GENERAL PENSION BOARD

MINUTES

July 23, 2009

The Meeting was called to order by Dr. Hugh McGuigan, Chairman

Pledge of Allegiance

Roll Call

PRESENT:

Ivette Ramos
Pamala Prell, Secretary
James Anderson
Bill Schroeder, Vice Chairman
Dr. Hugh McGuigan, Chairman

MINUTES

The Minutes from the April 23, 2009, Meeting were not available due to staff shortages.

INVOICES

A motion was made, seconded and unanimously approved by voice roll call that all invoices listed on the Agenda are to be paid.

FIDUCIARY INSURANCE

A motion was made, seconded and unanimously approved by voice roll call that the fiduciary insurance premium in the amount of $5,574.03 be paid to Gibson & Wirt, Inc.

NEW MEMBERS

Secretary, Pamala Prell, reported that Linda Prell and Ashley Keith had left employment.
Martha Armstrong has retired from the Library.
Retirees Jim O'Reilly, Leah Hoffman and Mike Notek have filed the necessary paperwork to begin pensions.
Retiree Char Hardy had died.

BOGDAHN REPORT

A representative from the firm gave the 3rd fiscal quarter report.

Fees were discussed and it was noted that the City is currently being billed at the rate of 46 basis points total investment management fees on an annual basis. James Anderson requested a review of these fees by Bogdahn.

The representative presented a review of international funds to the Board and noted that the Police Pension Board is also looking at international funds.

Lee Dehner asked that the Commission recapture package be given to the Pension Board and he advised that he will take a look at it.

ATTORNEY REPORT

Lee Dehner brought up several matters, the first of which was the pending change in the Federal Legislature regarding HELPS2 which currently includes insurance for public safety officers. The pending proposal would include all public employees. Lee will provide the documents to the Board if interested.

There are amendments pending in Senate Bill 538, Chapter 175 pertaining to the Fire Dept. and Chapter 185 pertaining to the Police Dept. which amendments would give them the option to increase investments in foreign securities from the current amount of 10% to 25%. Lee suggested that the General Pension Board may want to consider this option and if so, he could add it to the ordinance he is currently drafting.

Another matter that he felt the Pension Board may want to consider is extending the current trustee term from 2 years to 4 years. Police and Fire Boards are considering this change along with expanding by-back opportunities.

The amendment to Rule 60 is still pending.

Financial Disclosures are due and Pamala Prell, Secretary, advised that all from the Board have been filed. She also advised that she received a notice setting out all those who had not yet filed and she is following up with that.

OLD/NEW BUSINESS

Pamala Prell, Secretary, brought up the subject of changing the Drop Plan to allow early retirement, i.e. age fifty and/or ten years service. It was suggested that Foster & Foster do a study and to work up the cost of these changes to the City. It was mentioned that Pamala would fall into the early retirement plan and she might have a conflict of interest in this issue. Lee Dehner advised that was not the case, since the Board was only making a recommendation to the Commission.

Buying service time was the next matter to come before the board and it was pointed out that the Police and Fire Departments are prohibited from such action. The general employees can buy service time, if approved by the Commission. As the Plan now stands, only those who have military service or other government service are granted additional service time. Most employees would not be financially able to come up with the cash. The Board was not in favor of this change. There was no further discuss.

The Board decided not to take any action regarding Mr. Williams' actuarial letter regarding pension cost analysis.

The Finance & Budget Committee has recommended reduction of fully vested member's benefits by 2.7% and increasing contributions by 8.5%. There is also a recommendation before the Commission that a freeze be entered on pension benefits. The Board feels that the "reduction" and "increase" should be applied to new hires only and not current employees. It was decided that the Board would not take any action at this time however, before the first reading by the Commission, the Board will give its recommendation to the Commission.

ADJOUNMENT

Upon motion duly made, seconded and unanimously approved by voice roll call, the Meeting was adjourned.

Hugh E. McGuigan

Dr. Hugh E. McGuigan

ATTEST:

Pamala Prell

Pamala Prell, Secretary