

ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held March 17, 1966. *

The meeting was called to order at 2:05 p.m. by Chairman William J. O'Malley.

PRESENT: Messrs. Stephen A. Galligan, Charles C. Gumm, John E. Kalupa, Gustave Koleas, Robert L. Sulkowski, and William J. O'Malley; also Miss Ruth A. Fohlmann, Secretary.

LATER: Mr. Allen R. Calhoun, Jr.

ALSO PRESENT: Mr. Robert M. Krauskopf, Newton and Company, Investment Counselor. Mr. Kenneth W. Mandt, District Council #48.

Investments

The Secretary reported that a Bankers Trust Company proxy indicated a holding company to be known as B.T.N.V. Corporation, will take over Bankers Trust and several other banks, and that we have 2,223 shares of Bankers Trust Company Common Stock. Mr. Krauskopf recommended that the Board sell the Bankers Trust Company stock, which can be sold at a profit.

After discussion, it was moved by Mr. Koleas and seconded by Mr. Gumm that the following resolution be adopted:

RESOLVED, By the Annuity and Pension Board of the Employees' Retirement System of the City of Milwaukee, that the following securities be sold:

2,223 shares BANKERS TRUST COMPANY
Common Stock

The motion prevailed by the following vote:

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Mr. Krauskopf left the meeting.

Minutes

It was moved by Mr. Galligan, seconded by Mr. Sulkowski and unanimously carried, that the minutes of the Regular Meeting held February 17, 1966, be approved as corrected, and that the minutes of the Special Meeting held February 21, 1966, be approved as submitted.

Fourth Choice - Transfers to the Coordinated Plan

The Secretary reported that to date 215 employees have requested transfer to the Coordinated group; that 148 members filed consent and transfer forms for the March 1, 1966, modification; that 419 stated they do not wish to transfer; that 332 are undecided at this time; and that 810 have not replied as yet. It was also reported that 3 members have filed consent and transfer forms for the next modification scheduled for June.

Proposed Amendment to Excess Contribution Section of the Law

The Secretary reported that the Common Council adopted Charter Ordinance No. 320 to permit members electing to transfer to the Coordinated Plan to pay an excess contribution an amount equivalent to the deductions taken for Social Security taxes.

State Investment Board Conference

The Secretary reported that Messrs. Gunn, Kalupa, O'Malley, and Slater, and Miss Poehlmann conferred with Mr. C. H. Jamison, Executive Director of the Wisconsin Investment Board, in Madison, Wisconsin, February 25, 1966, and gave a brief report on the material discussed.

The report was accepted and ordered placed on file.

Management Institute Conference

The Secretary reported that the Legal Adviser, Harry G. Slater, and the Secretary, Miss Poehlmann, attended the Management Institute Conference on Retirement Benefits "Fringe Benefits, Today and Tomorrow" in Madison, Wisconsin, March 8, 1966 (see minutes of February 17, 1966, page 21); and that only the Legal Adviser's expenses were paid out of Retirement System Funds, the Finance Committee having paid expenses of the Secretary.

Amendment to Board Rules

The Secretary reported that copies of the amendment to Rule 602 as discussed in the Board minutes of February 17, 1966 (page 21), were sent with the Board notice.

After discussion, it was moved by Mr. Galligan, seconded by Mr. Koleas and unanimously carried, that the following provision be added to Rule 602:

Members who withdraw their contributions after attaining the minimum service retirement age and waive their rights to a pension shall have interest on their accounts computed to the first of the month of termination of service.

Incident to discussion of the above rule, the matter of interest credit to accounts was discussed and the Secretary was directed to ask the Actuary what would be the effect on the system if interest is credited to accounts semi-annually.

#P-10801 - Harry A. Race

The Secretary reported that the \$3500 check from Mr. Race was deposited and applied on the amount Mr. Race owes to the Employees' Retirement System; that a communication was sent to Attorney Galin, with a copy to Mr. Race, informing him of this fact and stating that the payment was not in accordance with the original representations and until the balance is paid, we are unable to recognize his rights under the Pension Law. (See minutes of February 21, 1966, page 24).

After discussion, it was moved by Mr. Kalupa, seconded by Mr. Galligan and unanimously carried that Harry Race and his Attorney, Mr. Galin, be notified that the balance is to be paid no later than Monday, April 18, 1966, and in the event payment is not received by that date, the balance will be taken from Mr. Race's annuity reserve account and only upon repayment of the amount in full will his rights and privileges under the system be restored.

Bill H. R. 2389

The Secretary reported Senator William Proxmire had sent communications to all Board members stating he will support Bill H. R. 2389.

Financial Statements

The Financial Statements for the month of February, 1966, 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>Expense Fund:</u>		
E-3806	National Foundation of Health, Welfare and Pension Plans, Incorporated	\$ 1.25
E-3807	The H. H. West Company	2.45
E-3808	Universal Printing Company	11.50
E-3809	First National Bank of Stevens Point, Wisconsin	85.00
E-3810	Bires Business Machines Corp.	11.80
E-3811	Rudolph E. Fede	260.00
E-3812	J. J. Krueger, City Treasurer	388.00
E-3813	George R. Buck	750.00
Total Expense Fund		\$ 1,510.00

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

AYES: Messrs. Galligan, Gumm, Kalupa, Koles, Sulkowski, and O'Malley.

NOES: None.

Report of Investment Committee

The Secretary reported that on recommendation of the Investment Counselors, Board members were polled on February 24, 1966, and authorized the following commitment:

RESOLVED, By the Annuity and Pension Board of the Employees' Retirement System of the City of Milwaukee, that \$500,000 Dow Chemical Company 5% Notes due 1991 be purchased through a direct placement transaction, subject to approval of final documents by our Legal Adviser and Investment Counselor.

On motion by Mr. Koleas, seconded by Mr. Galligan, and unanimously carried, the Board ratified the action taken by poll of the Board on February 24, 1966, authorizing the Secretary to execute documents.

The Secretary reported the following investment transactions since the last meeting:

<u>REDEMPTIONS</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 1,434.75	Howard Avenue Shopping Center, Inc.	5.75 %	5 3/4 %	3- 1-70
2,386.98	Butler Warehouse Lease Rental	-	4 1/8	-
150,000.00	U. S. Treasury Bills	4.72	4.72	7- 7-66
350,000.00	U. S. Treasury Bills	4.68	4.68	6-22-66
189.98	Grafton State Bank Mtgs.	-	-	-
100,000.00	U. S. Treasury Bills	4.25	4 1/4	2- 3-65
4,000.00	Duquesne Light Company	4.95	5	3- 1-2010
4,622.24	Quadro Stations, Inc.	4.55	4.65	3-18-89

PURCHASES

\$ 500,000.00	Duquesne Light Company	5.05 %	5 1/8 %	2- 1-96
27.96	Allied Chemical Co. Common Stock (60/100ths fractional share)	-	-	-

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

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Report of the Medical Council

The Secretary reported that the Medical Council reviewed the disability retirement of #C-14495, Charles M. Barth, on March 2, 1966, 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. Gumm and seconded by Mr. Kalupa that the Board concur in the recommendation of the Medical Council and that Mr. Barth be continued on ordinary disability retirement. The motion prevailed by the following vote:

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Report of the Fire Department Medical Panel

The Secretary presented a report from the Fire Department Medical Panel dated March 1, 1966, with respect to the re-examination of #SP-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. Koleas 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. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Duty Disability Retirement

The Secretary presented the Accidental Disability Retirement Resolution Listing #SP-14452, Kenneth W. Rainke (see minutes of February 17, 1966, page 18).

It was moved by Mr. Gumm and seconded by Mr. Galligan that the Accidental Disability Retirement Resolution, Listing Kenneth W. Rainke, retirement effective January 1, 1966, be adopted. The motion prevailed by the following vote:

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Retirements

The Secretary presented the following resolutions:

The Service Retirement Resolution for March, 1966, retirements, listing:

C- 1570	Chris C. Shouldice	March 12, 1966
C- 8951	Matthew W. Weidner, Sr.	March 14, 1966
C- 5663	Henry F. Eggebrecht	March 15, 1966
C- 5746	Arthur Chester Nunemaker	March 15, 1966
C- 2121	Paul J. Koppler	March 20, 1966
C- 1871	Edwin E. Cowan	March 24, 1966
C- 4248	Albert Gruenwald	March 25, 1966

The Service Retirement Resolution for April 1, 1966, retirements, listing:

C- 1503	Roy H. Mathisen	C- 9931	John A. Schmidt
C- 7542	Joseph P. Korta	C-14993	Alvine Jakobsons
C- 8939	Walter R. Showler		

The Service Retirement Resolution for City-County Service Retiring from County, listing:

A- 48 Larry C. Filut

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

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Retirements Granted: 3,501 Terminated: 1,702 Balance: 1,799

Death Claims

The Secretary presented the following resolutions:

The Ordinary Death Benefit Resolution listing the following deceased members:

C-11523	Howard R. Sallis	C- 5215	Walter L. Burmeister
A- 7649	Laura H. Schallert	A- 6180	Henry Kiedrowski

the total amount to be paid being \$52,149.48.

The Option Number One Resolution listing the following deceased member:

R- 1642 Fred R. Leichtfuss

the total amount to be paid being \$106.41.

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

R- 837	Agnes Courtney	R- 1448	Eimer R. Lee
R- 1284	Roy C. Cutler	R- 1897	Frank E. Gaylord
R- 2538	Doris Frances Treis		

the total amount to be paid being \$294.99.

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

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Return of Contributions

The Secretary presented Resignation Resolutions listing 26 withdrawals, paid February 25, 1966, in the amount of \$32,162.20; and 32 withdrawals, paid March 11, 1966, in the amount of \$34,144.96.

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

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Termination of Membership - Section 36.03 (6)

The Secretary reported Termination of Membership and presented the Resolution for the Return of Contributions - Section 36.03 (6), listing refunds to 4 members, the total amount to be paid being \$147.06.

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

AYES: Messrs. Galligan, Gumm, Kalupa, Koleas, Sulkowski, and O'Malley.

NOES: None.

Termination of Annuity

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

AR-2710 Loretta J. Ferroli, widow of August Ferroli, C-8469
5 year annuity in the amount of \$114.67 per month
beginning March 1, 1961, terminated February 28, 1966.

Conventions

The Secretary reported that the Common Council authorized all members of the Board and the Assistant Secretary to attend the National Conference on Public Employee Retirement Systems at Hot Springs, Arkansas, March 20 - 23, 1966 (see minutes of December 16, 1965, page 136), and appropriated \$260 each out of the Contingent Fund for Board members, the Assistant Secretary's expense in the amount of \$260 to be paid out of the Retirement System Expense Fund; that the Secretary is authorized to attend the MFOA Committee on Public Employee Retirement Administration Convention May 15 - 19, 1966, in San Diego, California, with expenses to be paid from the Common Council Contingent Fund.

Messrs. O'Malley, Koleas, Gumm, and Kalupa reported they planned to attend the convention. The Board authorized the Assistant Secretary to attend and appointed the five as delegates. \$260 was appropriated out of the Travel Account for the expenses of the Assistant Secretary. There being no objection, it was so ordered.

The meeting adjourned at 2:55 p.m.

Ruth A. Poehlmann

Secretary

EMPLOYEES' RETIREMENT SYSTEM - Retirement Fund

Statement of Receipts and Disbursements

for February, 1966

Cash Balance January 31, 1966 \$ 145,298.01

Add: February Receipts

Redemptions:

Consolidated Natural Gas Co. 5% - 1985 \$	9,055.80	
Thorp Finance 4% Notes - 1966	20,000.00	
Abbott Laboratories Common Stk.-500 sh.	23,304.32	
U. S. Treasury Bills due 2/ 3/66	100,000.00	
U. S. Treasury Bills due 11/15/66	450,000.00	
U. S. Treasury Bills due 7/ 7/66	200,000.00	
U. S. Treasury Bills due 3/22/66	100,000.00	
Butler Warehouse Lease Rental	2,378.81	
Howard Avenue Shopping Center, Inc.	1,427.61	
Grafton State Bank Mortgages	189.98	\$ 906,356.52
Interest Income		516,069.31
Members' Contributions - Regular		287,870.97
Fire and Police Survivorship Contributions		8,335.39
Refund for Deaths on 1/31/66 Payroll		891.31
Checks outlawed under Statute of Limitations		20.98
1965 Tax Levy to Pension Accumulation Fund - Boards and Commissions		4,606.00
		<u>1,724,150.48</u>

Total Receipts

1,724,150.48

Total Receipts and Balance

\$ 1,869,448.49

Deduct: February Disbursements

Investments:

Tampa Electric Co. 4 1/8% due 1986	\$ 91,011.46	
Tampa Electric Co. 4 1/4% due 1988	46,245.49	
Honeywell, Inc. Common Stock - 1,000 sh.	70,785.32	
General Telephone Co. of Wisconsin 5% due 1996	391,543.75	
Commonwealth Edison Co. 4 1/4% due 1987	94,049.30	
U. S. Treasury Bills due 5/ 5/66	98,828.00	
U. S. Treasury Bills due 11/15/66	450,000.00	
U. S. Treasury Bills due 7/ 7/66	200,000.00	\$ 1,442,463.32
Members' Contributions Refunded		63,635.43
Active Death Claims		31,746.76
Retired Death Claims		30,435.28
Pension Payroll		282,448.97
Fire and Police Survivorship Payroll		2,000.00
		<u>1,852,729.76</u>

Total Disbursements

1,852,729.76

Cash Balance February 28, 1966

\$ 16,718.73

EMPLOYEES' RETIREMENT SYSTEM - Expense Fund

Statement of Receipts and Disbursements

for February, 1966

Cash Balance January 31, 1966 \$ 26,260.40

Deduct: February Disbursements

Salaries and Wages	\$ 6,793.84
Employer Social Security Taxes	179.23
Employees' Insurance - Group Life	30.16
Employees' Insurance - Blue Cross	148.40
Accounts Payable	26.70
Convention and Travel	55.00
Membership Dues	100.00
Tab Service	142.32
Printing	24.24
Postage	22.25
Miscellaneous Expense	.10
Actuarial Fees	750.00
Election Expense	19.03
Coordinated Plan Conversion Fund	60.75
Insurance - Investment	1.84
Investment Conferences and Studies	<u>75.00</u>

Total Disbursements 8,428.86

Cash Balance February 28, 1966 \$ 17,831.54