

PROCEEDINGS OF ANNUITY AND PENSION BOARD

Minutes of the Regular Meeting held February 19, 1976.

The meeting was called to order at 2:05 P. M. by Chairman Robert W. Walker.

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

ALSO PRESENT: Messrs. Richard Farren, Richard Stanley and Walter Beck, Newton and Company, Investment Counselors; Gene Gilbert, Bache & Co., Inc., Alderman Kordus, and Chester S. Witkowski.

EXCUSED: Messrs. Edward Griffin and Kenneth H. Mandt.

Minutes

It was moved by Mr. Hanneman, seconded by Mr. Wisniewski and unanimously carried, that the minutes of the Annual meeting held January 15, 1976 be approved as submitted.

Alderman Miller arrived.

Ordinary Death Benefits

The Secretary reported three maximum allowance retirements where the members died before receiving a first retirement check, i. e. Ruth Behling, Ruth Greenberg and Richard V. Bonin, deceased 2/23/73, 1/25/75, and 7/23/75 respectively. After discussion, the Secretary was instructed to ask the legal adviser whether the three deaths fall within his legal opinion of January 12, 1976 relative to the Walter C. Shawlin death, making them eligible for the Ordinary Death Benefit, because the members died before receiving a first retirement check.

Alderman Kordus arrived.

Chester S. Witkowski

The Secretary reported that Mr. Witkowski appeared to request to make lump sum payment of his Workmen's Compensation Offset, copy of request and report sent to Board members with meeting notice. Mr. Witkowski offered to make a lump sum payment of \$390.38, but according to the Actuary the amount to be paid should be \$1,010.43.

After considerable discussion, it was moved by Mr. Wisniewski and seconded by Mr. Miller, that Mr. Witkowski's offer to make a lump sum payment of \$390.38 be denied, but that if Mr. Witkowski is willing to pay \$1,010.43 as computed by the Actuary, the payment would be acceptable within 30 days. The motion prevailed by the following vote:

AYES: Messrs. Hanneman, Strobel, Walker, and Wisniewski.

NOES: Miss Poehlmann and Mr. Miller.

Mr. Witkowski and Alderman Kordus left the meeting.

Hearing Dates

The Secretary reported that April 5, 6, and 7 have been set aside for the hearing dates for the John Griebel case, appealing his denial of a Duty Disability retirement allowance.

Investment Transactions

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

Bills

The Secretary presented a list of bills for January in the amount of \$22,532.71, copies sent with meeting notice to be attached to these minutes. It was moved by Mr. Wisniewski, 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:

Retirements for the month of February

Active Death Benefits paid through February 16, 1976	\$119,388.12
Retired Deaths paid through February 16, 1976	\$ 2,893.68
Refund of Member Contributions paid through February 13, 1976	\$ 57,501.59

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 Duty Disability Retirement from #C-8514 Carl A. Kamasinski, effective February 7, 1976, and submitted report of the Medical Council 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, and that he should be retired. It was moved by Mr. Wisniewski, seconded by Mr. Hanneman and unanimously carried, to accept the certification of the Medical Council and that Mr. Kamasinski be retired on Duty Disability Retirement.

The Secretary also presented reports of the Medical Council relative to re-examinations, certifying that #C-14574 Chester S. LeRoy, and #C-14699 Roy J. Schmidt be continued on Ordinary Disability Retirement. It was moved by Miss Poehlmann, seconded by Mr. Miller and unanimously carried, to accept the certifications of the Medical Council and that Messrs. LeRoy and Schmidt be continued on Ordinary Disability Retirement.

Report of Fire Medical Panel

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

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 Mr. Hanneman, seconded by Mr. Wisniewski and unanimously carried, to accept the certification of the Fire Medical Panel and that Mr. Mazurkiewicz and Mr. Unger be continued on Duty Disability Retirement.

Town of Lake Firemen's Pension Fund Audit

The Secretary reported that the City Comptroller has submitted the audit report of the Former Town of Lake Firemen's Pension Fund Audit dated January 8, 1976, copies of which were sent to Board members with meeting notice. Mr. Hanneman objected to the method of investing for the \$17,000 fund which is invested in 6% Certificates of Deposit. After discussion, it was moved by Mr. Miller and seconded by Miss Poehlmann, that the report be accepted and placed on file. The motion prevailed by the following vote:

AYES: Messrs. Miller, Miss Poehlmann, Walker, Strobel, and Wisniewski.

NOES: Mr. Hanneman.

The Chairman recommended that the investing methods for the fund be studied by the Investment Committee.

Alderman Miller left the meeting.

Mr. Gilbert formally presented Bache's December 31, 1975 Investment report, previously reported on at their February 17, 1976 informational investment meeting.

Mr. Gilbert left the meeting.

The Investment Counselors arrived.

Late Protective Survivorship Election Requests

The Secretary presented three cases of members not electing their Protective Survivorship Options before minimum service retirement age and who are appealing for another opportunity to elect; Charles F. Lipscomb, who forgot to file, and George H. Rasmussen and Nicholas Kapetanich who did not file due to possible administrative error.

After discussion, it was moved by Mr. Wisniewski, seconded by Mr. Hanneman and unanimously carried, that Mr. Lipscomb's request be denied but that the other two members be permitted to make another election provided they show evidence of good health.

Investments

Mr. Stanley presented the Investment Counsel agenda and lists of activity committed since January 15, 1976 (copy to be attached to these minutes). Mr. Stanley also reviewed the transactions made in the fixed income portfolio and discussed that portion of the agenda. He also presented portfolio improvement sale candidates requesting authority for the sale of the following:

\$750,000 Houston Lighting & Power
8-1/8% due 3/1/04

\$200,000 U. S. Treasury Notes
8% due 2/15/83

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

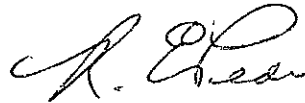
Mr. Lukacevich left the meeting.

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.

The Investment Counselors left the meeting.

The Meeting adjourned at 4:00 P. M.

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

Secretary

EMPLOYES' RETIREMENT SYSTEM OF THE

CITY OF MILWAUKEE

AGENDA

February 19, 1976

- I. Short-Term Investments - \$16,832,000
- II. Fixed Income Portfolio
 - A. Review of Recent Transactions
 - B. Portfolio Improvement Program Sale Candidate

<u>Mdy.</u>	<u>S&P</u>	<u>#</u>	<u>Issue</u>
AA	AA	500M 750M	Houston Power & Lighting 8 1/8 due 02/01/04

- III. Equity Portfolio
 - A. Review of Recent Transactions
- IV. Options Program
 - A. Review of Recent Transactions

EMPLOYEES' RETIREMENT SYSTEM OF THE

CITY OF MILWAUKEE

Transactions Since Last Meeting

January 15, 1976

Fixed Income Portfolio:

<u>Purchased:</u>		<u>Cost</u>	<u>Yield</u>	<u>Rating</u>
\$1,500,000	Eltra Corporation 8 1/2 01/15/01	\$1,485,625	8.58%	AA
1,000,000	Exxon Pipeline * 8 7/8 10/15/00	1,000,000	8.87	AAA
1,000,000	Household Finance 9 07/01/00	995,000	9.05	AA
500,000	Richardson-Merrill 8.85 12/15/99	500,625	8.84	AA
200,000	U. S. Treasury Note 8 02/15/83	200,000	8.00	AAA
		<u>\$4,181,250</u>	<u>8.77%</u>	

Sold:

		<u>Cost</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
\$500,000	Goodyear Tire & Rubber 8.60 09/30/95	\$ 500,000	\$ 491,250	\$(8,750)
500,000	International Paper 8.85 03/15/95	500,000	500,000	-0-
200,000	Metro Toronto 4 3/4 12/15/78	200,000	184,250	(15,750)
1,000,000	Sun Oil Company 8 1/2 11/15/00	958,120	1,000,000	41,880
		<u>\$2,158,120</u>	<u>\$2,175,500</u>	<u>\$ 17,380</u>

Equity Portfolio:

Purchased:

		<u>Cost</u>	<u>Yield</u>	<u>Rating</u>
\$300,000	Miles Laboratories Cv. 5 1/4 04/01/94	\$197,625	7.97%	BA

Delayed Delivery

Common Stock Portfolio:

Purchased:

		<u>Cost</u>	<u>Rating</u>	<u>Yield</u>	<u>Total Shares</u>
13,000	Phillips Petroleum	\$ 715,705	A	2.91%	25,000
2,700	Simmons Company	60,525	B+	4.91	60,000
16,000	Standard Oil-Indiana	690,935	A+	5.33	62,000
10,000	U. S. Gypsum	200,913	B+	7.96	65,000
		<u>\$1,668,078</u>		<u>6.56%</u>	

Sold:

		<u>Cost</u>	<u>Proceeds</u>	<u>Loss</u>	<u>Total Shares</u>
9,000	Baxter Labs.	\$476,147	\$386,856	\$(89,291)	8,000

February 19, 1976

EMPLOYEES' RETIREMENT SYSTEM OF THE

CITY OF MILWAUKEE

Stock Options Program

Stock Positions:

Date of Purchase

Cost

1/29	2,000	Household Finance	\$ 38,092
1/30	8,000	Household Finance	151,944
2/06	2,500	General Foods	73,607
2/11	1,000	General Electric	53,486
2/11	6,000	Citicorp	199,791
2/11	5,000	General Foods	155,227
2/12	4,000 ⁴⁸⁶	Xerox	25,424
2/13	600	Xerox	37,860
			<u>\$735,431</u>

Sales:

None

Options Positions:

Date of Sale:

Cost

1/16	5	I.B.M. Apr. 240	(\$ 5,300)
1/16	20	GE Apr. 50	(6,364)
1/26	20	Household Apr. 20	(2,041)
1/26	20	Kerr McGee Apr. 80	(4,130)
1/28	30	Honeywell May 45	(18,129)
1/30	80	Household Apr. 20	(7,786)
2/05	10	Honeywell May 50	(5,774)
2/06	25	Gen. Foods May 30	(4,568)
2/11	50	Gen. Foods May 30	(12,431)
2/12	4	Xerox Apr. 70	(963)
2/13	6	Xerox Apr. 70	(<u>1,372</u>)
			(\$68,858)

Date of Purchase:

Cost

1/12	15	GE Jan. 50	\$ 1,584
1/26	30	Honeywell Feb. 30	54,033

Stock Options Program

Date of Purchase:

Cost

2/05 10

Honeywell Feb. 35

\$16,673

\$72,290

February 19, 1976

EXPENSE FUND BILLS - JANUARY 1976

<u>Vendor</u>	<u>Amount</u>
For ratification at Board Meeting February 19, 1976 -	
<u>December Bills</u>	
City Treasurer (Steno Pool for election)	\$ 517.97
First Wisconsin Trust Company (collection charges)	92.16
<u>January Bills</u>	
City Treasurer (Employers share of employees annuity)	2,143.11
American Association of Retired Persons (membership)	5.00
Barron's National Business & Financial Weekly	25.00
City Treasurer (Supplement checks & car use, warehouse supplies, postage, and telephone - 4th qtr.)	1,279.58
Int. Foundation of Employee Benefit Plans (membership dues)	200.00
Siekert & Baum, Inc. (supplies)	10.76
Bruning (paper for Reader/Printer)	40.00
City Treasurer (data processing)	45.84
Newton and Company (4th Qtr. fee)	17,666.75
International Business Machines (repairs)	25.50
U. S. Postmaster (stamps for late mailing)	13.00
City Treasurer (micro film)	247.22
First Wisconsin Trust Company (collection & shipping charges)	<u>220.82</u>
Total Expenses	\$22,532.71

INVESTMENT TRANSACTIONS

Settled Month of January

<u>REDEMPTIONS</u>	<u>Securities</u>	<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 171,000.00	Madison Gas & Electric Co.	2-1/2%	2-1/2%	1- 1-76
1,077.51	Quadro Stations, Inc.	4.65	4.65	3-18-89
16,666.67	Marathon Finance Co.	4.40	4.40	7- 1-83
13,287.67	Union Carbide Prom. Note	4.46	4.50	12-31-96
795.81	G. N. M. A. - Pool 7641CD	9	7-1/4	8-15-2005
5,603.27	G. N. M. A. - Pool 3447	9.29	7.75	5-15-2004
777.49	G. N. M. A. - Pool 3645	9.50	8	5-15-2004
780.15	G. N. M. A. - Pool 3370	9.77	8	6-15-2004
611.28	G. N. M. A. - Pool 4894	8.67	8.50	2-15-2005
742.99	G. N. M. A. - Pool 1975	8.18	8	11-15-2003
2,552.53	G. N. M. A. - Pool 2991	9.39	8	1-15-2004
668.69	G. N. M. A. - Pool 3922	8.67	8.25	8-15-2004
786.93	G. N. M. A. - Pool 5156	8.48	7.25	11-15-2005
694.25	G. N. M. A. - Pool 6795	8.68	8	8-15-2005

SALES

\$ 500,000.00	General Mills, Inc.	8-7/8	8-7/8	10-15-95
500,000.00	J. C. Penney	8.93	8-7/8	7-15-95
1,000,000.00	Sun Oil Company	9.33	8-1/2	11-15-2000

Common Stock

264,526.02	Baxter Laboratories, Inc. - 5,000 shs (Loss on sale - \$48,320.78)	-	-	-
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Common Stock - Option

\$ 65,862.50	Baxter Laboratories, Inc. - 1,600 shs (Gain on sale \$2,272.87)	-	-	-
104,066.96	Abbott Laboratories - 2,500 shs (Gain on sale \$5,721.27)	-	-	-

PURCHASES

\$1,009,360.38	G. N. M. A. - Pool 7070	9.16	8-1/2	2-15-2005
1,000,000.00	Hughes Tool Co.	8.92	9	7-15-2000
997,478.62	G. N. M. A. - Pool 7304	8.54	7.75	5-15-2005
1,000,000.00	Stauffer Chemical Co.	8.85	8.85	1-15-2001
1,000,000.00	Eltra Corp.	8.55	8.50	1-15-2001
1,020,022.84	G. N. M. A. - Pool 7523P	8.50	8	10-15-2005
1,000,000.00	Household Finance Co.	9.05	9	7- 1-2000
1,000,000.00	Exxon Pipeline	8.92	8-7/8	10-15-2000
1,000,000.00	Toronto Metropolitan Mun.	9.20	9-1/8	1-15-76

Investment Transactions - Cont'd.

PURCHASES - Common Stock

		<u>Yield</u>	<u>Rate</u>	<u>Maturity</u>
\$ 427,125.00	Standard Oil of Indiana - 9,400 shs	-	-	-
	<u>Common Stock - Option</u>			
\$ 48,217.11	General Electric - 1,000 shs	-	-	-
68,782.03	IBM - 300 shs	-	-	-
77,308.08	Eastman Kodak - 700 shs	-	-	-

SERVICE RETIREMENTS - MONTH OF FEBRUARY 1976

<u>Active Service No.</u>	<u>Name and Department</u>	<u>Date of Retirement</u>
C- 2198	Joseph E. Diel - Water Department	2- 1-76
C- 6897	John H. Hayden - Public Museum	2- 1-76
C- 7855	Frank R. Zielinski - Sewerage Commission	2- 1-76
P-11342	William Seidler - Police Department	2- 1-76
C-12834	Esther E. Polinski - Tax Commission	2- 1-76
C-14500	Norman F. Sasse - Municipal Equipment	2- 1-76
A-15501	George E. Ireland - Municipal Equipment	2- 1-76
A-15631	John W. Daley - Water Department	2- 1-76
C-17873	Rocco A. Alberti - Water Department	2- 1-76
C-20447	Ervin F. Swessel - Bureau of Sanitation	2- 1-76
C-23532	Hildegard H. Colton - Mayor's Office	2- 1-76
C-26565	Arthur H. Hinz - Municipal Equipment	2- 1-76
C-35902	Jean M. Mueller - School Board	2- 1-76
C-10042	Robert A. Kuchenreuther - Municipal Equipment	2- 4-76
C-11749	Alfred L. West - St. & Sewer Maintenance	2- 7-76
A-12556	Margaret Cybela - City Treasurer	2-14-76
C-18151	Julius Stefanski - Sewerage Commission	2-14-76
C-24513	Florence A. Czerwinski - Health Department	2-21-76
A- 8056	Lloyd W. Schultz - Municipal Equipment	2-24-76
A-13790	James H. McGuire - Police Department	12-19-75

Election of 5-Year Annuity

C-23770 Henry Ubich died January 9, 1976 and his widow, Sylvia, elected a 5-year annuity to become effective 2/1/76

DEATH CLAIMSActive Death Benefits paid January 30, 1976

<u>Active No.</u>	<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
41265	Thomas W. Weis, M. D.	7-27-75	\$ 11,840.09
13617	John A. Bay	10-31-75	25,183.56
40805	Frank G. Soukup	11-22-75	13,410.24
13860	Howard L. Hornemann	12-20-75	18,694.52
34589	Norma E. McCann	12-20-75	8,901.53
34518	Richard D. Bailey	12-21-75	9,349.32
SP-15108	Derk Wybenga	12-30-75	26,482.89
26224	Lorraine Jens (Retro. Adj.)	2-15-75	1.48

paid February 16, 1976

37864	Susan G. Sager	12-11-75	5,289.92
36870	Margaret A. Murphy (Retro. Adj.)	7-27-75	<u>234.57</u>
Total			\$119,388.12

Retired Deaths paid January 30, 1976

<u>Retired No.</u>	<u>Active No.</u>	<u>Name</u>	<u>Date of Death</u>	<u>Amount</u>
1382	218	Bert C. Conrad	11-16-75	\$ 83.56
4442	13757	Alice J. Batsch	12-13-75	104.70
2675	7037	Frances M. Campbell	12-27-75	114.08
3538	9316	Stanley J. Slominski	12-30-75	2,210.23
3092	1479	William B. Warzyniak	1- 1-76	96.51
1566	1829	Arthur T. Dobratz	1- 9-76	62.09

paid February 16, 1976

3736	10614	Harry F. Marschke	11-25-75	120.97
2858	3270	Robert G. Phillips	1-11-76	<u>101.54</u>
Total			\$ 2,893.68	

Return of Contributions listed on Voucher No. 7404 paid on January 16, 1976

<u>Active No.</u>	<u>Name</u>
C- 9186	George S. Trawicki (Excess Contrib.)
17895	Edward R. Wruk, Jr. (Deferred Retire.)
SP-26857	Robert R. Scallon (Deferred Retire.)
C-31426	Sharlene S. Kiefert
C-32790	Richard A. Schmidt (County Transfer)
SP-33315	Robert R. Dyar
C-33417	James J. Ksicinski
SP-34194	Herman E. Isenbeck
C-34949	Phyllis Gustafson (Retro. Adj.)
C-35883	Darlene A. Pifher (Retro. Adj.)
C-35993	Robert L. Spears
SP-36841	Jerome T. Miszewski
	Total \$50,670.34

Return of Contributions listed on Voucher No. 7427 paid on February 13, 1976

<u>Active No.</u>	<u>Name</u>
SP-35186	Robert J. Henry
C-35230	Janet Barsul
SP-40783	Michael S. Schuster (Retro. Adj.)
	Total \$ 6,831.25
	GRAND TOTAL <u>\$57,501.59</u>