GENERAL PENSION BOARD

MINUTES

October 18, 2012

8:30 a.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Bill Schroeder, Chairman
Don Pellegrino, Vice Chairman
Bill Palmer, Member
John Kretzer, Member
Mike Cohen, Member

ALSO PRESENT

Lee Dehner, Attorney
Pamala Prell, Deputy City Clerk, MMC

1. **Approval of Minutes July 19, 2012**

Member Cohen made a motion to approve the minutes of July 19, 2012, as written. The motion was seconded by Member Palmer and unanimously approved by a voice vote.

2. **Payment of Invoices**

a.	Christiansen & Dehner, P.A.	$ 3,417.69
b.	Anchor Capital Advisors	$ 1,283.73
c.	Cutwater	$ 3,191.12
d.	Salem Trust	$ 2,700.00

Member Cohen made a motion to approve the invoices, as presented. The motion was seconded by Member Palmer and unanimously approved by a voice vote.

3. **Reports (If Present)**

a. Foster & Foster – Annual Actuarial Evaluation

Patrick Donlan provided the Board with a copy of the 2012 Valuation Report. Mr. Donlan pointed out that during FY 2012 the plan had an investment return of 18.46% and the unfunded liability is $5,892,000.00.

Member Cohen made a motion to approve the 2012 Valuation Report. The motion was seconded by Member Pellegrino and unanimously approved by a voice vote.

Member Cohen made a motion to approve an annual rate of return of 7.75%, as recommended by Consultant Nash. The motion was seconded by Member Pellegrino and unanimously approved by a voice vote.

b. Bogdahn Consulting

There was no report given.

c. Money Managers

There were no money managers present.

d. Salem Trust Company

Ms. Lynn Skinner reported that retiree Phil Thorne is making monthly payments towards his overpayment of pension benefits.

e. Class Action Processing Enhancements

Ms. Skinner of Salem Trust advised that there will be no changes to the Class Action processing.

4. <u>New/Old Business</u>

a. Review proposals of Actuaries and Consultants

Member Cohen made a motion to table this item. The motion was seconded by Member Palmer and unanimously approved by a voice vote.

b. Review and sign agreement with Morgan, Stanley, Smith, and Barney

Attorney Dehner explained that Morgan. Stanley, Smith, and Barney have agreed to the original contract.

Mr. David Wheeler of Morgan, Stanley, Smith, Barney, advised that there was a communication error between their legal department and their business department and that the contract will be accepted as proposed by the Board.

Attorney Dehner advised that a contract has been sent to the firm and once it is signed by all parties he will provide it the Board. He also advised that the contract is subject to cancellation upon notice at any time.

Member Cohen made a motion to approve the agreement with Morgan, Stanley, Smith, and Barney. The motion was seconded by Member Pellegrino and approved by a unanimous voice vote.

Member Cohen made motion to authorize Bogdahn Consulting to release the Plan's data and information to Morgan, Stanley, Smith and Barney. The motion was seconded by Member Palmer and unanimously approved by a voice vote.

c. Unfunded Liability

Member Cohen recommends that, if the City contracts the police services with the Sheriff's Office, the City Commission earmark the savings of approximately 1.3 million dollars to reduce the unfunded liability for all three Pension Plans.

Member Cohen made a motion that the Board send a Resolution to the City Commission suggesting that the 1.3 million dollar savings, if the residents vote to go forward with outsourcing police services to the Sheriff's Office, be earmarked to reduce the pension plan deficits. The motion was seconded by Member Pellegrino and defeated by a 4-1 voice vote, with Member Cohen voting yes.

5. New/Members/Return of Contributions Report

There was no report.

6. Attorney Report

a. Review Memorandum on New Law – Beneficiary

Attorney Dehner explained a change in the legislature and stressed the importance of each member keeping his or her beneficiary designation current.

b. Discuss Future Pension Changes – General Status; How it affects Board etc.

Attorney Dehner requested that Deputy City Clerk Pam Prell send him signed copies of any recent ordinances that have been adopted regarding the three Pension Plans. Ms. Prell agreed to send the signed ordinances.

Member Cohen made a motion authorizing Attorney Dehner to review the new pension ordinances to advise the Board of their responsibilities. The motion was seconded by Member Kretzer and unanimously approved by a voice vote.

Attorney Dehner advised that he would send his comments, regarding the new ordinance to Member Palmer for distribution to the Trustees.

7. Audience Comments

There were no audience comments.

8. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:48 a.m.

Attest:

Rebecca C. Haynes, City Clerk

Bill Schroeder, Chairman

Minutes approved on: 1-17-2013