

PROCEEDINGS OF ANNUITY AND PENSION BOARD

Minutes of the Annual Meeting held January 15, 1976.

The meeting was called to order at 2:11 P. M. by Vice Chairman Kenneth H. Mandt.

PRESENT: Messrs. Carl E. Hanneman, Kenneth H. Mandt, Clarence M. Miller, Miss Ruth A. Poehlmann, O. N. Strobel (for James A. McCann), and Edmund M. Wisniewski; also William Lukacevich (for Legal Adviser), and Rudolph E. Pedo, Secretary.

ALSO PRESENT: Messrs. Jack Windsor, Richard Farren, Walter Beck, and Richard Stanley, Newton and Company, Investment Counselors.
Mr. James Jach (for Labor Negotiator).

EXCUSED: Messrs. Edward Griffin and Robert W. Walker.

Minutes

It was moved by Mr. Miller, seconded by Mr. Wisniewski and unanimously carried, that the minutes of the regular meeting held December 18, 1975 be approved as submitted.

Walter C. Shawlin

The Secretary reported that at the request of the Board at the last meeting, the report of the Police Medical Panel on Walter C. Shawlin was sent back to them for clarification; that a clarified report was received certifying that Walter Shawlin should be placed on Ordinary Disability Retirement. The Secretary further reported that Mr. Shawlin died on December 27, 1975; that a January 12, 1976 legal opinion was received indicating that since Mr. Shawlin did not receive an Ordinary Disability Retirement check, the Ordinary Disability Retirement was not in effect and that the case would appear to be an active death eligible for Ordinary Death Benefits.

It was moved by Mr. Miller, seconded by Mr. Wisniewski and unanimously carried, that in view of the legal opinion, that the Ordinary Death Benefit be paid to the beneficiaries of Walter C. Shawlin.

1974 Audit

The Secretary reported that the City Comptroller had reviewed the 1974 Accountants Report prepared by Ziegert, Smaler, Kaminski and Freyberg and that in a letter dated January 13, 1976 they recommended that the report be received by the Board and placed on file.

It was moved by Miss Poehlmann, seconded by Mr. Hanneman and unanimously carried, that the audit report be accepted and placed on file.

Mr. Lukacevich left the meeting.

Bills

The Secretary presented a list of bills for December in the amount of \$1,049.16, copies sent with meeting notice to be attached to these minutes. It was moved by Mr. Miller, seconded by Mr. Strobel and unanimously carried, that the bills be approved and payments ratified.

Investment Transactions

The Secretary presented lists of investment transactions settled during the month of December, copies sent with meeting notice to be attached to these minutes. It was moved by Mr. Wisniewski, seconded by Miss Poehlmann and unanimously carried, that the investment transactions be 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:

Retirements for the month of January

Active Death Benefits paid through January 12, 1976	\$57,354.49
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Retired Deaths paid through January 12, 1976	\$14,816.36
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Refund of Member Contributions paid December 19, 1975	\$46,295.20
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It was moved by Miss Poehlmann, seconded by Mr. Strobel and unanimously carried, that the above indicated retirements, death claims and refunds be approved.

Medical Council Report

The Secretary presented application for Ordinary Disability Retirement from #C-11954 Edward Janczak, effective January 7, 1976, 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 Miss Poehlmann, seconded by Mr. Wisniewski and unanimously carried, to accept the certification of the Medical Council and that Mr. Janczak be retired on Ordinary Disability Retirement.

The Secretary also presented reports of the Medical Council relative to re-examinations, certifying that #C-12958 Frank J. Czecholinski, #A-17114 Paul M. Pinter, #A-16942 Henry Deer, #A-10523 Norbert N. Meyer, and #C-17636 James D. Spencer be continued on Ordinary Disability Retirement. It was moved by Mr. Strobel, seconded by Mr. Wisniewski and unanimously carried, to accept the certifications of the Medical Council and that the above listed retirees be continued on Ordinary Disability Retirement.

Report of Fire Medical Panel

The Secretary presented application for Duty Disability Retirement from #F-26069 Thomas R. Fuss, effective December 17, 1975 and 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. Hanneman, 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 Investment Counselors arrived.

Investments

Mr. Windsor presented the Investment Counsel agenda and lists of investment transactions committed since December 18, 1975 (copy to be attached to these minutes).

Mr. Stanley reviewed the transactions made in the fixed income portfolio and discussed that portion of the agenda. He also presented a list of portfolio improvement sale candidates requesting authority for the sale of the following:

\$500,000	Ashland Oil 8.80% due 2/15/2000
500,000	Goodyear 8.60% due 9/30/95
500,000	Int. Tel. & Tel. 8.90% due 10/1/95
500,000	Standard of Ohio 8-1/2% due 1/1/2000
500,000	Westinghouse 8-5/8% due 9/1/95

It was moved by Mr. Wisniewski, seconded by Mr. Miller and unanimously carried, that the Investment Counselors be authorized to sell the listed securities under the portfolio improvement program guidelines.

Mr. Farren reviewed the transactions made in the equity portfolio and discussed that portion of the agenda.

Mr. Beck reviewed the activity in the stock options program and discussed that portion of the agenda.

Mr. Windsor presented and discussed their 1976 Recommended Investment Policy providing for 70% in Bonds and 30% in Equities. It was moved by Miss Poehlmann, seconded by Mr. Miller and unanimously carried, that the 1976 Investment Policy be approved.

The Investment Counselors left the meeting.

Election of Officers

The Secretary reported that the rules designate the January meeting of the Board as the Annual Meeting at which time the Chairman and Vice Chairman are to be elected for a term of one year.

It was moved by Mr. Hanneman, seconded by Miss Poehlmann and unanimously carried, that Mr. Walker be nominated as Chairman for the ensuing year. It was moved by Mr. Miller, seconded by Miss Poehlmann and unanimously carried, that the Secretary be instructed to cast a unanimous ballot for the election of Robert W. Walker as Chairman.

It was moved by Mr. Miller, seconded by Mr. Wisniewski and unanimously carried, that Mr. Mandt be nominated as Vice Chairman for the ensuing year. It was moved by Mr. Miller, seconded by Mr. Strobel and unanimously carried, that the Secretary be instructed to cast a unanimous ballot for the election of Kenneth H. Mandt as Vice Chairman.

Several of the Board members brought up the fact that Alderman Griffin has not been attending Board meetings and that a replacement should be considered. After discussion, it was moved by Mr. Hanneman, seconded by Mr. Miller and unanimously carried, that the Secretary be instructed to write a letter to Alderman Ertl, President of the Common Council, requesting a replacement for Alderman Griffin.

Authorization to Sign Vouchers

The Secretary presented the following resolution:

RESOLVED, That the following persons are hereby designated and authorized to sign vouchers for payments from funds of the Employees' Retirement System:

One of the following:

Robert W. Walker, Chairman

or

Kenneth H. Mandt, Vice Chairman

or

James A. McCann, City Comptroller

or

O. N. Strobel, Deputy City Comptroller

And one of the following:

Rudolph E. Pede, Secretary

or

Assistant Secretary (when appointed)

and be it

FURTHER RESOLVED, That a duly attested copy of this resolution bearing on its face specimen signatures of the above designated persons shall be forwarded to the City Treasurer.

It was moved by Mr. Miller, seconded by Mr. Wisniewski and unanimously carried, that the resolution be adopted.

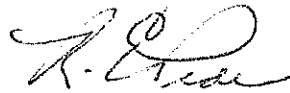
Appointment of Investment Committee

The Vice Chairman appointed the following as members of the Investment Committee for the ensuing year:

Mr. James A. McCann, Chairman, Robert W. Walker and Kenneth H. Mandt, with any other member of the Board as alternate.

The Secretary recommended subscription to Pensions & Investments, a bi-weekly periodical, for Board members. It was moved by Mr. Wisniewski, seconded by Mr. Miller and unanimously carried, that subscription to "Pensions & Investments" periodical be approved for all Board members.

The meeting adjourned at 4:06 P. M.



Secretary

EMPLOYEES' RETIREMENT SYSTEM OF THE
CITY OF MILWAUKEE

AGENDA
January 15, 1976

I. Short-Term Investments - \$8,563,000

II. Fixed Income Portfolio

- A. Review of Recent Transactions
- B. Portfolio Improvement Program Sale Candidates

<u>Mdy.</u>	<u>S&P</u>	<u>#</u>	<u>Issue</u>	<u>Call Date</u>
A	A	500M	Ashland Oil 8.80 02/15/00	02/15/80
A	A	500M	Goodyear 8.60 09/30/95	09/30/80
A	A	500M	Intl. Tel. & Tel. 8.90 10/01/95	10/01/80
A	AA-	500M	Standard of Ohio 8 1/2 01/01/00	01/01/80
A	A	500M	Westinghouse 8 5/8 09/01/95	09/01/80

III. Equity Portfolio

- A. Review of Recent Transactions

IV. Options Program

- A. Review of Recent Transactions

Employees' Retirement System of
the City of Milwaukee

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Common Stock Portfolio:

<u>Purchased:</u>		<u>Cost</u>	<u>Rating</u>	<u>Yield</u>	<u>Total Shares</u>
3,300	Mobil Oil	152,283	A+	7.37%	50,000
800	Shell Oil	37,638	A+	5.53	49,800
4,500	Simmon Co.	86,332	B+	5.73	58,000
25,000	Standard Oil-Indiana	1,057,350	A+	4.73	46,000
		<u>\$2,522,468</u>		4.76%	

<u>Sold:</u>		<u>Cost</u>	<u>Proceeds</u>	<u>Loss</u>	<u>Total Shares</u>
4,000	Avis, Inc.	\$178,197	\$ 26,514	\$(151,683)	-0-
9,000	Baxter Labs.	476,146	373,726	(102,420)	17,000
		<u>\$654,343</u>	<u>\$400,240</u>	<u>\$(254,103)</u>	

All Common Stock Transactions were 1975 trades.

January 15, 1976

EMPLOYEES' RETIREMENT SYSTEM OF THE

CITY OF MILWAUKEE

Stock Options Program

Stock Positions:

Date of Purchase:

Cost

1/05	1,000	General Electric	\$ 48,217
1/05	300	I. B. M.	68,782
1/09	700	Eastman Kodak	77,308
			<u>\$194,307</u>

Date of Sale:

Proceeds

1/08	1,000	Baxter Labs.	\$ 42,611
1/09	2,200	Abbott Labs.	96,755
1/09	600	Baxter Labs.	25,524
1/12	300	Abbott Labs.	13,033
			<u>\$177,923</u>

Options Positions:

Date of Purchase:

Cost

12/19	20	Xerox Jan. 60's	\$ 529
01/05	3	I.B.M. Jan. 180's	14,640
01/05	4	I.B.M. Jan. 200's	11,851
01/05	13	Eastman Kodak Jan. 100's	10,969
01/05	15	Gen. Elec. Jan. 45's	3,946
01/08	10	Baxter Labs. Feb. 40's	3,208
01/08	30	Sears Jan. 70's	5,407
01/09	6	Baxter Labs. Feb. 40's	2,005
01/09	22	Abbott Labs. Feb. 40's	10,228
01/12	3	Abbott Labs. Feb. 40's	1,234
			<u>\$ 64,017</u>

Date of Sale:

Cost

01/08	30	Sears April 70's	\$ (11,052)
01/09	20	Eastman Kodak April 110's	(9,865)
			<u>\$ (20,917)</u>

January 15, 1976

EXPENSE FUND BILLS - DECEMBER 1975

<u>Vendor</u>	<u>Amount</u>
For ratification at Board Meeting January 15, 1976 -	
First Wisconsin Trust Company (custody charges)	\$31,670.53
City Treasurer, City of Milwaukee	476.67
U. S. Postmaster (election expense)	1,135.05
First Wisconsin Trust Company (collection & shipping chgs.)	267.27
U. S. Postmaster (election expense)	19.95
U. S. Postmaster (election expense)	14.55
First Wisconsin Trust Company (custody service-option program)	575.00
The Wyatt Company (actuarial fees)	3,500.00
David Shapiro, M. D. S. C. (re: Herbert Ruthenberg)	180.00
City Treasurer, City of Milwaukee (tab charges, warehouse supplies, etc.)	1,252.25
A to Z Printing (envelopes)	286.00
Milwaukee Envelope Company (envelopes)	80.93
City Treasurer, City of Milwaukee (micro fiche)	396.09
First Wisconsin Trust Company (shipping & collection expense)	158.61
City Treasurer, City of Milwaukee (tab expense)	<u>533.61</u>
Total Expenses	\$41,049.16

INVESTMENT TRANSACTIONS

Settled Month of December

<u>REDEMPTIONS</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 147,000.00	Iowa Public Service	2-3/4%	2-3/4%	12- 1-75
33,000.00	Ford Leasing Development Service	5.75	5.75	12- 1-86
20,000.00	Witco Chemical Company	4.65	4.65	12- 1-84
2,000.00	Central Telephone Company	3.80	3.80	12- 1-77
737.77	G. N. M. A. - Pool 1975	8.18	8	11-15-03
1,851.70	G. N. M. A. - Pool 3645CD	9.50	8	5-15-04
6,905.37	G. N. M. A. - Pool 3370	9.77	8	6-15-04
1,867.91	G. N. M. A. - Pool 2991	9.39	8	1-15-04
10,287.57	G. N. M. A. - Pool 3922 CD	8.67	8.25	8-15-04
606.68	G. N. M. A. - Pool 4894	8.67	8.50	2-15-05
5,033.57	G. N. M. A. - Pool 5156	8.48	7.25	11-15-05
689.36	G. N. M. A. - Pool 6795	8.68	8	8-15-05
6,079.80	G. N. M. A. - Pool 3447	9.29	7.75	5-15-2004
<u>SALES</u>				
\$ 500,000.00	Quebec Hydro Electric Commission	9.88	9-3/4	12-15-95
500,000.00	Dow Chemical Company	8.90	8-7/8	5- 1-2000
500,000.00	Sears Roebuck Company	8-5/8	8-5/8	10- 1-95
600,000.00	Monsanto Company	9.20	9-1/8	7- 1-2000
500,000.00	PPG Industries, Inc.	9	9	6-15-95
<u>Preferred Stock</u>				
\$ 100,000.00	Tenneco, Inc. - 1,000 shs (Loss on sale \$7,600.00)	-	-	-
<u>Common Stock</u>				
\$ 357,843.49	Abbott Laboratories - 12,600 shs (Gain on sale \$143,742.92)	-	-	-
356,394.57	Avis, Inc. - 8,000 shs (Loss on sale \$302,465.69)	-	-	-
899,388.49	Baxter Laboratories, Inc. - 17,000 shs (Loss on sale \$199,433.91)	-	-	-
<u>PURCHASES</u>				
\$ 500,000.00	Quebec Hydro Electric Commission	9.85	9-3/4	8- 1-2005
500,000.00	Weyerhaeuser Company	8.90	8.90	11-15-2004
500,000.00	Exxon Pipeline, Inc.	8.92	8-7/8	10-15-2000
500,000.00	Pfizer, Inc.	9.20	9-1/4	8-15-2000
1,000,000.00	Texasgulf, Inc.	9-3/8	9-3/8	12-15-2000
500,000.00	South Central Bell Telephone Co.	8.85	7-3/8	11- 1-2007
500,000.00	Southwestern Bell Telephone Co.	8.70	7-5/8	10- 1-2013
33,000.00	Offshore Logistics, Inc.	9-1/8	9-1/8	12-15-2000
1,003,238.33	G. N. M. A. - Pool 7641P	9	7-1/4	2005

Investment Transactions - Cont'd.

PURCHASES - Common Stock

		<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 78,339.20	U. S. Gypsum - 10,000 shs	-	-	-
346,640.00	Kerr McGee Co. - 5,000 shs	-	-	-
152,407.50	Household Finance Co. - 15,000 shs	-	-	-
461,450.00	Mobil Co. - 10,000 shs	-	-	-
256,280.00	Honeywell, Inc. - 8,000 shs	-	-	-
86,332.00	Simmons Co. - 3,200 shs	-	-	-
346,215.00	Corning Glass Works - 8,000 shs	-	-	-
296,025.00	A. M. F., Inc. - 15,000 shs	-	-	-
37,638.00	Shell Oil Co. - 800 shs	-	-	-
1,057,350.00	Standard Oil of Indiana - 25,000 shs	-	-	-

Common Stock - Option

\$ 68,537.53	Sears Roebuck - 1,000 shs	-	-	-
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SERVICE RETIREMENTS - MONTH OF JANUARY 1976

<u>Active Service No.</u>	<u>Name and Department</u>	<u>Date of Retirement</u>
A- 9092	Ann Wojnowski - School Board	1- 1-76
C-24070	Silvina M. O'Keefe - School Board	1- 1-76
C-35096	Donald C. Emons - B. T. E. & E. S.	1- 1-76
A- 8918	Franklin H. Millard - Police Department	1- 2-76
C-13976	John Wahn - Municipal Equipment	1- 2-76
C-15936	Stephen A. Littaritz - School Board	1- 2-76
C-17912	Sylvester Wojciechowski - Bur. of Sanitation	1- 2-76
A-18138	Ione B. Major - School Board	1- 2-76
A- 5838	Raymond Ehlers - School Board	1- 3-76
C-11159	Myron J. Barth - Bridges & Buildings	1- 3-76
P-11682	Russell W. Paasch - Police Dept.	1- 3-76
C-13985	Clarence Schill - Municipal Equipment	1- 3-76
C-17784	Royal L. Martin - St. & Sewer Maintenance	1- 3-76
C-23511	Clarise Purtue - St. & Sewer Maintenance	1- 6-76
A- 9472	Leo A. Kujawa - Municipal Equipment	1- 7-76
A-19937	Joseph A. Dziegel - Forestry	1- 7-76
C- 9186	George Trawicki - Bridges & Buildings	1-10-76
C-12296	Roy A. Yeager - School Board	1-10-76
C-14871	Dorothy Entrup - Bridges & Buildings	1-10-76
C-23564	Robert C. Hackett - Bridges & Buildings	1-10-76
C-23945	Ruth A. Kujawa - Health Department	1-10-76
C-26947	Helen M. Alexander - Bridges & Buildings	1-10-76
P-12289	Robert G. Burzynski - Police Dept.	1-11-76
C-13535	Arthur C. Timm - Bridges & Buildings	1-11-76
C- 9154	Paul S. Suminski - Bur. of Sanitation	1-13-76
C-14646	Raymond J. Krause - Municipal Equipment	1-14-76
C-22056	Vida E. Williams - Health Department	1-14-76
P-11015	Ernest E. Keirse - Police Dept.	1-15-76
C-23553	Bruno Kopeck - Municipal Equipment	1-15-76
C-36090	Raymond J. Moll - Public Library	1-15-76
C- 8713	Dick Housholder - Municipal Equipment	1-16-76
C- 2946	Helen C. Goetsch - School Board	1-17-76
C-32927	Henrietta Parsons - School Board	1-17-76
C-21445	Edward Castillo - Municipal Equipment	1-23-76
C-13104	Floyd A. Hoedel - Municipal Equipment	1-24-76
C-31642	Mildred A. Brunow - School Board	1-24-76

Voluntary Separation - Deferred to Age 60

C- 8051	James J. Matthews - Municipal Equipment	1- 1-76
C-35736	Minnie D. Franklin - School Board	1-30-76

Voluntary Separation - Deferred to Age 57

C- 8316	Stephen G. Hollender - Municipal Equipment	1- 1-76
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Voluntary Separation - Immediate Allowance

C- 6412	Stephanie Jensi - B. T. E. & E. S.	1-17-76
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DEATH CLAIMSActive Death Benefits paid December 30, 1975

<u>Active No.</u>		<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
SP-12804	(Retro. Adj.)	Edward S. Szymanski	11-24-74	\$ 66.51
SP-35538	(Retro. Adj.)	Michael L. Draeger	12-28-74	15.26
18945	(Retro. Adj.)	John A. Metzuck	2-27-75	33.69
26493	(Retro. Adj.)	Frank R. Ball	3- 9-75	27.34
26980	(Retro. Adj.)	Henry J. Zych	3-15-75	48.01
SP-34901	(Retro. Adj.)	Dennis Lee Obradovich	8-18-75	636.10

paid January 12, 1976

SP-16024		Charles G. Block	10-18-75	26,224.90
P-15838 (Duty)		Albert C. Kohn	10-29-75	17,309.87
22161		Leonard A. Bigalke	12-10-75	<u>12,992.81</u>

Total \$57,354.49

Retired Deaths paid January 12, 1976

<u>Retired No.</u>	<u>Active No.</u>	<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
3391	1411	Ernest Holmquist	11-15-75	\$ 1,823.36
5505	17980	Bernard J. Stempniewski	11-23-75	7,405.66
1613	5834	Elsie Dentz	11-26-75	37.27
4462	14006	Walter W. Hebel	11-28-75	210.49
2466	3503	George E. Brazee	12- 3-75	15.39
4683	11857	Sylvester J. Paikowski	12- 5-75	52.17
3005	764	Arthur E. Haegle	12-13-75	114.59
2655	7345	Nick Neuschwanger	12-16-75	47.56
4007	7797	Edward Wnukowski	12-23-75	<u>5,109.87</u>

Total \$14,816.36

Return of Contributions listed on Voucher No. R-7384 paid on December 19, 1975

<u>Active No.</u>	<u>Name</u>
C-25988	James F. Curtis (Deferred Retirement)
C-27282	Kenneth F. Blinkwitz
SP-30442	Michael E. Waters
C-34232	Daniel J. Berta
C-35433	Donald R. Bruns
SP-35695	Scott S. Harter
C-36166	Emil H. Lohman
C-36461	Alvin Blalock
C-36851	Mary J. O'Hara
SP-38016	Barry P. Babler

Total \$46,295.20