez when the DROP statements will be mailed.

Ms. Martinez reported that her office will be working on updating all DROP accounts the following week. She reported that the issue with the DROP accounts has to do with the payroll reporting of the DROP participants who elected to continue to make employee contributions into their DROP accounts. She explained that she will be having a meeting with Mr. Baur to see if there is anything that can be done manually in her office to be able to process the DROP statements in a timely manner. She explained that the administrative side of this process has been very difficult but hopes to be able to resolve it for the future. The Board discussed whether discontinuing to allow members to make employee contributions into the DROP account would be helpful. Ms. Martinez reported that she believes that if she can manually code the payroll files on an ongoing basis the problem may be solved. She reported that she will be working on this matter and will report back to the Board at the next meeting.

V. CONSENT AGENDA:

A. Employees' Retirement Board:

1. Warrant for Accounts Payable

B. Police Retirement Board:

1. Warrant for Accounts Payable

C. Employees' and Police Retirement Boards:

1. Approval of Minutes: June 20, 2012 Regular Meeting

Ms. Copeland asked Ms. Martinez to review the wording on page 2, item.III. A.1. second sentence. She believes the wording needs to be changed. Ms. Triolo reported that the word "of" should be removed. Also Ms. Copeland reported that also on page 2. item III.B.1. the word "differed" needs to be changed to "deferred."

Action: For the Employees Retirement Board a motion was made by Ms. Triolo and seconded by Ms. Copeland to approve the consent agenda which included the warrant for accounts payable and minutes of the June 20, 2012 Regular Meeting as corrected.

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

Action: For the Police Retirement Board a motion was made by Ms. Triolo and seconded by Sgt. Collier Copeland to approve the consent agenda which included the warrant for accounts payable and minutes of the June 20, 2012 Regular Meeting as corrected.

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

VI. ADJOURNMENT:

There being no other business and the next meeting having been previously scheduled for Wednesday, August 22, 2012 at 1:30 PM, the General Employees' and Police Officers' Pension Board adjourned the meeting at 3:30 p.m.

MINUTES APPROVED: August 22, 2012

Robert Kahant, Chairman Employees' Retirement Board

, Chairman Police Retirement Board

Dixie Martinez, Administrator
Employees' & Police Retirement Boards