

ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held April 13, 1962.

The meeting was called to order at 10:55 a.m. by Chairman William J. O'Malley.

PRESENT: Messrs. Alvin F. Fischer, Charles G. Gumm, Alfred C. Hass, John E. Kalupa, Bernard B. Kroenke, and William J. O'Malley; also Harry G. Slater, Legal Advisor, and Miss Ruth A. Poehlmann, Secretary.

Minutes

The minutes of the meeting of March 15, 1962, were laid over for approval at the next meeting of the Board.

Resignation - James H. Collins

The Secretary reported that James H. Collins had tendered his resignation as a member of the Annuity and Pension Board to Aldermen Martin E. Schreiber, President of the Common Council; that Mr. Collins had telephoned to explain that while his condition has improved he decided it was best to resign and requested the Secretary to express his thanks and appreciation to the Board.

It was moved by Mr. Kalupa, seconded by Mr. Gumm and unanimously carried, that the following resolution be adopted:

IN APPRECIATION

WHEREAS, James H. Collins has resigned as a member of the Annuity and Pension Board of the Employees' Retirement System of the City of Milwaukee, due to ill health, and

WHEREAS, He served as a member of the Annuity and Pension Board since October 30, 1956, as Vice Chairman and a member of the Investment Committee during 1956 and 1957, and contributed valuable time and service to the administration of the Retirement System, therefore be it

RESOLVED, That the Annuity and Pension Board, in recognition of the outstanding service rendered by James H. Collins, hereby expresses its appreciation to him, and be it

FURTHER RESOLVED, That the Annuity and Pension Board extends to Jim Collins its best wishes for his health, happiness and success in his future endeavors, and be it

FURTHER RESOLVED, That this resolution be spread upon the permanent records of this Board and a copy forwarded to Mr. Collins.

Hampton State Bank Mortgage

The Secretary stated that at the February 15, 1962, Board meeting, Mr. Deshur was given to April 15, 1962, to meet the requirements set by the Board for the proposed mortgage loan and that he had not replied as yet; that Mr. Deshur was called on April 12, and he stated that there is nothing to report as yet and requested a further extension of time until they can meet the terms for the proposed mortgage as set by the Board.

After discussion, it was moved by Mr. Hass, seconded by Mr. Kroenke and unanimously carried, to grant a 90-day extension from April 15, 1962, to give Mr. Deshur a further opportunity to meet the requirements set by the Board for the proposed mortgage loan.

Information Booklet

The Secretary read a communication dated March 27, 1962, from Actuary George B. Buck, stating that his fee would be between \$700 and \$900 to draft an information booklet including a formula or tabulation which could be used by members to estimate their retirement allowances.

It was moved by Mr. Fischer, seconded by Mr. Gumm and unanimously carried, that the matter of an Information Booklet be held in abeyance and be put on the agenda for discussion with the Actuary in New York.

1962 Conventions

The Secretary reported that Common Council File Number 61-3165-b authorizes "five delegates of the Employees' Retirement System to attend the National Conference on Public Employee Retirement Systems at Boston, Massachusetts, May 23 - 26, 1962." The Board at its last meeting designated three of its members to attend the National Conference on Public Employee Retirement Systems in Boston, Massachusetts, May 23 - 26, 1962, with an expense allowance of \$325 each and three of its members to attend the Pension and Investment Sessions of the M.F.O.A. Convention, Boston, Massachusetts, May 27 - 31, 1962, with an expense allowance of \$360 each, but that since Mr. Collins resigned there would be two members to attend the M.F.O.A.

After discussion, it was moved by Mr. Hass, seconded by Mr. Gumm and unanimously carried, that a communication be sent to the Committee on Finance Printing of the Common Council to respectfully request correction of the item in the resolution to three delegates to the National Conference on Public Employee Retirement Systems and designating two members to attend the Pension and Investment Sessions of the M.F.O.A. Convention, Boston, Massachusetts, May 27 - 31, 1962, and stating the amounts appropriated by the Board for expenses.

It was moved by Mr. Fischer, seconded by Mr. Kroenke and unanimously carried, that the Board direct the Secretary to attend both the National Conference on Public Employee Retirement Systems, Boston, Massachusetts, May 23 - 26, 1962, and the Pension and Investment Sessions of the M.F.O.A. Convention, Boston, Massachusetts, May 27 - 31, 1962, and that a total of \$495 be authorized for expense, payable out of the Travel Expense Fund; that an amount of \$135 be authorized for expense for the Comptroller to attend the National Conference on Public Employee Retirement Systems.

Financial Statements

The financial statements for the month of March, 1962, were laid over for approval at the next meeting of the Board.

Bills

The Secretary presented the following bills:

<u>Voucher No.</u>	<u>Vendor</u>	<u>Amount</u>
<u>Retirement Fund:</u>		
R-3158	Newton and Company	\$ 3,989.00
<u>Expense Fund:</u>		
E-3200	Wisconsin Legal Blank Co.	1.00
E-3201	Siekert & Baum Stationery Company	72.30
E-3202	N. W. Groce, M. D.	10.00
E-3203	Typewriter and Adding Machine Ex., Inc.	5.50
E-3204	Burroughs Corp.	6.00
E-3205	Burgess, Anderson & Tate	1.80
E-3206	Railway Express Agency	3.36
E-3207	J. J. Krueger, City Treasurer	<u>138.55</u>
Total Expense Fund		\$ 238.51
Grand Total All Expenses		\$ 4,227.51

The Secretary presented a bill from George B. Buck, Actuary, for first quarter retirement computations in the amount of \$585.00

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

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

NOES: None.

Report of Investment Committee

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	United Gas Corporation	4.88 %	5 %	11- 1-80
327.33	Grafton State Bank Mtgs. - Regular	-	4	-
2,452.14	Grafton State Bank Mtgs. - James & Harriet Sullivan satisfaction	-	4	-
1,134.94	Howard Ave. Shopping Center, Inc.	5 3/4	5 3/4	3- 1-70
2,031.44	Butler Warehouse Lease Rental	-	4 1/8	-
1,000,000.00	U. S. Treasury Bills	2.70	2.70	4- 5-62
800,000.00	U. S. Treasury Bills	2.60	2.60	4-26-62

<u>PURCHASES</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 200,000.00	Consolidated Natural Gas Co.	4.50 %	4 1/2 %	3- 1-87
300,000.00	National Dairy Products Co.	4.36	4 3/8	3-15-92
300,000.00	Ohio Oil Company	4.36	4 3/8	4- 1-87
200,000.00	National Cash Register Deb.	4.45	4 3/8	4- 1-87
200,000.00	Northern Indiana Public Ser. Co.	4.285	4 3/8	3-15-92
356,000.00	National Biscuit 7% Pref. - 2000 shares	-	-	-
800,000.00	U. S. 91 Day Treasury Bills	2.749	2.749	7- 5-62

It was moved by Mr. Hass and seconded by Mr. Kroenke that the action of the Investment Committee be ratified. The motion prevailed by the following vote:

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

NOES: None.

The Secretary reported that the merger of Ed. Schuster & Co., Inc., and Gimbel Brothers, Inc., was approved by stockholders, and that the Ed. Schuster & Co. preferred stock is to be exchanged for Gimbel Brothers common stock on the basis of 2 1/3 shares of Gimbel Brothers for each share of Schuster's stock; that we would receive 1586 2/3 shares, and recommended that the additional 1/3 share be purchased at a cost of approximately \$14.00 to round out the number of shares owned.

It was moved by Mr. Fischer and seconded by Mr. Gumm that we proceed with the exchange of Ed. Schuster & Co., Inc. preferred stock for Gimbel Brothers, Inc. common stock and that we purchase the additional 1/3 share of common stock. The motion prevailed by the following vote:

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

NOES: None.

The Secretary reported that the 2,000 shares National Biscuit Company 7% preferred stock has been called and that we could accept cash of \$175 per share or exchange the stock for 4 3/4% 25-year debentures; that Newton and Company recommends the exchange.

It was moved by Mr. Kroenke and seconded by Mr. Kalupa that we exchange the 7% preferred stock for the 25-year debentures of National Biscuit Company. The motion prevailed by the following vote:

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

NOES: None.

The Secretary reported that Mr. Douglas Carman had submitted his resignation to Newton and Company effective as of May 1st.

After discussion, the Secretary was directed to arrange a meeting with Mr. Richard G. Jacobus, President of Newton and Company, to discuss the investment counseling service, and to notify the Board members of the time and place of this meeting.

Court Action - Prior Service Credits

The Secretary presented a communication dated March 29, 1962, from Mr. Frederick N. MacMillin, Executive Director, Wisconsin Retirement Fund, stating a court action has been commenced against the Wisconsin Retirement Fund for granting prior service credits, and that an adverse decision might also affect our system.

After discussion, it was moved by Mr. Kroenke, seconded by Mr. Hass and unanimously carried, that our Legal Adviser, Mr. Slater, be authorized to confer with Mr. MacMillin in Madison and take steps necessary to protect the interests of the Employees' Retirement System.

Charter Ordinances

The Secretary presented the Charter Ordinance to create an Investment Reserve Fund which was laid over at the December 21, 1961, meeting. This matter was laid over for consideration at a future meeting.

The Secretary inquired whether the Charter Ordinance relating to the Expense Fund, which has been held in abeyance, was to be forwarded to the Common Council at this time.

It was moved by Mr. Kroenke, seconded by Mr. Fischer and unanimously carried, that this Charter Ordinance to repeal and recreate Section 36.08 (5) of the Employees' Retirement Act, relating to the Expense Fund, be transmitted to the Common Council before budget time.

Mr. Slater left the meeting.

Report of Medical Council

The Secretary reported that the Medical Council had re-examined #A-2111, Reinhold Duchow, #A-4458, George A. Werre, and #C-8653, Paul C. Szukalski, and recommends that they be continued on ordinary disability retirement.

It was moved by Mr. Gumm and seconded by Mr. Kroenke that the Board concur in the recommendation of the Medical Council and that Messrs. Reinhold Duchow, George A. Werre, and Paul C. Szukalski be continued on ordinary disability retirement. The motion prevailed by the following vote:

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

NOES: None.

Report of Medical Panel

The Secretary presented a report from the Fire Department Medical Panel dated April 2, 1962, with respect to the re-examination of #F-13642, Gene W. Ramus, retired on accidental duty disability allowance, certifying that Mr. Ramus is unable to work as a firefighter and recommending that he be continued on retirement.

It was moved by Mr. Gumm and seconded by Mr. Kalupa, that the Board concur in the recommendation of the Fire Department Medical Panel and that Gene W. Ramus be continued on duty disability retirement. The motion prevailed by the following vote:

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

NOES: None.

Ordinary Disability Retirements

The Secretary reported receipt of an application for an Ordinary Disability Retirement from #C-6962, Norris Adsen, to become effective May 1, 1962, and stated that after examination, the Medical Council certified that Mr. Adsen is incapacitated for the performance of duty and should be retired. The Secretary also reported receipt of an application for Ordinary Disability Retirement from #C-2021, Joseph J. Mente, to become effective April 27, 1962, and stated that the Medical Council had reviewed the case and decided Mr. Mente is incapacitated for the performance of duty and recommends retirement.

The Ordinary Disability Retirement Resolution was presented.

It was moved by Mr. Fischer and seconded by Mr. Gumm that the Board concur in the recommendation of the Medical Council to retire Joseph J. Mente and Norris Adsen, and that the Ordinary Disability Retirement Resolution authorizing the retirements be adopted. The motion prevailed by the following vote:

AYES: Messrs. Fischer, Gumm, Hass, Kalupa, 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-15506 Hans W. Woskoski
A- 9820 Clarence H. Wentz

C-10709 Frank Zielinski

the total amount to be paid being \$19,962.74.

The Option Number One Resolution listing the following deceased members:

A- 7366 Patrick C. McManus

A- 7363 Anton Lapczynski

the total amount to be paid being \$8,085.04.

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

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

NOES: None.

Retirements

The Secretary presented the following resolutions:

The Service Retirement Resolution for the partial month of April, 1962,

listing:

C- 1122 August A. Kosiboski
C- 717 Lloyd D. Knapp

April 9, 1962
April 18, 1962

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

C-2871	Aloysius Kosidowski	C- 6824	Arthur W. Trapp
C-4263	John J. Sheehan	C-14547	Fred Carl Liermann
C-6436	Raymond A. Arndt	A- 3440	Reynold Zenda
C-6720	John J. Jacobs		

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

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

NOES: None.

Retirements Granted: 2,891	Terminated: 1,347	Balance: 1,544
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Return of Contributions

The Secretary presented Resignation Resolutions listing 19 withdrawals, paid March 16, 1962, in the amount of \$11,876.39; 32 withdrawals paid March 30, 1962, in the amount of \$15,887.24; and 13 withdrawals paid April 13, 1962, in the amount of \$16,721.47.

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, Hass, Kalupa, 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 2 members, the total amount to be paid being \$54.91.

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

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

NOES: None.

Excess Contributions

The Secretary reported receipt of 13 applications for refund of excess contributions and presented the Partial Withdrawal of Annuity Savings Fund Resolution listing:

C- 26	Ann Shapiro	C- 8452	Stanley Walloch
C- 428	Helen C. Sheehan	A- 8821	Mrs. Helen Kasper
C-2284	Milton F. Jacobsen	C- 8909	Arthur J. Kacmarek
C-5004	John R. Miller	C- 9395	Carmelo Greco
C-5293	Salvatore J. Mollica	C-16934	Rita M. Jaworski
C-6794	Sam H. Rawson	A-20657	Marjorie M. Lynne
C-8194	Emmett W. Timmerman		

the total amount to be paid being \$6,646.64.

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

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

NOES: None.

Annual Audit

The Secretary reported that the books and records of the Employees' Retirement System are ready for the annual audit.

It was moved by Mr. Kalupa, seconded by Mr. Gumm and unanimously carried, that Ziegert, Smaler & Modrow, certified public accountants, be employed to audit the books and records of the Employees' Retirement System for the year 1961 at a fee of \$1,300.

Coordinated Plan

The Secretary reported that Mr. Frederick N. MacMillin, Director, State of Wisconsin Public Employees Social Security Fund, had forwarded Modification Number 302 and Modification Number 303 to the Federal Government to effect the transfer of members to the Coordinated Plan.

Group Life Insurance Program

The Secretary reported that there have been 12 deaths since the beginning of 1962, and that claims paid so far this year amount to \$77,500.00.

The Secretary also reported that the proposed rules for the Group Life Insurance Program had been forwarded to the Committee on Finance-Printing of the Common Council and copies have been sent to all Aldermen.

After discussion, the May meeting of the Annuity and Pension Board was set for 10:00 a.m., Friday, May 11, 1962.

The meeting adjourned at 11:35 a.m.

Ruth A. Poehlmann

Secretary

EMPLOYEES' RETIREMENT SYSTEM - Retirement Fund

Statement of Receipts and Disbursements

for March, 1962

Cash Balance February 28, 1962

\$ 477,784.35

Add: March Receipts

Redemptions:

Inland Steel Co. 3.20 % due 3/1/82	\$ 3,000.00
Butler Warehouse Lesse Rental	2,024.48
U. S. Treasury Bills due 4/26/62	997,727.33
Howard Avenue Shopping Center, Inc.	1,129.29
Duquesne Light Co. 5% due 3/1/2010	3,027.60
City of New York 3½ - 3½ % Bonds	151,528.50
Montreal Metropolitan Corp. 5 5/8 %	1,000.00
U. S. Government Ins. Marine Bond 5%	6,000.00
Archer-Daniels-Midland Co. due 3/15/62	300,000.00
	\$ 1,465,437.20
Interest Income	227,017.08
Members' Contributions	229,117.44
Fire & Police Survivorship Contributions	5,527.61

Total Receipts

1,927,099.33

Total Receipts and Balance

\$ 2,404,883.68

Deduct: March Disbursements

Investments:

Duke Power Co. 4½%	\$ 401,700.00
American Tel. & Tel. 4 5/8%	204,407.62
Consolidated Natural Gas 4½%	200,125.00
West Penn Power Co. 4½%	303,990.00
National Dairy Products Co. 4 3/8%	301,223.97
National Biscuit Co. 7% Pref. - 2000 shares	356,000.00
Investment Expense:	
Registration and Postage	12.42
Safekeeping - Civil Defense	85.00
Members' Contributions Refunded	41,135.11
Active Death Claims	16,211.73
Retired Death Claims	15,249.59
Fire and Police Survivorship Payroll	600.00
Pension Payroll	208,268.70

Total Disbursements

2,049,009.14

Cash Balance March 31, 1962

\$ 355,874.54

EMPLOYEES' RETIREMENT SYSTEM - Expense Fund

Statement of Receipts and Disbursements

for March, 1962

Cash Balance February 28, 1962

\$ 21,609.36

Deduct: March Disbursements

Salaries and Wages	\$ 5,880.58
Election Expense	8.61
Employees' Insurance	76.88
Stationery and Office Supplies	46.91
Printing	30.64
Postage	136.33
Membership Dues	100.00
Repair of Equipment	18.31
Coordinated Plan Conversion Fund	50.02
Actuarial fees	<u>750.00</u>

Total Disbursements

7,098.28

Cash Balance March 31, 1962

\$ 14,511.08

Note: \$75,000 principal amount of U. S. Treasury Bills due 4/26/62 held for the Expense Fund.