

ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held February 20, 1963.

The meeting was called to order at 2:10 p.m. by Chairman William J. O'Malley.

PRESENT: Messrs. Alvin F. Fischer, Stephen A. Galligan, Charles G. Gumm, Alfred C. Hass, 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. Poshlmann, Secretary.

Minutes

The minutes of the Regular Meeting of January 17, 1963, and the Special Meeting on Investments held January 30, 1963, were approved as submitted.

Election of Employee Member of Board

The Secretary read the following letters:

"Annuity and Pension Board
City of Milwaukee

February 18, 1963

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 18, 1963:

Seven employees filed nomination papers in due time and with the required number of signatures on each. Those filing nomination papers were: William J. O'Malley, Richard B. Shapiro, Merrill E. Fulton, Robert P. Krynski, Joseph J. Kurszewski, Russell E. Simonis, Clemens Kalvelage.

The drawing for position on the primary ballot for the seven candidates was held at 10:00 a.m. on December 5, 1962 with the following result:

- | | |
|-----------------------|-------------------------|
| 1. Russell E. Simonis | 5. Richard B. Shapiro |
| 2. Robert P. Krynski | 6. Joseph J. Kurszewski |
| 3. Merrill E. Fulton | 7. William J. O'Malley |
| 4. Clemens Kalvelage | |

Votes received:

William J. O'Malley	3542	Joseph J. Kurszewski	392
Richard B. Shapiro	737	Russell E. Simonis	359
Merrill E. Fulton	461	Clemens Kalvelage	302
Robert P. Krynski	418		

Richard B. Shapiro and William J. O'Malley having received the first and second highest number of votes cast, were nominated. The final election was held on February 15, 1963, with the following result:

Richard B. Shapiro 1,630

William J. O'Malley 4,784

"William J. O'Malley 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.

February 19, 1963

"Miss Ruth Poehlmann
Pension Board
Room 610, City Hall
Milwaukee, Wisconsin

Dear Miss Poehlmann:

You are hereby notified that on February 19, 1963, Mr. William J. O'Malley 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)

RAY MARKEY
City Clerk"

RM:rar

Upon motion of Mr. Hass, seconded by Mr. Kroenke, and unanimously carried, the communications were ordered placed on file.

The Secretary reported receiving a number of complaints, written on ballots, that the member did not know the candidates, and requesting that information be provided. It was suggested that the matter be reviewed for the next election.

Information Booklet

The Secretary reported that the Booklet of Information submitted by the Actuary was reviewed by Mr. Gumm and other Board members who suggested a redrafting of the information. Another draft will be submitted prior to the next meeting.

Bonding and Insurance Coverage

The Secretary reported that at the December 20, 1962, meeting of the Board (page 153), Mr. Strobel stated he would obtain a clarification regarding pension funds under the new city bond. Mr. Strobel stated that he does not have the information at this time.

Death Benefit Payment - William A. Hoyt

The Legal Adviser reported he talked to Attorney Zubrensky, who is handling the Hoyt case, regarding the death benefit payment, and that the attorney will contact the court regarding this matter.

Charter Ordinance No. 294

The Secretary reported that on February 1, 1963, the Common Council passed Charter Ordinance No. 294 to amend Section 36.05 (8) (b) 1, 2, 3, 4, and 6 of the Employees' Retirement Act increasing survivorship benefits for beneficiaries of firemen and policemen from \$75 per month to \$87.50 per month for payments to one survivor and from \$150 to \$175 per month for payments to 2 or more survivors. The ordinance was published February 13, 1963, and will become effective 60 days thereafter.

Air Conditioners

The Secretary reported completion of the sale and receipt of checks for the following air conditioners (see minutes of November 29, 1962, page 140):

2 Mitchell Air Conditioning Units, 3/4 H.P.

Sold to the Department of City Development for \$25.00 each.

1 York Air Conditioner, Model No. D-150-11 1½ H.P.

Sold to the Bureau of Municipal Equipment for \$100.00.

Financial Statements

The Financial Statements for the month of January, 1963, 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-3347	Newton and Company	\$ 4,387.50
R-3348	Richter-Schroeder Co.	125.69
Total Retirement Fund		\$ 4,513.19
<u>Expense Fund:</u>		
E-3340	David J. Ansfield M. D.	\$ 45.00
E-3341	Paul J. Collopy M. D.	50.00
E-3342	Standard Manifold Co.	9.90
E-3343	Ruth A. Poehlmann	2.73
E-3344	Addressograph-Multigraph Corp.	4.95
E-3345	Northwestern Furniture Co.	46.40
E-3346	J. J. Krueger, City Treasurer	733.04
Total Expense Fund		\$ 892.02
Grand Total All Expenses		\$ 5,405.21

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

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

NOES: None.

The Secretary read a letter dated February 6, 1963, from Richard G. Jacobus, Treasurer, Newton and Company, stating the fee for 1963, based upon the market value of the portfolio on December 31, 1962, would be \$17,550. It was reported that the amount budgeted for 1963 was \$17,500; that the \$50.00 difference would have to be transferred from another account; also that the \$125.69 for insurance would have to be transferred from another account.

After discussion, it was moved by Mr. Gumm and seconded by Mr. Fischer that the additional amounts for insurance and for the Investment Counselor's fee be transferred from the Investment Conference account for payment. The motion prevailed by the following vote:

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

NOES: None.

Staff Payroll

The Secretary reported that the Tabulating Division has changed the procedure for issuing payroll checks and that an opinion from the City Attorney to the City Comptroller dated November 29, 1962, stated that a charge was to be made for this service; that we have been advised the charge would be 40 cents per check or \$150 per year; that IBM checks would have to be printed and we would be charged for them. The Board agreed to the procedure.

Report of Investment Committee

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

<u>REDEMPTIONS</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 4,000.00	Southwestern P. S. Co. 1st Mtge.	4 1/2 %	4 1/2 %	2- 1-91
1,000.00	American Brake Shoe Co. S. F. Deb.	4 1/2	4 1/2	2- 1-82
3,000.00	Inland Steel Co. 1st Mtge. Bonds	4 1/2	4 1/2	2- 1-89
7,000.00	The Montreal Metropolitan Corp. S. F. Deb.	5.70	5 5/8	2- 1-85
3,000.00	Standard Oil of Ohio Debentures	4 1/4	4 1/4	1- 1-82
5,000.00	Province of New Brunswick S. F. Deb.	3 7/8	3 7/8	2- 1-76
70,000.00	Chicago & Eastern Ill. R.R. Eq. Trust	-	3 1/8	2- 1-63
163,000.00	Public Service Co. of Oklahoma	5.01	5	2- 1-90
1,192.98	Howard Ave. Shopping Center, Inc.	5 3/4	5 3/4	3- 1-70
2,102.36	Butler Warehouse Lease Rental	-	4 1/8	-
302.09	Grafton Mortgages	-	-	-
20,000.00	Thorpe Finance Corp. Serial Notes	4.23	4	2- 1-66

SOLD

\$ 63,074.89	S. S. Kresge Co. Common Stock - 2,000 sh.	-	-	-
23,340.80	Quaker Oats Co. Common Stock - 800 sh.	-	-	-
100,000.00	American Tel. & Tel. 28 year Deb.	4.30	4 3/8	4- 1-85
950,000.00	U. S. 91 Day Treasury Bills	2.89	2.89	4-18-63

<u>PURCHASES</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 200,000.00	The Chesapeake & Potomac Tel. Co. Deb.	4.22 %	4 3/8 %	1- 1-2002
200,000.00	Public Service Co. of Oklahoma	4.20	4 1/8	1- 1-93
4,000,000.00	U. S. Treasury Bills	2.89	2.89	4-18-63
500,000.00	Dallas Power & Light Co. 1st Mtge.	4.19	4 1/4	2- 1-93
100,000.00	American Tel. & Tel. 34 Year Deb.	4.28	4 3/8	10- 1-96
343,000.00	International Harvester Co. 7% Pref.			
	Stock - 2,000 shares	-	7	-
13,945.00	Greyhound Corp. Common Stock - 400 sh.	-	-	-
27,347.30	Kimberly-Clark Corp. Com. Stk. - 500 sh.	-	-	-
23,881.47	Bank of America Common Stock - 387 sh.	-	-	-
48,350.00	Marsh & McLennon, Inc. Com. Stock -			
	1200 shares	-	-	-
56,946.50	Pillsbury Co. Common Stock - 800 sh.	-	-	-
41,382.44	R. J. Reynolds Tobacco Co. Common			
	Stock - 1,000 shares	-	-	-
400,000.00	Bell Telephone Co. of Pennsylvania Deb.	4.29	4 3/8	2- 1-2003
300,000.00	Moore-McCormack Lines, Inc. U. S. Govt.			
	Ins. Merchant Marine Bonds			
	(S. S. Brazil Series)	4.20	4.20	7- 1-83
23,524.05	Commercial Credit Co. Com. Stock - 500 sh.	-	-	-
100,000.00	Seaboard Air Line R.R. Equip. Tr.			
	Series W	4.10	3 7/8	2- 1-74
100,000.00	Southern Pacific R. R. Co. Eq. Trust	4 1/8	3 7/8	1- 1-74
50,000.00	Seaboard Air Line R.R. Equip. Tr.			
	Series W	4.10	3 7/8	2- 1-75
50,000.00	Seaboard Air Line R. R. Equip. Tr.			
	Series W	4 1/8	3 7/8	2- 1-76
300,000.00	ILLINOIS POWER Co.	4.20	4 1/4	1-1-93

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

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

NOES: None.

The Secretary submitted a resolution drafted by the Secretary and Legal Adviser in accordance with Board action on January 30 (see page 13). The Chairman suggested that the Investment Counselors be named in the Resolution.

After discussion, Mr. Hass moved adoption of this resolution as it was drafted. There was no second to the motion and it was withdrawn.

It was moved by Mr. Kroenke, seconded by Mr. Hass and unanimously carried, that the matter be placed on file.

The Secretary reported that the Investment Counselors in their communication of February 18, 1963, recommended purchase of \$200,000 of Presbyterian Ministries, Incorporated, First Mortgage sinking fund bonds, insured by FHS, in maturities of 1987 - 1989 at a price to yield 5.00% - 5.05%.

It was moved by Mr. Kroenke and seconded by Mr. Strobel that the Board authorize purchase of \$200,000 of Presbyterian Ministries, Incorporated, First Mortgage sinking fund bonds in maturities of 1987 - 1989 at a price to yield 5.00% - 5.05%. The motion prevailed by the following vote:

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

NOES: None.

The Secretary reported that the "Notice of Intention to Accept Exchange Offer" for the exchange of California-Oregon Power Company bonds for Pacific Power and Light Company Bonds had been executed and forwarded to the company. (See minutes of January 30, 1963, page 15.)

Ordinary Disability Retirement

The Secretary reported receipt of application for Ordinary Disability Retirement from #C-14495, Charles M. Barth, Maintenance Worker, Bureau of Traffic Engineering and Electrical Services, and stated that the Medical Council examined Mr. Barth and certified that he is totally disabled and incapacitated for the performance of duty and should be retired.

The Ordinary Disability Retirement Resolution was presented.

It was moved by Mr. Gumm and seconded by Mr. Galligan that the Board concur in the recommendation of the Medical Council to retire Charles M. Barth, and that the Ordinary Disability Retirement Resolution authorizing the retirement be adopted. The motion prevailed by the following vote:

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

NOES: None.

Report of Medical Council

The Secretary reported that the Medical Council reviewed the disability retirement of #A-3070, Miss Evelyn E. Waters, and the report from her physician dated January 4, 1963, and that the Council certifies that she is unable to return to work and recommends that she be continued on ordinary disability retirement. The Secretary also reported that the Medical Council reviewed the disability retirement of #C-5971, Walter Manske, on February 8, 1963, and certifies that he is unable to return to work and recommends that he be continued on ordinary disability retirement.

It was moved by Mr. Fischer and seconded by Mr. Hass that the Board concur in the recommendation of the Medical Council and that Miss Evelyn E. Waters and Mr. Walter Manske be continued on ordinary disability retirement. The motion prevailed by the following vote:

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

NOES: None.

Report of Police Medical Panel

The Secretary presented reports from the Police Department Medical Panel dated February 14, 1963, with respect to the re-examination of #SP-10801, Harry A. Race, #SP-18393, Lawrence A. Olson, and #P-18120, James Demitros, retired on accidental duty disability allowance, certifying that Messrs. Olson and Demitros are unable to work as police patrolmen and recommending that they be continued on retirement; and that Harry Race was examined by Dr. Collopy at the request of the Medical Panel, and that the Panel reported Mr. Race is "physically fit for light duty but not regular police duty" and recommending that he be continued on retirement.

After discussion, it was moved by Mr. Kroenke and seconded by Mr. Gumm, that the Board concur in the recommendation of the Police Department Medical Panel and that Harry A. Race, Lawrence A. Olson, and James Demitros be continued on duty disability retirement. The motion prevailed by the following vote:

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

NOES: None.

Retirements

The Secretary presented the following resolutions:

The Service Retirement Resolution for February, 1963, listing:

C- 3154	Richard Sylvester Daley	February 15, 1963
C- 7850	Stanley R. Miles	February 15, 1963
C- 8102	Ray H. Knight	February 19, 1963
C- 3948	Hans Koch	February 20, 1963
C- 4132	Joseph Wenhardt	February 27, 1963

The Service Retirement Resolution for March 1, 1963, retirements, listing:

C- 319	Carl E. Haese	C- 6531	Elmer P. Fauss
C- 669	Andrew L. Wapp	C- 6779	George M. Horne
C- 3679	Walter J. Carstens		

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

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

NOES: None.

Withdrawal Benefits

The Secretary presented the Withdrawal Benefit Resolution listing the following retirements:

C-10966	Valentine V. Kujawa	February 13, 1963
A- 1416	Frank Lubner	February 14, 1963
A-10039	Nora Hansen	February 18, 1963

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

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

NOES: None.

Retirements Granted: 3,047

Terminated: 1,414

Balance: 1,633

Death Claims

The Secretary presented the following resolutions:

The Ordinary Death Benefit Resolution listing the following deceased members:

SP-10982 Edmund J. Abraham

A-11887 Elmer H. Shidell

the total amount to be paid being \$15,836.41.

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

R - 2695 Francis S. Maciolek

the total amount to be paid being \$11.92.

The Option Number One Resolution listing the following deceased members:

R - 1252 Patrick J. Owens

R- 972 Anton Salopek

R - 2229 Ben Boncel, a.k.a.
Benjamin T. Boncel

R- 1303 Frank Strelow

R- 2834 Walter A. Jurisch

the total amount to be paid being \$8,947.16.

The Accidental Death Benefit Resolution listing:

Member	Beneficiary
SP-23309 Robert E. Kraemer	Mrs. Diane G. Kraemer, Widow

the refund of contributions to be paid being \$1,271.10 and the annual pension being \$2,812.56 to be paid to the widow during her widowhood until the youngest child attains age 18.

The Firemen and Policemen's Survivorship Benefit Resolution listing:

Member	Beneficiary
SP-10982 Edmund J. Abraham	Mrs. Shirley M. Abraham, Widow
SP-23309 Robert E. Kraemer	Mrs. Diane G. Kraemer, Widow

survivorship payments to be paid being \$150 per month during widowhood until the youngest child attains age 18, at which time benefits cease until the widow reaches age 62 when \$75 per month will be payable to her.

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

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

NOES: None.

Return of Contributions

The Secretary presented Resignation Resolutions listing 23 withdrawals, paid January 18, 1963, in the amount of \$19,564.79; 16 withdrawals, paid February 1, 1963, in the amount of \$11,967.25; and 30 withdrawals, paid February 15, 1963, in the amount of \$24,218.51.

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

AYES: Messrs. Fischer, Galligen, Gumm, Hass, 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 2 members, the total amount to be paid being \$96.34.

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

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

NOES: None.

Excess Contributions

The Secretary reported receipt of 2 applications for refund of excess contributions and presented the Partial Withdrawal of Annuity Savings Fund Resolution (Excess Contributions) listing:

C- 1379 Florence C. Hart

A-15498 Marilyn B. Kaestle

the total amount to be paid being \$2,326.29.

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

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

NOES: None.

Termination of Annuity

As a matter of record, the Secretary reported the following annuity has been terminated:

AR-1987 Frances Van Ouwerkerk, widow of Eugene J. Van Ouwerkerk, A-1117
7 year annuity in the amount of \$111.11 per month
beginning February 1, 1956, terminated January 31, 1963

Re-employment after Retirement

The Secretary called attention to an editorial, "Discrimination Hits at Specific Group of Retired Folk," which appeared February 4, 1963, in the Milwaukee Journal, commenting upon the ordinance which bars retired city employes from re-employment by the city in any capacity whatsoever and proposing that an exception be made for election booth workers.

1963 Conventions

The Secretary reported that a communication was sent to the Budget Supervisor reporting 3 Board members would attend MFOA and 3 would attend the National Conference; the Secretary or alternate would attend both conventions, and the City Comptroller would attend the National Conference.

It was suggested that Messrs. Fischer, Kroenke, and O'Malley and the City Comptroller attend the National Conference on Public Employee Retirement Systems to be held May 29 - June 1, 1963, and that Messrs. Galligan, Gumm, and Hass attend the Retirement Section of the Municipal Finance Officers Association Conference June 2 - 6, 1963, and that the Secretary or alternate be authorized and directed to attend both conferences.

The meeting adjourned at 3:25 p.m.

Ruth A. Poehlmann

Secretary

26

EMPLOYEES' RETIREMENT SYSTEM - Retirement Fund

Statement of Receipts and Disbursements

for January, 1963

Cash Balance December 31, 1962

\$ 136,603.02

Add: January Receipts

Redemptions:

Southern Natural Gas 4 3/4	\$ 10,000.00	
Standard Oil of Ohio 4 1/4	5,000.00	
Union Carbide 4 1/2% Note	5,479.45	
Butler Warehouse Lessee Rental	2,095.16	
Howard Avenue Shopping Center, Inc.	1,187.04	
Grafton State Bank Mtgas.	302.09	\$ 24,063.74

Interest Income 415,457.43

Members' Contributions - Regular 233,558.07

Fire & Police Survivorship Contributions 5,975.14

1962 Tax Levy from General City to
Pension Accumulation Fund 4,733,921.00

1962 Tax Levy from Boards and Commissions
to Pension Accumulation Fund 1,433,545.00

1962 Tax Levy from General City to
Fire and Police Survivorship Fund 71,631.00

Total Receipts

6,918,151.38

Total Receipts and Balance

\$ 7,054,754.40

Deduct: January Disbursements

Investments:

Pacific Tel. & Tel. 4 3/8%	\$ 311,067.71
Sisters of Divine Saviour 5 1/4	25,142.19
Sisters of Divine Saviour 5 1/2	176,042.72
Consolidated Natural Gas 4 1/2	184,406.25
U. S. Treasury 4% Bonds	200,000.00
New York Telephone Co. 4 1/4	201,854.16
General American Transportation 4.30%	200,047.78
Franklin National Bank \$4.60 Pref. Stk. (2,000 sh.)	204,000.00
Illinois Power Co. 4 1/4%	303,323.16
U. S. Treasury Bills due 4/18/63	3,972,063.32
Chesapeake & Potomac Tel. of Md. 4 3/8%	206,454.86

Members' Contributions Refunded 29,853.55

Active Death Claims 6,230.24

Retired Death Claims 895.79

Newspapers and Periodicals 15.00

Fire and Police Survivorship Payroll 975.00

Pension Payroll 229,646.62

Total Disbursements

6,252,018.35

Cash Balance January 31, 1963

\$ 802,736.05

EMPLOYEES' RETIREMENT SYSTEM - Expense Fund

Statement of Receipts and Disbursements

for January, 1963

Cash Balance December 31, 1962 \$ 13,764.99

Add: January Receipts

Sale of one York air conditioner	\$ 100.00
1962 Tax Levy from Boards and Commissions	29,915.00
1962 Tax Levy from General City	<u>92,324.00</u>

Total Receipts 122,339.00

Total Receipts and Balance \$ 136,103.99

Deduct: January Disbursements

Salaries and Wages	\$ 5,998.88
Employer Social Security Taxes	126.02
Employees' Insurance	124.14
Membership Dues	100.00
Office Supplies	4.50
Actuarial Fees	750.00
Election Expense	401.00
Employer Pension Contributions	<u>7,042.00</u>

Total Disbursements \$ 14,546.54

Cash Balance January 31, 1963 \$ 121,557.45