

ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held March 15, 1962.

The meeting was called to order at 2:25 p.m. by Chairman William J. O'Malley.

PRESENT: Messrs. Alvin F. Fischer, Charles G. Gumm, Alfred C. Hase, O. N. Strobel for John E. Kalupa, Bernard B. Kroenke, and William J. O'Malley; also Harry G. Slater, Legal Adviser, and Miss Ruth A. Poshmann, Secretary.

EXCUSED: Mr. James H. Collins (illness).

Minutes

The minutes of the meeting of February 15, 1962, were approved as submitted.

Election of Employee Member of the Board

The Secretary read the following letters:

"Annuity and Pension Board
City of Milwaukee

February 19, 1962

Gentlemen:

In compliance with your request to conduct the nomination and election of one employee member of the Annuity and Pension Board of the City of Milwaukee, I hereby report the following on the primary held January 19, 1962:

Five employees filed nomination papers in due time and with the required number of signatures on each. Those filing nomination papers were: George J. Krautner, Russel E. Simonis, Richard B. Shapiro, Alvin F. Fischer and Matthew A. Block.

The drawing for position on the primary ballot for the five candidates was held at 10:00 a.m. on January 22, 1962 with the following result:

- | | |
|-----------------------|---------------------|
| 1. George J. Krautner | 4. Alvin F. Fischer |
| 2. Russel E. Simonis | 5. Matthew A. Block |
| 3. Richard B. Shapiro | |

Richard B. Shapiro and Alvin F. Fischer having received the first and second highest number of votes cast, were nominated. The final election was held on February 16, 1962, with the following result:

Richard B. Shapiro	1,740
Alvin F. Fischer	4,539

"Alvin F. Fischer having received the highest number of votes cast, was elected a member of the Annuity and Pension Board of the Employees' Retirement System of the city of Milwaukee. Tally sheets for the primary and the election are sent to you herewith for your custody. Ballots were put in the vault of the Election Commission and sealed, and will be destroyed unopened in 60 days.

Respectfully submitted

(Signed)

WILLIAM J. O'MALLEY, Secretary
BOARD OF ELECTION COMMISSIONERS

WJO:dm
Encls.

VOTES RECEIVED IN JANUARY 19, 1962, PRIMARY

- | | |
|------------------------------|------------------------------|
| 1. George J. Krautner... 662 | 4. Alvin F. Fischer... 3,576 |
| 2. Russel E. Simonis ... 359 | 5. Matthew A. Block... 535" |
| 3. Richard B. Shapiro... 962 | |

Miss Ruth A. Poehlmann
Secretary & Executive Director
Annuity and Pension Board
Room 308, City Hall
Milwaukee, Wisconsin

February 28, 1962

Dear Miss Poehlmann:

You are hereby notified that on February 27, 1962 Mr. Alvin F. Fischer, 132 West Wilbur Avenue took his oath of office as a member of the Annuity and Pension Board and is now qualified for the office.

Very truly yours,

(Signed)

CHESTER P. SCHMIDT
Deputy City Clerk"

The communications were ordered placed on file.

1962 Conventions

The Secretary reported that the National Conference on Public Employee Retirement Systems will be held May 23 to 26, 1962, and the Municipal Finance Officers Association Retirement Conference May 27 to 31, at the Statler Hilton Hotel in Boston, Massachusetts.

Mr. Strobel stated he would be attending the MFOA Conference this year in place of Mr. Kalupa.

After discussion, it was moved by Mr. Gumm, seconded by Mr. Fischer and unanimously carried, that Board members and the Secretary attend the designated conventions and that expense funds be appropriated as follows:

National Conference on Public Employee Retirement Systems
May 23 - 26, 1962

Charles G. Gumm	\$325
Alfred C. Hass	\$325
Bernard B. Kroenke	\$325
O. N. Strobel	\$135
Ruth A. Poehlmann, Secretary	\$135

Municipal Finance Officers Association Conference
May 27 - 31, 1962

James H. Collins	\$360
Alvin F. Fischer	\$360
William J. O'Malley	\$360
Ruth A. Poehlmann, Secretary	\$360

Financial Statements

The financial statements for the month of February, 1962, were approved and ordered placed on file. (Copies to be attached to and become part of these minutes.)

Bills

The Secretary presented the following bills:

<u>Voucher No.</u>	<u>Vendor</u>	<u>Amount</u>
<u>Retirement Fund:</u>		
R-3140	First National Bank of Stevens Point, Wisconsin	\$ 85.00
R-3141	Ruth A. Poehlmann	<u>2.42</u>
Total Retirement Fund		\$ 87.42
<u>Expense Fund:</u>		
E-3191	Standard Manifold Co.	\$ 24.52
E-3192	Siekert & Baum Stationery Co.	3.08
E-3193	Friden, Inc.	18.31
E-3194	J. J. Krueger, City Treasurer	241.39
E-3195	National Conference on Public Employee Retirement Systems	<u>100.00</u>
Total Expense Fund		\$ 387.30
Grand Total All Expenses		\$ 474.72

It was moved by Mr. Kroenke and seconded by Mr. Fischer that the bills be approved and ordered paid. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Strobel, Kroenke, and O'Malley.

NOES: None.

Report of Investment Committee

The Secretary reported that on February 20, the Investment Committee, on recommendation of the Investment Counselors, authorized conversion of \$4,000 Consumers Power Company 4 3/8 per cent Convertible Debentures due August 15, 1975, to 80 shares of common stock at additional cost of \$800; that other Board members were polled and approved the action.

The Secretary reported that on March 9, the Investment Committee authorized redemption as of July 1, 1962, of:

\$200,000 Series "K" Savings Bonds 2.76 % Due January 1, 1963
 \$200,000 Series "K" Savings Bonds 2.76 % Due January 1, 1966
 \$200,000 Series "K" Savings Bonds 2.76 % Due January 1, 1967

The Secretary reported that the Investment Committee also directed that telegrams be sent to Congressmen Clement J. Zablocki and Henry S. Reuss and Senators Alexander Wiley and William Proxmire stating that we oppose the withholding of taxes on interest and dividends at the source of payment.

The Secretary reported the Investment Committee had authorized the following transactions:

<u>REDEMPTIONS & SALES</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 3,000.00	Inland Steel Co.	-	3.20 %	3- 1-82
3,000.00	Duquesne Light Co. S. F. Deb.	4.95 %	5	3- 1-10
469.90	Grafton State Bank Mtges.	-	4	-
500,000.00	U. S. Treasury Notes	4	4	8-15-66
6,000.00	U. S. Government Ins. S.S. Pres. Lincoln	5	5	3- 1-81
2,024.48	Butler Warehouse Lease Rental	-	4 1/8	-
200,000.00	U. S. Treasury Bills	2.60	2.60	4-26-62
1,129.29	Howard Ave. Shopping Center, Inc.	5 3/4	5 3/4	3- 1-70
1,000.00	Montreal Metropolitan Corp.	5.70	5 5/8	2- 1-85
300,000.00	Archer-Daniels-Midland Note	3	3	3-15-62

PURCHASES

\$ 33,152.94	Beatrice Foods Common Stock - 500 shares -	-	-	-
32,249.25	Eastman Kodak Common Stock - 300 shares -	-	-	-
21,953.75	Goodyear Tire & Rubber Com. Stk.-500 sh. -	-	-	-
29,696.55	U. S. Gypsum Co. Com. Stock - 300 shares -	-	-	-
200,000.00	Northern Illinois Gas	4.51	4 5/8	7- 1-85
200,000.00	American Tel. & Tel. Debentures	4.52	4 5/8	2- 1-94
400,000.00	Duka Power Co. 1st & Refunding Mtgs.	4 1/2	4 1/2	2- 1-92
500,000.00	U. S. Treasury Notes	4.15	4	2-15-80
300,000.00	West Penn Power Co.	4.43	4 1/2	3- 1-92
52.21	Bankers Trust Co. Com. Stk. 7/9th share -	-	-	-
	(222 2/9ths shares received on			
	a 1 for 9 stock dividend.)			

The Secretary reported that the investment portfolio as of December 31, 1961, had a market value of \$81,382,085. Based on market value, the Investment Counseling fee for 1962 is \$15,956, and it is necessary to correct the budget and include the actual fee instead of the estimate of \$15,750.

It was moved by Mr. Strobel and seconded by Mr. Gumm that the action of the Investment Committee be ratified and that the Investment Counseling Fee in the 1962 Budget be corrected to \$15,956 and payment be made accordingly. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Strobel, Kroenke, and O'Malley.

NOES: None.

Death Claims

The Secretary presented the following resolutions:

The Ordinary Death Benefit Resolution listing the following deceased members:

C-16674 Arnold J. Chybowski

C-1581 Michael Gumpert

the total amount to be paid being \$16,211.73.

The Fractional Installment Retirement Allowance Resolution listing the following deceased member:

R - 999 Hattie Fitzgerald

the total amount paid being \$40.63.

The Option Number One Resolution listing the following deceased members:

A -3455 John B. Traynor

A-4786 William F. Ohm

A -1661 Henry Zube

the total amount to be paid being \$15,208.96.

It was moved by Mr. Fischer and seconded by Mr. Hass that the resolutions be adopted and the claims be paid. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Strobel, Kroenke, and O'Malley.

NOES: None.

James Pitt - Death Benefit

The Secretary reported that AC-7260, James Pitt, who died December 31, 1960, had named a brother, Steve Kucul, whose address is listed in the Soviet Ukraine, as beneficiary; that no claim has been filed to date and under Section 36.13 (7) of the law, the Board is to determine how payment shall be made to a foreign beneficiary.

After discussion, it was moved by Mr. Hass and seconded by Mr. Kroenke that, in accordance with the advice of the Legal Counsel, the Secretary send a communication to the named beneficiary in the Soviet Ukraine stating that contributions made by James Pitt amounting to a rather substantial amount are payable to the beneficiary and that in order for contributions to be paid, there must be proper identification and proper application made. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Strobel, Kroenke, and O'Malley.

NOES: None.

Annuity

The Secretary presented the Annuity in Lieu of Ordinary Death Benefit Resolution listing the following deceased member:

AR-2869 Fred Ziebart (Elsie Ziebart, wife)

It was moved by Mr. Gumm and seconded by Mr. Haas that the resolution be adopted. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Haas, Strobel, Kroenke, and O'Malley.

NOES: None.

Retirements

The Secretary presented the following resolutions:

The Service Retirement Resolution for the partial month of March, 1962, listing:

C-7592	Adolph Schroeder	March 3, 1962
C-6668	Joseph Berte	March 24, 1962
C-8905	Elizabeth M. Schaffer	March 26, 1962
C-1567	Albert Czarnacki	March 29, 1962
C-7388	Phillip W. Serfoss	March 29, 1962

The Service Retirement Resolution for April 1, 1962, retirements, listing:

C-1372	Silas P. Graham	C- 3729	Lawrence B. Millard
C-1607	Joseph Straszewski	C- 3744	Harvey Plette
C-2304	Theodore J. Lange	C-10611	William G. Sorenson

It was moved by Mr. Fischer and seconded by Mr. Kroenke that the resolutions be adopted. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Haas, Strobel, Kroenke, and O'Malley.

NOES: None.

Retirements Granted: 2,880

Terminated: 1,333

Balance: 1,547

Return of Contributions

The Secretary presented Resignation Resolutions listing 28 withdrawals, paid February 16, 1962, in the amount of \$17,450.86; and 21 withdrawals paid March 2, 1962, in the amount of \$11,163.29.

It was moved by Mr. Kroenke and seconded by Mr. Gumm that the resolutions be adopted. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Haas, Strobel, Kroenke, and O'Malley.

NOES: None.

Return of Contributions - Section 36.03 (6)

The Secretary presented the Resolution for the Return of Contributions - Section 36.03 (6) listing returns to 7 members, the total amount to be paid being \$444.59.

It was moved by Mr. Hass and seconded by Mr. Fischer, that the resolution be adopted. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Strobel, Kroenke, and O'Malley.

NOES: None.

Excess Contributions

The Secretary reported receipt of application for refund of excess contributions from Stanley J. Slominski and presented the Partial Withdrawal of Annuity Savings Fund Resolution listing:

C-9316 Stanley J. Slominski

the total amount to be paid being \$1,702.60.

It was moved by Mr. Gumm and seconded by Mr. Strobel, that the resolution be adopted. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Strobel, Kroenke, and O'Malley.

NOES: None.

Option #3 Benefits Continued

The Secretary reported that Raleigh W. Gamble, R-1788, retired July 11, 1954, under Option #3, died February 16, 1962, and that an amount of \$184.56 a month will be continued to his wife, Mrs. Gladys J. Gamble, for her lifetime; and that Joseph M. Frey, R-716, retired September 9, 1943, under Option #3, died March 11, 1962, and that an amount of \$27.14 a month will be continued to his sister, Mrs. Stella M. Wiesner, for her lifetime.

Coordinated Plan

The Secretary reported that 216 members filed Transfer Forms and Consent Agreements through March 2, 1962, and that certification was forwarded to the State Director for Social Security for the first Modification of the State's Agreement with the Federal Government; that 2 additional transfers were received late and certification forwarded for another Modification to cover an employee on leave who is retiring.

It was moved by Mr. Fischer, seconded by Mr. Kroenke and unanimously carried, to approve the action in regard to certification of members.

Report on Group Life Insurance Program

The Secretary presented proposed rules for the Group Life Insurance Program based on the experience of the past year and drafted on consultation with the Legal Adviser, Mr. Harry G. Slater, and Albert F. Schultz of the City Service Commission. It was explained that Ordinance No. 420, Section 2-237.76 of the Milwaukee Code, under which the Group Life Insurance Program operates, requires that rules be submitted to the Committee on Finance-Printing of the Common Council for approval.

It was moved by Mr. Kroenke, seconded by Mr. Fischer and unanimously carried, that the proposed rules for the Group Life Insurance Program be forwarded to the Committee on Finance-Printing of the Common Council for approval.

At the request of Mr. Hass, the Chairman directed the Secretary to forward copies of the proposed rules for the Group Life Insurance Program to all Aldermen.

Information Booklet

The Secretary stated that the Committee consisting of the Secretary, the Assistant Secretary, and the Legal Adviser, recommended that a communication be forwarded to the Actuary to obtain an estimate of cost to draft an Information Booklet.

The Chairman directed the Secretary to write to Actuary George B. Buck to inquire what his fee would be to draft an Information Booklet including a formula or tabulation which could be used by members to estimate their retirement allowances.

Air Conditioners

The Secretary reported that when the office is remodeled, the three air conditioners will not be needed; that the Purchasing Department estimated the two air conditioners purchased for \$360 apiece have a resale value of \$25 each, and that the third air conditioner purchased for \$265.50 has a resale value of \$100.

The disposition of the air conditioners was laid over until the office remodeling is completed.

The meeting adjourned at 3:25 p.m.

Ruth A. Paehlmann

Secretary

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EMPLOYEES' RETIREMENT SYSTEM - Retirement Fund

Statement of Receipts and Disbursements

for February, 1962

Cash Balance January 31, 1962

\$ 1,378,156.02

Add: February Receipts

Redemptions:

U. S. 3½% Treasury Notes due February 15, 1962	\$ 500,390.63
Butler Warehouse Lease Rental	2,017.55
Inland Steel 4½% Bonds due 2/1/89	3,000.00
Thorp Finance Corp. 4% Ser. Notes	20,000.00
Baltimore & Ohio Eq. 4% due 2/1/62	100,000.00
Montreal Metro. Corp. 5 5/8% Bonds	2,000.00
Prov. of New Brunswick 3 7/8% Bonds	6,000.00
Northern Illinois Gas 5% Bonds	2,013.80
Howard Ave. Shopping Center, Inc.	1,123.67
Southwestern Public Service Co. 4½%	6,000.00
Grafton State Bank Mtgs.	469.90
U. S. Treasury 4% Notes due 8/15/66	504,531.25
U. S. 3½% Treasury Notes due 2/15/62	500,000.00
Interest Income	352,145.99
Members' Contributions	229,950.73
Fire & Police Survivorship Contributions	5,524.46

Total Receipts

2,235,167.98

Total Receipts and Balance

\$ 3,613,324.00

Deduct: February Disbursements

Investments:

Beatrice Foods Co. Com. Stk. - 200 shares	\$ 13,391.30
Tennessee Valley Authority 4½%	200,000.00
U. S. 3½% Treasury Notes due 8/15/62	508,699.05
Elizabethtown Water Co. 4 7/8%	308,925.12
Western Union Tele. Co. 5½%	202,629.18
Federal National Mtge. Assn. 4½%	300,750.00
Consumers Power Co. Com. Stk. - 80 shares	800.00
Beatrice Foods Co. Com. Stk. - 500 shares	33,152.94
Goodyear Tire Com. Stk. - 500 shares	21,953.75
Eastman Kodak Co. Com. Stk. - 300 shares	32,249.25
U. S. Gypsum Co. Com. Stk. - 300 shares	29,696.55
Northern Illinois Gas 4 5/8%	204,663.19
Bankers Trust Co. Com. Stk. 7/9 sh.	52.21
U. S. Treasury 4% Bonds due 2/15/80	491,131.73
U. S. Treasury 4% Notes due 8/15/66	500,000.00
Investment Expense:	
Registration and Postage	59.05
Members' Contributions Refunded	62,755.51
Active Death Claims	16,578.82
Retired Death Claims	616.07
Fire and Police Survivorship Payroll	600.00
Pension Payroll	206,835.93

Total Disbursements

3,135,539.65

Cash Balance February 28, 1962

\$ 477,784.35

EMPLOYEES' RETIREMENT SYSTEM - Expense Fund

Statement of Receipts and Disbursements

for February, 1962

Cash Balance January 31, 1962	\$ 29,468.71
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Add: February Receipts

Refund for overpayment of postage due - Election Expense	<u>2.00</u>
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Total Receipts and Balance	\$ 29,470.71
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Deduct: February Disbursements

Salaries and Wages	\$ 5,868.62
Election Expense	400.69
Employees' Insurance	76.88
Stationery and Office Supplies	13.94
Printing	371.00
Purchase of Equipment	302.00
Newspapers and Periodicals	1.14
Coordinated Plan Conversion Fund	77.08
Actuarial fees	<u>750.00</u>

Total Disbursements	<u>7,861.35</u>
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Cash Balance February 28, 1962	<u>\$ 21,609.36</u>
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Note: \$75,000 principal amount of U. S. Treasury Bills due 4/26/62 held for the Expense Fund.