

## EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

## PROCEEDINGS OF ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held March 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, Clarence M. Miller, W. Martin Morics, Robert W. Walker, Edmund M. Wisniewski, and Miss Ruth A. Poehlmann; also Messrs. William J. Lukacevich, Legal Adviser, Rudolph E. Pede, Secretary, Robert G. Nehls, Assistant Secretary, and Chris Foerster, Accountant.

ALSO PRESENT: Messrs. Jack Windsor, Richard Farren, and Richard Stanley, Heritage Investment Advisors, Inc., Investment Counselors.

EXCUSED: Mr. Roy B. Nabors

Minutes

It was moved by Miss Poehlmann, seconded by Mr. Miller and unanimously carried, that the minutes of the regular meeting held February 17, 1977 be approved as submitted.

Mr. Morics arrived.

Fire Medical Panel Report

The Secretary presented application for Duty Disability Retirement from #F-16611 Dean E. Williams, effective April 1, 1977 and submitted report of the Fire Medical Panel certifying that he is by his statement physically incapacitated for the performance of duty as the natural and proximate result of an injury occurring in the actual performance of duty. After discussion, it was moved by Mr. Hanneman, seconded by Mr. Mandt and unanimously carried, to deny the application for Duty Disability Retirement of Firefighter Dean E. Williams based on the February 17, 1977 certification of the Fire Medical Panel as it is filled out by the Panel. The Secretary was instructed to inform Mr. Williams of his right to appeal under the provisions of Charter Ordinance No. 417.

### 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 #P-11335 Edward J. Gavel, a former Patrolman, indicating that two of the three physicians, constituting the majority requirement, certified that he be continued on Duty Disability enlarged 90% allowance and that one physician denied the 90% enlarged allowance. It was moved by Mr. Morics, seconded by Mr. Hanneman and unanimously carried, that the Board accept the findings of the Special Panel and that Mr. Gavel be continued on Duty Disability enlarged 90% benefit.

### Pension Offices Consolidation

As a matter of information, the Secretary reported that the Special Committee on Organizations and Methods on February 28, 1977 approved the proposal to merge the Administrative Offices and Staffs of the three City Pension Systems and referred the file to the Common Council for further action.

### Board Meeting Dates Change

At the February 17, 1977 meeting it was suggested because of conflict with other meetings, that the Annuity and Pension Board hold their regular monthly meetings on a Monday instead of the presently scheduled Thursday meetings.

After discussion, it was moved by Mr. Morics, seconded by Mr. Miller and unanimously carried, that the Annuity and Pension Board of the Employees' Retirement System commencing in April 1977 will hold their regular monthly meetings on the fourth Monday of each month unless it falls on a holiday, in which event it will be held on the third Monday of the month.

### 1976 Audit

As a matter of information, the Secretary presented the 1976 Financial Statements and Report prepared by Price Waterhouse & Co., copies of which were distributed to Board members.

The Investment Counselors arrived.

### Additional Unfinished Business

Board Member Edmund M. Wisniewski inquired regarding the status of the Board's request for legal opinions on Investment Counsel Selling Authority and Investment Counsel and Custodian agreements review. The Secretary advised that the legal adviser had been contacted on the items and reports that they are currently at work on them. Assistant City Attorney Lukacevich, likewise, informed the Board that they are still working on this very complicated subject.

Board Member Carl E. Hanneman inquired regarding the status of past board action requesting our legal adviser and contractual service providers to report on how they comply with ERISA standards. The Secretary advised that all requested reports have been received except that of the legal adviser who had recently been reminded of the matter. The Secretary was instructed to furnish the Board with copies of all available reports for the next Board meeting.

Mr. Lukacevich left the meeting.

#### Investments

Mr. Stanley presented the Investment Counsel agenda and lists of investment transactions committed since the February 17, 1977 Board meeting (copy to be attached to these minutes).

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

Mr. Morics left the meeting.

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 February 1977, copies sent with meeting notice and to be attached to these minutes.

Mr. Morics arrived.

#### Bills

The Secretary presented a list of bills for February in the amount of \$44,629.86, copies sent with meeting notice and to be attached to these minutes. It was moved by Mr. Mandt, 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 March 1977

|   |            |
|---|------------|
| Active Death Benefits paid thru<br>March 10, 1977 | \$2,802.39 |
| Retired Deaths paid thru<br>March 10, 1977        | \$3,360.25 |

Refund of Member Contributions paid \$50,480.80  
thru February 28, 1977

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

#### 80% Coordinated Plan Limit - Re Andrew Boinski

The Secretary presented his report on the 80% Limit Overpayment relative to the early service retirement of Andrew Boinski, deceased, July 7, 1976, in the amount of \$1,961.26, copies of which were sent to Board members with meeting notice and made a part of Mr. Boinski's file. Mr. Boinski retired on March 1, 1971 under Option No. 3 providing his widow with a 50% survivorship which began July 7, 1976, the date of his death. After considerable discussion, it was moved by Mr. Hanneman, seconded by Mr. Miller and unanimously carried, to continue Mrs. Boinski's 50% survivorship in the amount of \$120.45 monthly and to waive the overpayment.

#### Medical Council Report

The Secretary presented application for Ordinary Disability Retirement from #C-18621 Edward F. Leistikow, effective March 27, 1977, and submitted report of the Medical Council certifying that he is incapacitated for the performance of duty, that such incapacity is likely to be permanent and that he be retired. It was moved by Mr. Wisniewski, seconded by Miss Poehlmann and unanimously carried, to accept the certification of the Medical Council and that Mr. Leistikow be placed on Ordinary Disability Retirement.

The Secretary also presented report of the Medical Council relative to the re-examination of #A-16412 Edward J. Plewa, certifying that he be continued on Duty Disability Retirement. It was moved by Mr. Mandt, seconded by Mr. Miller and unanimously carried, to accept the certification of the Medical Council and that Mr. Plewa be continued on Duty Disability Retirement.

The Secretary also presented report of the Medical Council relative to re-examinations, certifying that #C-23499 Vernon W. Bleibaum, #C-21107 Arnold Harhay, #F-29085 Robert A. Mlynczak, #A-18908 Norbert J. Roszak, and #C-17636 James D. Spencer be continued on Ordinary Disability Retirement. It was moved by Mr. Mandt, seconded by Mr. Miller and unanimously carried, to accept the certifications of the Medical Council and that Messrs. Bleibaum, Harhay, Mlynczak, Roszak, and Spencer be continued on Ordinary Disability Retirement.

#### Fire Medical Panel Report

The Secretary presented application for Duty Disability Retirement from #F-26069 Thomas R. Fuss, effective March 11, 1977 and submitted report of the Fire Medical Panel certifying that he is physically incapacitated for the performance of duty as the natural and proximate result of an injury

occurring in the actual performance of duty. It was moved by Mr. Mandt, seconded by Mr. Wisniewski and unanimously carried, to accept the certification of the Fire Medical Panel and that Mr. Fuss be placed on Duty Disability Retirement.

The Secretary also presented application for Duty Disability Retirement under Chapter 891.45 of the Wisconsin Statutes, Presumption of Employment Connected Disease, from #F-10757 John L. Spanbauer, Jr., firefighter, effective March 20, 1977, and submitted report of the Fire Medical Panel certifying that he is physically incapacitated for the performance of duty because of heart defect or disease which under Chapter 891.45 of the Wisconsin Statutes is presumed to have been caused by his employment. It was moved by Mr. Wisniewski, seconded by Mr. Mandt and unanimously carried, to accept the certification of the Fire Medical Panel and that Mr. Spanbauer be placed on Duty Disability Retirement under the provisions of Chapter 891.45 of the Wisconsin Statutes.

#### Police Medical Panel Report

The Secretary presented application for Duty Disability Retirement from #P-12452 Frederick J. Hoeft, effective April 15, 1977, and submitted report of the Police Medical Panel certifying that he is physically incapacitated for the performance of duty as the natural and proximate result of an injury occurring in the actual performance of duty. It was moved by Mr. Mandt, seconded by Mr. Morics and unanimously carried, to accept the certification of the Police Medical Panel and that Mr. Hoeft be placed on Duty Disability Retirement.

The Secretary presented application for Duty Disability Retirement from #P-29381 John Krause, Jr., and submitted report of the Police Medical Panel 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. After discussion of the wording of the report, it was moved by Mr. Miller and seconded by Mr. Hanneman to send the certification back to the Police Medical Panel for clarification of their statement in the report reading: "No reference to his old gunshot wounds." The motion prevailed by the following vote:

AYES: Messrs. Hanneman, Mandt, Miller, Walker, and Miss Poehlmann.

NOES: Messrs. Morics and Wisniewski.

#### Protective Survivorship Option Extension

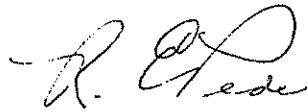
The Secretary reported that due to administrative error Mr. Aloyse N. Krass was not provided with the Protective Survivorship Option notification letter. After discussion, it was moved by Mr. Mandt, seconded by Mr. Miller and unanimously carried, that Mr. Krass be given 30 days from the date of our written notification in which to elect the protective survivorship option.

Secretary's Retirement Announcement

The Secretary informed the Board that he will be retiring no later than February 1, 1978 and suggested the appointment of a committee to plan for filling the eventual vacancy in the position of Executive Director.

After discussion, the Chairman directed the Secretary to place the matter on the July 1977 agenda providing job description and other pertinent information.

The meeting adjourned at 4:01 P. M.

A handwritten signature in cursive script, appearing to read "R. E. Edwards".

Secretary

INVESTMENT TRANSACTIONSSettled Month of February

| <u>REDEMPTIONS</u> | <u>Securities</u>  | <u>Rate</u> | <u>Maturity</u> |
|--------------------|--|-------------|-----------------|
| \$ 200,000.00      | Clinchfield R.R. Company - Equipment Trust Certificate   | 4.25%       | 2- 1-77         |
| 50,000.00          | Denver & Rio Grande West - Equipment Trust Certificate   | 5.375       | 2- 1-77         |
| 300,000.00         | Federal Nat'l. Mtge. Assn. - U. S. Government Guaranteed | 4.50        | 2-10-77         |
| 102,914.87         | Gov't. Nat'l. Mtge. Assn. - U. S. Government Guaranteed  | Various     | Various         |
| 4,673.11           | Quadro Stations - Company Note                           | 5.15        | 3-18-1989       |
| 10,000.00          | Boston VLCC Tankers - U. S. Government Guaranteed        | 9.20        | 8-17-2001       |

SALES

|               |                                     |       |            |
|---------------|-------------------------------------|-------|------------|
| \$ 500,000.00 | Ralston Purina Co. - Debenture Bond | 4-3/8 | 11-15-1988 |
|---------------|-------------------------------------|-------|------------|

PURCHASES

|                |   |      |            |
|----------------|---|------|------------|
| \$1,500,000.00 | U.S. Gov't. Financed Shipbuilding Bonds (Patriot IV Ship) - U. S. Government Guaranteed | 8.10 | 3-31-2006  |
| 700,000.00     | Wisconsin Public Service Corp. - 1st Mtge.  | 8.2  | 2- 1-2012  |
| 1,000,000.00   | Province of Saskatchewan - Debenture  | 8.7  | 12- 1-2001 |
| 500,000.00     | Metro Toronto Municipal Bond - Debenture  | 8.5  | 2-15-1997  |

PURCHASES - Common Stock

|                |  |   |   |
|----------------|--|---|---|
| \$1,076,790.00 | Sears Roebuck - 17,000 shs             | - | - |
| 121,756.50     | Honeywell - 2,700 shs                  | - | - |
| 741,665.00     | J. C. Penney - 17,000 shs              | - | - |
| 531,717.50     | Central & Southwest Corp. - 32,300 shs | - | - |
| 450,092.00     | Sunbeam Corp. - 19,600 shs             | - | - |
| 459,997.50     | General Electric - 9,000 shs           | - | - |
| 132,825.00     | Gillette - 5,000 shs                   | - | - |
| 854,487.50     | International Tel. & Tel. - 25,000 shs | - | - |
| 153,875.00     | Citi Corp. - 5,000 shs                 | - | - |
| 461,032.00     | ARA Services - 10,600 shs              | - | - |
| 296,470.50     | IBM - 1,100 shs                        | - | - |
| 30,280.00      | Sterling Drug - 2,000 shs              | - | - |

EXPENSE FUND BILLS - FEBRUARY 1977

| <u>Vendor</u>   | <u>Amount</u> |
|---|---------------|
| For ratification at Board Meeting March 17, 1977 -  |               |
| City Treasurer - Supplies, Reproduction Services and<br>Postage - January 1977            | \$ 746.41     |
| City Treasurer - Clerical Pool Service - Lorraine Glembin<br>12/26/76 - 2/5/77            | 616.05        |
| City Treasurer - Systems & Programming P.P. 2-3   | 749.58        |
| City Treasurer - Pension checks - January (3181 x .09¢)                                   | 286.29        |
| City Treasurer - Data Processing P.P. 3-4   | 1,166.76      |
| City Treasurer - Payroll P.P. 2-3   | 14,620.42     |
| City Treasurer - Social Security Taxes P.P. 2-3   | 739.21        |
| City Treasurer - Blue Cross/Blue Shield - April   | 995.14        |
| City Treasurer - Group Life Insurance - March   | 121.25        |
| Robert Hillman - City Auditor - Audit of 1975 Income Tax<br>Returns in Madison, Wisconsin | 40.84         |
| Heritage Investment Advisors, Inc. - 1st quarter<br>Counseling Fee                        | 24,054.50     |
| American Business Systems - Two Victor Calculators  | 198.00        |
| First Wisconsin Trust Co. - Collection & Shipping Expense                                 | <u>295.41</u> |
| Total Expenses  | \$44,629.86   |



SERVICE RETIREMENTS - MONTH OF MARCH 1977

| <u>Active Service No.</u> | <u>Name and Department</u>               | <u>Date of Retirement</u> |
|---------------------------|--|---------------------------|
| P-10821                   | Earl R. Baumgart - Police Department     | 3- 1-77                   |
| C-11376                   | James P. Lorge - Bureau of Engineers     | 3- 1-77                   |
| C-21162                   | Lawrence R. Dankert - St. & Sewer Maint. | 3- 1-77                   |
| C-23909                   | Harold M. Large - Municipal Equipment    | 3- 1-77                   |
| C-38912                   | Emma Martin - School Board               | 3- 3-77                   |
| A- 6505                   | Roman F. Czerniak - Police Department    | 3- 4-77                   |
| C-17142                   | Edwin J. Zuber - School Board            | 3- 5-77                   |
| C- 8435                   | Walter J. Walenta - Bureau of Sanitation | 3- 6-77                   |
| C-21650                   | LaVonda M. Harl - B. T. E. & E. S.       | 3- 6-77                   |
| C-23174                   | Leona A. Peterson - City Development     | 3-10-77                   |
| C-26692                   | Herman Adams - Bureau of Sanitation      | 3-12-77                   |
| P-11017                   | Roy R. Klein - Police Department         | 3-13-77                   |
| C-29106                   | Margaret R. Mueller - School Board       | 3-16-77                   |
| C- 8165                   | Charles A. Zimbehl - Municipal Equipment | 3-29-77                   |
| C-30951                   | Frances R. Budny - Sewerage Commission   | 3-31-77                   |

Voluntary Separation - Deferred to Age 60

|         |  |         |
|---------|--|---------|
| C-35127 | Ralph H. Lodde - Bridges and Buildings | 3-26-77 |
|---------|--|---------|

Voluntary Separation - Immediate Allowance

|         |  |          |
|---------|--|----------|
| C- 8549 | Anthony M. Sansone - School Board        | 10-16-76 |
| P-16029 | William H. Brockdorf - Police Department | 3- 5-77  |

DEATH CLAIMSActive Death Benefits paid March 10, 1977

| <u>Active No.</u> | <u>Name</u>   | <u>Date of Death</u> | <u>Amount</u>   |
|-------------------|---------------|----------------------|-----------------|
| 43907             | Jerry Winfrey | 12- 7-76             | \$ 251.77       |
| 21812             | Joan Johnson  | 1- 1-77              | <u>2,550.62</u> |
|                   |               | Total                | \$2,802.39      |

Retired Deaths paid March 10, 1977

| <u>Retired No.</u> | <u>Active No.</u> | <u>Name</u>           | <u>Date of Death</u> | <u>Amount</u> |
|--------------------|-------------------|-----------------------|----------------------|---------------|
| 1047               | 3313              | Henry F. Schmidtmeier | 11- 6-76             | \$ 11.53      |
| 2484               | 2844              | Gene Craft            | 11- 8-76             | 48.09         |
| 929                | 1761              | Gizela Kovach         | 12-25-76             | 47.27         |
| 3904               | 5249              | Ignatius J. Donahue   | 1- 7-77              | 3,020.08      |
| 3914               | 14792             | Ambrose A. Wyzlic     | 1-14-77              | 56.80         |
| 1715               | 4605              | Max Ganske            | 1-29-77              | 80.20         |
| 2048               | 3382              | Richard W. Miller     | 2-15-77              | <u>96.28</u>  |
|                    |                   | Total                 |                      | \$3,360.25    |

REFUND OF MEMBER CONTRIBUTIONS

paid February 14, 1977 -

| <u>Active No.</u> | <u>Name</u>                                  |
|-------------------|--|
| A-20803           | Genevieve M. Makowski (Excess Contributions) |
| C-22073           | Joseph Wichrowski                            |
| C-27820           | Leslyn M. Schmidt                            |
| C-31973           | Marion A. Dobron                             |
| C-34021           | Susan Lisiecki                               |
| C-36496           | Donna M. Carini                              |
| C-34052           | John C. Galles                               |
|                   | Total \$32,212.84                            |

paid February 28, 1977 -

| <u>Active No.</u> | <u>Name</u>             |
|-------------------|-------------------------|
| C-30584           | Margaret A. Batzler     |
| C-31311           | Jody D. Kuhrt           |
| C-33454           | Sylvia E. Remitz        |
| SP-37797          | James D. Patnode        |
| SP-43055          | Bonnie L. Horne         |
| SP-43059          | Julie M. Lischka        |
|                   | Total \$18,267.96       |
|                   | GRAND TOTAL \$50,480.80 |