

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

PROCEEDINGS OF ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held February 17, 1977.

The meeting was called to order at 2:01 P. M. by Chairman Robert W. Walker.

PRESENT: Messrs. Carl E. Hanneman, Kenneth H. Mandt, James A. McCann, Clarence M. Miller, Miss Ruth A. Poehlmann, Robert W. Walker, and Edmund M. Wisniewski; also Messrs. William J. Lukacevich, Legal Adviser, Rudolph E. Pede, Secretary, and Robert G. Nehls, Assistant Secretary.

ALSO PRESENT: Messrs. Jack Windsor, Walter Beck, Richard Farren, and Richard Stanley, Heritage Investment Advisors, Inc., Investment Counselors, and Raymond Kruschke, representing Fire Fighters' Association.

EXCUSED: Mr. Roy B. Nabors.

It was moved by Mr. Mandt, seconded by Mr. Wisniewski and unanimously carried, that the Secretary send Mr. Lawrence F. Conatty, of the Employees' Retirement System, Group Life Insurance Division, a get well card from the Board. Mr. Conatty suffered an attack in the office on Wednesday morning, February 16, 1977, and was taken to Mt. Sinai Hospital.

Minutes

It was moved by Mr. McCann, seconded by Miss Poehlmann and unanimously carried, that the minutes of the regular meeting held January 20, 1977 be approved as submitted.

Duty Disability Death Refund of Member Contributions
(Laid over October 21, 1976 -
see 1976 minutes page 110)

The Secretary reported on the letter dated January 24, 1977 from the Milwaukee Professional Fire Fighters' Association's Attorney, Richard M. Goldberg, concluding that the accumulated member contribution of Mr. Edwin Cybela, deceased, should be paid as guaranteed under Section

36.05 (1) (d) 1. of the Employees' Retirement System Law to the member's designated beneficiary, Mrs. Cybela; and also on the letter dated February 2, 1977 from the City Attorney, reiterating his previous opinion of October 8, 1976, based on various provisions of the Employees' Retirement System Law, that Mrs. Cybela is not entitled to her deceased husband's member contributions standing to his credit upon his death. Copies of both letters were sent to board members with meeting notice.

After discussion, it was moved by Mr. Hanneman and seconded by Mr. Mandt to pay Mrs. Virginia Cybela the \$17,955.82 representing the accumulated member contribution of Mr. Edwin Cybela, deceased. Mr. Raymond Kruschke of the Milwaukee Professional Fire Fighters' Association was given an opportunity to express their views in support of the motion. The motion lost by the following vote:

AYES: Messrs. Hanneman and Mandt.

NOES: Messrs. McCann, Walker, Wisniewski and Miss Poehlmann.

After further discussion, including comments by Assistant City Attorney Lukacevich supporting the City Attorney's legal opinion of February 2, 1977, it was moved by Mr. McCann and seconded by Miss Poehlmann, to deny the payment in view of the City Attorney's legal opinion. The motion prevailed by the following vote:

AYES: Messrs. McCann, Walker, Wisniewski and Miss Poehlmann.

NOES: Messrs. Hanneman and Mandt.

The Secretary was instructed to send Mrs. Virginia Cybela a letter, with a copy to the Milwaukee Professional Fire Fighters' Association, informing her of the denial.

Pension Offices Consolidation
(laid over January 20, 1977
see 1977 minutes page 7)

The Secretary reported on the letter dated January 31, 1977 from Mr. Edwin C. Whitney, copies sent to board members with meeting notice, wherein Mr. Whitney advised that the information previously supplied should be sufficient basis for a reply to the Special Committee on Organizations and Methods regarding a possible consolidation of the staffs of the three pension systems.

The Investment Counselors arrived.

After considerable discussion, it was moved by Mr. Mandt and seconded by Mr. Wisniewski, that in the absence of detailed information, the board feels they do not wish to comment at this time. The motion lost by the following vote:

AYES: Messrs. Mandt and Wisniewski.

NOES: Messrs. Hanneman, McCann, Walker and Miss Poehlmann.

Mr. Mandt left the meeting.

It was moved by Miss Poehlmann, seconded by Mr. McCann and unanimously carried, to lay this matter over until later in the meeting.

Mr. Lukacevich left the meeting.

Investments

Mr. Windsor presented the Investment Counsel agenda and lists of investment transactions committed since the January 20, 1977 Board meeting (copy to be attached to these minutes).

Mr. Stanley reviewed and discussed the Short Term Investment status and the fixed income transactions; Mr. Farren reviewed and discussed the equity transactions; and Mr. Beck reviewed and discussed the stock options program transactions and status.

It was moved by Mr. McCann, seconded by Mr. Wisniewski and unanimously carried, to approve the reports of the Investment Counsel.

The Secretary presented the letter dated January 20, 1977 from Investment Counsel, Heritage Investment Advisors, Inc., copies of which were previously sent to board members, recommending that the net investable cash flow during 1977 be invested 70% in fixed income securities and 30% in equities. It was moved by Miss Poehlmann, seconded by Mr. McCann and unanimously carried, approving the recommendation of Investment Counsel that the investable 1977 cash flow be invested 70% in fixed income securities and 30% in equities.

After discussing proposals for possible expansion of the options program, it was decided to lay the matter over pending a written report on the matter, pro and con, from Investment Counsel.

The Investment Counselors left the meeting.

Investment Transactions

As a matter of information, the Secretary presented list of Investment Transactions settled during the month of January 1977, copies sent with meeting notice and to be attached to these minutes.

Bills

The Secretary presented a list of bills for January in the amount of \$41,776.33, copies sent with meeting notice to be attached to these minutes. It was moved by Mr. McCann, seconded by Miss Poehlmann and unanimously carried, that the bills be approved and payments ratified.

Retirements, Death Claims, and Refunds

The Secretary presented lists of activity since the last Board meeting, copies of which were sent with meeting notice and to be attached to these minutes:

Retirements for the month of February 1977

Active Death Benefits paid thru February 3, 1977	\$54,702.13
---	-------------

Retired Deaths paid thru February 3, 1977	\$ 7,908.79
--	-------------

Refund of Member Contributions paid thru January 28, 1977	\$82,056.00
--	-------------

It was moved by Miss Poehlmann, seconded by Mr. Wisniewski and unanimously carried, that the above indicated retirements, death claims, and refunds be approved.

Medical Council Report

The Secretary presented application for Duty Disability Retirement from #C-8549 Anthony Sansone, effective October 16, 1976, and submitted report of the Medical Council certifying that he is not permanently and totally incapacitated for duty as a result of an injury which occurred while in the actual performance of duty. It was moved by Miss Poehlmann, seconded by Mr. McCann and unanimously carried, to accept the certification of the Medical Council and that Mr. Sansone's application for Duty Disability Retirement be denied. The Secretary was instructed to inform Mr. Sansone of his right to appeal under the provisions of Charter Ordinance No. 417.

The Secretary also presented application for Duty Disability Retirement from #C-8871 Russell F. Semon, effective February 23, 1977, and submitted report of the Medical Council certifying that he is incapacitated for the performance of duty due to an injury in the line of duty and that such incapacity is likely to be permanent and that he be retired. It was moved by Miss Poehlmann, seconded by Mr. McCann and unanimously carried, to accept the certification of the Medical Council and that Mr. Semon be placed on Duty Disability Retirement.

The Secretary also presented applications for Ordinary Disability Retirement from #P-12796 Floyd N. Roberg, effective April 1, 1977, and for Limited Ordinary Disability Retirement from #C-36037 Russell W. Kutz, effective February 12, 1977, and submitted reports of the Medical Council certifying that they are incapacitated for the performance of duty, that such incapacity is likely to be permanent and that they be retired. It was moved by Mr. Wisniewski, seconded by Miss Poehlmann and unanimously carried, to accept the certifications of the Medical Council and that Mr. Roberg be placed on Ordinary Disability Retirement, and Mr. Kutz on Limited Ordinary Disability Retirement.

The Secretary also presented report of the Medical Council relative to the re-examination of #C-8514 Carl A. Kamasinski, certifying that he be continued on Duty Disability Retirement. It was moved by Miss Poehlmann, seconded by Mr. Hanneman and unanimously carried, to accept the certification of the Medical Council and that Mr. Kamasinski be continued on Duty Disability Retirement.

Report of Special Physician Panel - 90% Duty Disability

The Secretary presented reports of the Special Three-Physician Panel relative to the annual re-examination of #SP-18393 Lawrence A. Olson, a former Police Patrolman, certifying that he be continued on Duty Disability enlarged 90% allowance. It was moved by Mr. Hanneman, seconded by Miss Poehlmann and unanimously carried, to accept the certification of the Special Three-Physician Panel and that Mr. Olson be continued on Duty Disability enlarged 90% allowance.

The Secretary also presented reports of the Special Panel relative to the annual 90% Duty Disability re-examination of #SP-29222 John J. Carter, a former Police Officer, where Panel doctors A. C. Kissling and C. W. Budny certified, without necessity of re-examination, that he be continued on Duty Disability enlarged 90% allowance.

During discussion the Secretary presented City Attorney legal opinions of October 12, 1972 and February 11, 1977 concluding "that where it is apparent that there can be no recovery with respect to Items 1 (the loss of use of both eyes), 2 (the full loss of use of 1 eye and 1 limb) and 3 (the full loss of 2 limbs), a re-examination would undoubtedly prove fruitless; however, in each instance we consider it would be best to request orally that such panel ascertain whether or not a re-examination is required."

Mr. Miller arrived.

After discussion, it was moved by Mr. McCann, seconded by Mr. Wisniewski and unanimously carried, to accept the certification of the Special Panel (90% Duty Disability) and that Mr. Carter be continued on 90% Duty Disability Allowance.

The Secretary was accordingly instructed to obtain a legal opinion relative to possible Charter Ordinance amendment of Section 36.05 (3) (c) providing for the waiver of re-examinations under extraordinary cases of duty disability.

Mr. McCann left the meeting.

Fire Medical Panel Report

The Secretary presented reports of the Fire Department Medical Panel relative to the re-examinations of #F-20397 Sylvester T. Mazurkiewicz, and #F-16529 John M. Unger, retired on Duty Disability Retirement allowance under Chapter 891.45 of the Wisconsin Statutes, Presumption of Employment Connected Disease, certifying that they be continued on Duty Disability

Retirement because of heart defect or disease which is presumed to have been caused by their employment. It was moved by Mr. Wisniewski, seconded by Mr. Hanneman and unanimously carried, to accept the certifications of the Fire Department Medical Panel and that Messrs. Mazurkiewicz and Unger be continued on Duty Disability Retirement under the provisions of Chapter 891.45 of the Wisconsin Statutes.

The Secretary also presented report of the Fire Medical Panel relative to the re-examination of #F-13847 Sylvester A. Maultra, certifying that he be continued on Duty Disability Retirement. It was moved by Mr. Wisniewski, seconded by Mr. Hanneman and unanimously carried, to accept the certification of the Fire Medical Panel and that Mr. Maultra be continued on Duty Disability Retirement.

Pension Offices Consolidation
(laid over from earlier in the meeting)

After discussion, it was moved by Miss Poehlmann and seconded by Mr. Miller that the Secretary should send a letter to the Special Committee that on the basis of the information provided, the Board can't come to a conclusion but suggests that perhaps combining the staffs of the Fire and Police Annuity and Benefit Funds would be logical since they are both under the same type of law. The motion lost by the following vote:

AYES: Mr. Miller and Miss Poehlmann.


NOES: Messrs. Hanneman, Walker and Wisniewski.

It was moved by Mr. Wisniewski and seconded by Mr. Hanneman that the Secretary write a letter to the Committee on Organization and Methods stating that this Board is against the proposed consolidation of the staffs of the three pension systems. The motion prevailed by the following vote:

AYES: Messrs. Hanneman, Miller, Wisniewski and Miss Poehlmann.

NOES: Mr. Walker.

The meeting adjourned at 3:45 P. M.


Secretary

EXPENSE FUND BILLS - JANUARY 1977

<u>Vendor</u>	<u>Amount</u>
For ratification at Board Meeting February 17, 1977 -	
City Treasurer - Payroll P.P. 26 & P.P. 1	\$13,658.60
City Treasurer - Social Security Taxes P.P. 26 & P.P. 1	682.88
City Treasurer - Group Life - February 1977 Coverage	121.25
City Treasurer - Blue Cross - March Coverage	955.28
City Treasurer - Systems & Programming P.P. 25-26	974.74
City Treasurer - Data Processing P.P. 26	342.17
City Treasurer - Microfilming - December 1976	250.47
City Treasurer - December checks (3179 @ .09¢)	286.11
City Treasurer - Supplies, Reproduction Services, Postage for November & December 1976	2,030.37
City Treasurer - Telephone Toll - 4th quarter 1976	33.18
City Treasurer - Money & Security Insurance (6/1/76 - 6/1/79)	2,271.25
City Treasurer - Member contributions (5-1/2%) P.P. 21-26	2,253.72
City Treasurer - Supplementation of Retirement - 4th qtr. 1976	74.30
City Treasurer - Clerical Pool Services 11-28-76 - 12-11-76	436.08
City Treasurer - Passenger Cars used during 1976	13.44
City Treasurer - Data Processing P.P. 1-2	292.64
City Treasurer - Systems & Programming P.P. 1	240.18
Employees' Retirement System - Employer's contribution for 1977	16,423.00
The H.H. West Company - Office Supplies	29.47
A to Z Printing Company - Window envelopes	62.00
Barron's - Subscription - One year 1/28/77 - 1/28/78	28.00
International Foundation of Employee Benefit plans - Membership Dues	200.00
Monroe - Office Supplies	9.46
Olivetti - Repair and Maintenance	25.50
Pension & Investments - Subscription - One year	63.00
The 780 North Corp. - Luncheon Expense - with Actuary	19.24
Total Expenses	\$41,776.33

INVESTMENT TRANSACTIONSSettled Month of JanuaryREDEMPTIONSSecuritiesRateMaturity

\$ 100,000.00	New York State Electric & Gas - 1st Mtge.	2-3/4%	1- 1-1977
13,287.67	Union Carbide - Company Note	4-1/2	12-31-1996
16,666.67	Marathon Finance - Company Note	4.4	7- 1-1983
4,781.72	Quadro Stations - Company Note	5.15	3-18-1989
161,329.47	Gov't. Nat'l. Mtge. Assn. Bonds-Guaranteed	Various	Various

SALES

\$ 100,000.00	Indianapolis Power & Light - 1st Mtge.	3-5/8	3- 1-1983
500,000.00	American Can Company - Debenture Bond	7-3/4	3-15-2001
100,000.00	Chesapeake & Ohio Railway Company - Refunding & Improvement Mtge.	3-1/2	5- 1-1996

PURCHASES

\$1,000,000.00	Harris Corp. - Sinking Fund Debenture	7-3/4	12-15-2001
718,000.00	U.S. Gov't. Guaranteed Ship Financing Bonds	7-3/4	2-15-2001
500,000.00	Public Service of Colorado - 1st Mtge.	6-3/4	7- 1-1998
1,000,000.00	Public Service of Indiana - 1st Mtge.	7-5/8	1- 1-2007
999,381.14	Gov't. Nat'l. Mtge. Assn. Bonds - Guaranteed	8	11-15-2006
1,000,000.00	Kraft, Inc. - Sinking Fund Debenture	7.6	1-15-2007
800,000.00	Southern Indiana Gas & Electric - 1st Mtge.	8.35	1-15-2007

PURCHASES - Common Stock

\$ 146,080.00	Sterling Drug, Inc. - 9,000 shs	-	-
147,640.00	AMF, Inc. - 7,000 shs	-	-
194,412.50	Coca Cola - 2,500 shs	-	-
87,825.00	Xerox - 1,500 shs	-	-
964,530.00	Minnesota Mining & Manufacturing - 17,500 shs	-	-
395,116.00	Sunbeam Corp. - 16,600 shs	-	-
672,500.00	International Tel. & Tel. - 20,000 shs	-	-
512,325.00	J. C. Penney - 11,000 shs	-	-
119,820.00	Eastman Kodak - 1,500 shs	-	-

SERVICE RETIREMENTS - MONTH OF FEBRUARY 1977

<u>Active Service No.</u>	<u>Name and Department</u>	<u>Date of Retirement</u>
C- 8570	Frank J. Krawczyk - Sewerage Commission	2- 1-77
A- 8982	Lloyd J. Venske - Bridges and Buildings	2- 1-77
P-10691	Edgar C. Diehl - Police Department	2- 1-77
A-11123	Peter T. Kwiecien - Bridges and Buildings	2- 1-77
A-11553	Bernadette Lange - School Board	2- 1-77
A-11832	Edwin W. Schoenke - School Board	2- 1-77
C-12553	Leona Butler - Treasurer's Office	2- 1-77
A-12701	Anthony Narlock - Sewerage Commission	2- 1-77
C-17630	William J. Eichholz - Bureau of Forestry	2- 1-77
C-18874	George J. Brickler - School Board	2- 1-77
C-20347	Eugene Hug - Municipal Equipment	2- 1-77
C-12930	Mary M. Lemanski - Bridges and Buildings	2- 1-77
C-20803	Genevieve M. Makowski - Health Department	2- 1-77
C-23369	Barbara A. Kincaid - Health Department	2- 1-77
C-25588	Katherine Gregory - School Board	2- 1-77
C-27549	Anthony G. Inhoff - Bureau of Forestry	2- 1-77
P-10510	Russell H. Bonefant - Police Department	2- 3-77
C-22986	Hope E. Seaver - School Board	2- 4-77
A- 5738	Erwin J. Escher - Bureau of Sanitation	2- 5-77
P- 9711	Nicholas Kapetanich - Police Department	2- 5-77
A-16688	Edward J. Bonk - St. & Sewer Maintenance	2- 5-77
C-35757	Germano Endrizzi - School Board	2- 5-77
C- 8495	Stanley Andruski - Bureau of Sanitation	2- 6-77
C-33431	Caroline F. Lund - Health Department	2- 6-77
P-13574	Eugene R. Kloss - Police Department	2- 9-77
C-34143	George H. Bahr - Building Inspection	2-10-77
C-25787	Harriett J. Staudt - Treasurer's Office	2-12-77
P- 9721	Alfred C. Raasch, Jr. - Police Department	2-17-77
F-10081	Franklin L. McCabe - Fire Department	2-17-77
C-39881	Priscilla Wildt - School Board (lump sum)	2-18-77
C-10561	Floyd S. Ureda - Municipal Equipment	2-19-77
C-13074	Harry E. Sobczak - St. & Sewer Maintenance	2-19-77
C-20291	Roman J. Wick - Municipal Equipment	2-19-77
P-13389	Norbert A. Stachowiak - Police Department	2-20-77
C-39313	Ella Grady - School Board (lump sum)	2-25-77

Voluntary Separation - Immediate Allowance

A- 6409	John Beres - Comptroller's Office	2- 1-77
---------	-----------------------------------	---------

DEATH CLAIMSActive Death Benefits paid February 3, 1977

<u>Active No.</u>	<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
24231	Richard E. Hacka	10-19-76	\$12,983.21
SP-15066	Jerome A. Jagmin*	12-31-76	<u>41,718.92</u>
*Fire and Police Survivorship Benefits will also be paid in addition to lump sum benefit.			
Total			\$54,702.13

Retired Deaths paid February 3, 1977

<u>Retired No.</u>	<u>Active No.</u>		<u>Date of Death</u>	<u>Amount</u>
3385	3305	Roy V. Winans	12- 4-76	\$ 440.96
2016	8990	Ottillie Damske	12-23-76	26.55
3817	8286	Fred Sisson	1- 1-77	5.76
3945	9749	Edward P. Shafer	1-10-77	2,979.79
4088	9600	Margaret K. Manthe	1-11-77	4,419.45
3499	8939	Verona J. Shomler	12-16-76	<u>36.28</u>
Total				\$ 7,908.79

REFUND OF MEMBER CONTRIBUTIONS

paid January 14, 1977 -

<u>Active No.</u>	<u>Name</u>
A-16731	Casimir J. Zbikowski
C-24850	Polly A. Herte
C-29009	Rosalie A. Semrau
C-29168	Daniel W. Wutcheck
SP-29228	Thomas W. Korb
C-33482	Donna J. Holstein
C-33550	Margaret L. Reinders
C-34130	Irene J. Riggs
C-34237	Boisy Walker, Jr.
C-34637	Betty A. Kress
C-34863	Helen R. Doyle
C-36416	Jane W. Geiger
C-36610	Dorothy M. Randolph

Total \$69,319.83

paid January 28, 1977 -

<u>Active No.</u>	<u>Name</u>
SP-29398	Michael P. Reilly
C-29030	Antoinette McClain

Total \$12,736.17

GRAND TOTAL \$82,056.00