

## PROCEEDINGS OF ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held February 20, 1975.

The meeting was called to order at 2:08 P. M. by Chairman Robert W. Walker.

PRESENT: Messrs. Carl E. Hanneman, James A. McCann, Clarence M. Miller, Miss Ruth A. Poehlmann, and Robert W. Walker; also Harry G. Slater, Legal Adviser, Rudolph E. Pede, Secretary and Donald R. Zwickey, Assistant Secretary.

ALSO PRESENT: Messrs. Jack Windsor, Richard Farren, and Richard Stanley, Investment Counselors, Newton and Company.

EXCUSED: Messrs. Edward Griffin, Kenneth H. Mandt and Edmund M. Wisniewski.

Minutes

It was moved by Mr. Miller, seconded by Mr. McCann and unanimously carried, that the minutes of the Regular Meeting held January 23, 1975 be approved as submitted.

Report on Charter Ordinance

The Secretary reported that the Common Council on February 11, 1975 adopted Charter Ordinance No. 417 relating to hearings before the Board. Discussion ensued with regard to formulating a rule with regard to costs relating to the serving of subpoenas. The Legal Adviser accordingly recommended a procedure which will be presented to the Board in the form of a rule at the next Board meeting for its consideration.

Service Charges

The Secretary reported that the checks collected for service charges due from City Agencies for the year 1974 in the amount of \$36,800 as reported to the Board on September 19, 1974 were remitted to the City of Milwaukee.

Dr. Maurice Harris Death Claim Case Report

The Secretary reported that the Harris case hearing ran for five days from February 12, 1975 thru February 18, 1975; that there was over 20 hours of testimony on tape, that the reporter has estimated that there will be over 800

pages of transcript with 58 exhibits; also that the estimated cost for conducting the hearings will be in excess of \$6,000 rather than the \$3,500 previous estimate reported to the Board on October 17, 1974, due to the length of the hearings and underestimating the court reporter fees.

The Board members decided we should have two xerox copies of the transcript in addition to the original and 1 copy ordered from the hearing reporters.

Messrs. Windsor, Farren and Stanley arrived.

#### Investment Report

Mr. Windsor presented the Investment Counsel Agenda and list of investment transactions committed since January 1, 1975, copy to be attached to these minutes. Mr. Farren reviewed the transactions in the equity portfolio and discussed that portion of the agenda, and Mr. Stanley reviewed the transactions made in the fixed income portfolio and discussed that portion of the agenda.

Mr. Stanley reported on the financial problems of the W. T. Grant Company, previously reported to the Board on December 19, 1974, recommending sale of our \$300,000 holding of their 4-3/4% debentures at the current \$28 market price. After discussion, it was moved by Mr. Hanneman and seconded by Mr. Miller that the W. T. Grant Company debentures be sold at the discretion of Newton and Company.

The motion prevailed by the following vote:

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

NOES: Mr. McCann.

Mr. McCann left the meeting.

The Secretary reported that request for consent to amendments of mortgage indenture was received from Kansas City Power & Light Company whose bonds we hold in the amount of \$750,000; that the request was reviewed by Newton and Company Investment Counselor Richard W. Stanley, who recommended that the Board consent to the amendments as per their letter of February 14, 1975; and also that the Legal Adviser upon his review of the request and investment counsel's letter recommends that the Board approve the request as per his letter of February 19, 1975.

No quorum being present, remaining Board members acted as a Committee.

It was moved by Miss Poehlmann and seconded by Mr. Miller <sup>and unanimously carried</sup> that the request be approved and that the related proxy be executed accordingly.

Messrs. Windsor, Farren and Stanley left the meeting.

Investment Transactions

The Secretary presented a list of investment transactions settled during the month of January, copy sent with meeting notice to be attached to these minutes. It was moved by Miss Poehlmann, seconded by Mr. Miller and unanimously carried, that the Investment Transactions be ratified.

Bills

The Secretary presented a list of bills for January in the amount of \$17,791.49, copy sent with meeting notice to be attached to these minutes. It was moved by Mr. Miller and seconded by Mr. Hanneman 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 to be attached to these minutes as follows:

Retirements for the month of February

Ordinary Death Benefits paid through  
February 14, 1975

\$29,296.99

Retired Deaths paid through  
February 14, 1975

\$16,185.60

Refund of Member Contributions paid  
through January 31, 1975

\$73,255.23

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

The Secretary reported that #P-10698, Jesse C. Sandow, died in active service on January 24, 1975; that he had previously elected the Protective Survivorship Option, and that a monthly survivorship benefit is accordingly payable to his designated beneficiary, Irene Sandow, widow, for life effective January 24, 1975. It was moved by Mr. Hanneman, seconded by Mr. Miller that the survivorship benefit be approved and paid in accordance with the Protective Survivorship Option as elected. The motion was unanimously carried.

Police Deaths

The Secretary reported that on July 25, 1974 the Board in connection with the July 10, 1974 shooting deaths of Thomas Matulis and Robert D. Riley resolved that the matter of accidental death benefit claim settlement be held up pending determination of issues presented in the matter of coverage under the Workmen's Compensation Act; that on February 20, 1975 a letter was received from Assistant City Attorney T. C. Crockett acknowledging the City's liability under the Workmen's Compensation Act with respect to the deaths of Thomas Matulis and

Robert D. Riley. It was moved by Mr. Hanneman, seconded by Mr. Miller and unanimously carried, that the 60% accidental death pension be paid to Mrs. Matulis.

#### Robert D. Riley Death Claim

The Secretary presented a letter from Actuary Robert Barnes dated February 12, 1975 concerning the dependency of Mrs. Alfrieda Riley, mother of Robert D. Riley, deceased, copies of which were submitted to the Board. After reviewing the letter and discussion, it was moved by Mr. Hanneman, seconded by Mr. Miller and unanimously carried, that Mrs. Alfrieda Riley be notified that based on the financial information provided it has been determined that she does not qualify as a dependent parent for the Accidental Death Benefit and that she also be advised that she can apply for payment of the Ordinary Death Benefit with the understanding that such payment will not prejudice her claim for the Accidental Death Benefit upon submission of additional evidence which would support her eligibility.

#### Fire Medical Panel Report

The Secretary presented application for Duty Disability Retirement from #SF-29085 Robert Mlynczak and January 30, 1975 report of the Fire Medical Panel certifying that he is not physically or mentally incapacitated for the performance of duty as the natural and proximate result of an injury occurring in the actual performance of duty; that he is totally and permanently disabled but that this condition is not work related. It was moved by Miss Poehlmann, seconded by Mr. Miller and unanimously carried, that the Board accept the certification of the Fire Medical Panel and that Mr. Mlynczak accordingly be notified that his application for Duty Disability Retirement is denied and that he is eligible to apply for Ordinary Disability Retirement effective on the date he is removed from the payroll.

The Secretary also presented report of the Fire Department Medical Panel relative to the re-examination 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 Miss Poehlmann and seconded by Mr. Miller and unanimously carried, to accept the certification of the Fire Department Medical Panel and that Mr. Mazurkiewicz and Mr. Unger be accordingly continued on Duty Disability Retirement.

#### Medical Examination Fee

The Secretary reported that at the December 1974 Board meeting it was suggested that Rule I. 5. e. be changed to increase the physician fee allowed for out of state examinations from \$15 to a more current rate, and presented letter from Dr. Jean C. Antonmattel relative to a recommended fee for examination of a recent disability case, copies sent to Board members with meeting notice. After discussion it was agreed that the rule be amended providing that the allowable fee be as determined by the Medical Council. The Secretary reported that a rule amendment would accordingly be sent to Board members with the next meeting notice for adoption.

Actuary Conference

The Secretary requested authority for himself and the Legal Adviser to consult with the Actuary relative to the tax levy limitations pertaining to pensions contained in 1975 Assembly Bill 222 (Governor's Budget Bill) brought to his attention by the City's Fiscal Liaison Department. It was moved by Mr. Miller, seconded by Miss Poehlmann and unanimously carried, that the conference be approved.

The meeting adjourned at 3:57 P. M.

Secretary

## INVESTMENT TRANSACTIONS

Settled Month of January

<u>REDEMPTIONS</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 13,287.67	Union Carbide Prom. Note	4.46 %	4.50 %	12-31-96
16,666.67	Marathon Finance Co. Note	4.40	4.40	7- 1-83
1,137.25	Gov't. Nat'l. Mtge. Assn. Bond Pool 3447	9.29	7-3/4	5-15-04
702.14	Gov't. Nat'l. Mtge. Assn. Bond Pool 1975	8.18	8	11-15-03
718.84	Gov't. Nat'l. Mtge. Assn. Bond Pool 3645	9.50	8	5-15-04
746.68	Gov't. Nat'l. Mtge. Assn. Bond Pool 3370	9.77	8	6-15-04
756.35	Gov't. Nat'l. Mtge. Assn. Bond Pool 3370	9.77	8	6-15-04
 <u>SALES</u>				
\$ 200,000.00	Tidewater Oil (Getty Oil Co.)	3-1/2	3-1/2	4- 1-86
<u>Common Stock</u>				
\$ 356,394.57	Avis, Inc. - 8,000 shares (loss \$320,277.77)	-	-	-
 <u>PURCHASES</u>				
\$1,000,000.00	J. C. Penney Financial Corp. Deb.	10.20	10.20	10-15-94
1,000,000.00	Hydro Quebec Deb.	10.25	10.25	1-15-2005
1,000,000.00	Union Carbide Corp. Deb.	8-1/2	8-1/2	1-15-2005
<u>Common Stock</u>				
\$ 80,245.20	Federated Dept. Stores - 3,000 shs	4.33	4.33	-
70,598.28	American Natural Gas - 2,000 shs	7.20	7.20	-
153,492.53	Gillette Company - 7,000 shs	6.84	6.84	-

EXPENSE FUND BILLS - JANUARY 1975

<u>Vendor</u>	<u>Amount</u>
For ratification at Board Meeting February 20, 1975 -	
Travel expense 1/7/75 re hearing procedures at Wisconsin Employe Trust Funds, Madison for Messrs. Slater and Pede, traveling together	
Mr. R. E. Pede (covers meals, etc. only)	\$ 12.52
Mr. H. G. Slater (auto travel only)	23.92
Barron's National Business & Financial Weekly	23.00
International Foundation of Employee Benefit Plans	200.00
U. S. Postmaster, Milwaukee (for late mailings)	10.00
Employes' Retirement System Pension Employer	16,423.00
City Treasurer, City of Milwaukee (printing, postage, office supplies - December 1974 expense)	829.05
Ziegert, Smaler, Kaminski & Freyberg (charges in connection with "Losses on Bond Sales for Reinvestment")	<u>270.00</u>
Total Expenses	\$17,791.49

SERVICE RETIREMENTS - MONTH OF FEBRUARY 1975

<u>Active Service No.</u>	<u>Name and Department</u>	<u>Date of Retirement</u>
C- 5392	Francis A. Underwood - Water Department	2- 1-75
A- 5397	Eleanor Brown - Health Department	2- 1-75
C- 6516	Leonard J. Drewek - Bridges & Buildings	2- 1-75
A- 7634	Lorraine J. Speckin - Health Department	2- 1-75
C- 7713	James W. Graves - Bureau of Forestry	2- 1-75
C- 9976	Eugene Pierre - Bureau of Sanitation	2- 1-75
A-13009	Ralph P. Behling - B.T.E. & E.S.	2- 1-75
C-13256	Donald C. Drengenberg - Auditorium-Arena	2- 1-75
A-16000	Julia C. Siegner - School Board	2- 1-75
C-17237	Casimir G. Galubinski - Police Department	2- 1-75
C-17983	Frank J. Sutyak - Municipal Equipment	2- 1-75
C-18811	Cecilia J. Enright - Tax Commission	2- 1-75
C-18991	Adolph S. Danielson - Water Department	2- 1-75
C-19376	Clara Senger - School Board	2- 1-75
C-22036	Charles Moravec - Water Department	2- 1-75
C-22752	Helen F. Atkielski - Public Library	2- 1-75
C-25366	Albert E. Stockamp - Municipal Equipment	2- 1-75
C-28755	Carl A. Carlson - B.T.E. & E.S.	2- 1-75
A-10052	Robert F. Wiese - Municipal Equipment	2- 8-75
C-14120	William F. Nakielski - Municipal Equipment	2- 8-75
C-15371	Frank J. Niezgoda - School Board	2-12-75
C-20527	Johanna Raich - Health Department	2-12-75
P-10187	William G. Fender - Police Department	2-14-75
C-30362	Agnes M. Martin - School Board	2-20-75
A- 6569	Herbert Kosanke - Bureau of Sanitation	2-22-75
C-34980	Harold E. Neumann - Bureau of Sanitation	2-24-75

Voluntary Separation - Immediate Allowance

C-22953	Elizabeth Redman - Bridges & Buildings	2- 1-75
A- 8363	Leo C. Popelier - Municipal Equipment	2-15-75



DEATH CLAIMSOrdinary Death Benefits paid February 3, 1975

<u>Active No.</u>	<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
38502	Edward J. Hayes	1-17-75	\$17,935.57
	paid February 14, 1975		
16539	Willie D. Crowell	12- 7-73	<u>11,361.42</u>
		Total	\$29,296.99

Retired Deaths paid February 3, 1975

<u>Retired No.</u>	<u>Active No.</u>	<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
3950	741	Mary E. Grieb	11- 6-74	\$ 20.64
2779	666	Edmund J. McEvoy	1- 2-75	<u>23.74</u>
				\$ 44.38

paid February 14, 1975

3190	13284	Mathilda Curran	9-11-74	\$ 15.58
2979	2693	Frank Kolenc	10-22-74	87.58
1578	5115	Frank H. Goertz	1- 7-75	18.04
3755	3755	Anthony N. Becker	1-17-75	3,918.64
1921	3578	Orville H. Drought	1-19-75	134.73
5360	12367	Ruth P. Greenberg	1-25-75	11,437.63
2487	762	Raymond D. Gritzmacher	1-26-75	292.63
2470	7005	Edward A. Lange	1-26-75	230.09
3006	765	Chester Kaczmarek	2- 1-75	<u>6.30</u>
				\$16,141.22
		Total		\$16,185.60

## Return of Contributions listed on Voucher No. R-7141, paid on January 17, 1975

<u>Active No.</u>	<u>Name</u>
C-21271	Ray Ferguson
SP-24923	Kenneth D. Landgraf
C-31245	Clarence W. Knapp
C-33510	Patricia J. Parulski
C-34507	Jean E. Guskowski
C-34680	Lee Halder

Total \$22,335.97

## Return of Contributions listed on Voucher No. R-7150, paid on January 31, 1975

<u>Active No.</u>	<u>Name</u>
9351	Stephen A. Grenyo (Excess Contributions)
C-24580	Rosemary Maren
C-25346	Mary Ann Bova (Retro. Adj.)
SP-28981	Frederick C. Jesko
SP-29376	Ronald G. Kaurich
C-30978	Jeanne F. Filut
C-32395	Sandra J. O'Connell
C-33716	Barbara Langkau
C-34127	Karin E. Ades
C-35603	Robert H. Klauk
C-36315	Thomas R. Barbian
C-36426	Barbara Bellante

Total \$50,919.26

GRAND TOTAL \$73,255.23