The meeting was called to order by Chief Pat McCabe, Chairman, at 6:00 P.M.

A motion was made by Tony Grey and seconded by Mike Clifford to accept the minutes of the meeting dated 8 February 2007 and the quarterly financial report. All were in favor.

A motion was made by Mike Clifford and seconded by Tony Grey to elect Chief Pat McCabe Chairman of the pension board. All were in favor.

A motion was made by Tony Grey and seconded by Mike Clifford to elect Dan Hagedorn Co-Chairman/Secretary of the pension board.

Grant McMurray, ICC, gave his report. The total fund for the quarter was up 1%, fiscal year to date up 6.08% and for the 5-year period up 6.3%.

Jana Woods, DHJ, gave her report. The total fund for the quarter was up 2.2%, for the 1-year period 4.8% and up 4.5% for the 5-year period.

Larry Wilson, GRS, gave his report. He advised the board that in his opinion the benefits provided for under the current plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuations reports.

The required minimum payment for the fiscal year beginning October 1, 2007 is $1,589,492 or 32.2% of the covered annual payroll as of October 1, 2006. He anticipates member contributions will be $296,442 and State contributions will be $297,803 leaving a city requirement of $995,247 or 29.1% of the covered payroll.

The actuarial value of assets has been updated to a method that phases in the deviation between the expected and actual return on assets. The method treats all sources of investment return the same and is a pre-approved method under IRS pronouncements. The actuarial value of assets was $24,212,684 under the updated methods. In addition, the charge (positive) and credit (negative) amortization bases have been separately combined as provided under Internal Revenue Services Regulation 1.412(b)-1.
There were 66 active members and 35 inactive members as of October 1, 2006. The actuarial value investment return was 7.5% (prior method), below our assumption of 8.0%. Plan expenses were 72 basis points of the market value of assets. The plan experienced an actuarial loss of $709,729. Salary experience was generally a source of actuarial gain while employee turnover and investment return were generally offsetting sources of actuarial loss.

A motion was made by Tony Grey and seconded by Mike Clifford to approve the actuarial valuation. All were in favor.

A motion was made by Mike Clifford and seconded by Tony Grey based on the advise of its investment professionals and/or actuary, determined that the total expected rate of return for our fund next year, the next several years, and the long-term thereafter, will be 8%, net of investment related expenses. All were in favor.

Scott Christiansen, Attorney, gave his report. He advised the board that the Proposed Ordinance had been sent to the City referencing the member’s death policy after reaching retirement age. The new DROP form is completed and has been used. Scott advised the board that Form 1 will be due by July 1, 2007. The summary plan description is on hold while we are waiting to see if the City passes the pre-retirement Proposed Ordinance.

Jeff Templeton explained the billing of Kraft Insurance. The cost of the endorsements for the FD will be $247.00. Jeff advised that next years premium for the Fiduciary Insurance will be approximately $5,645.00. A motion was made by Mike Clifford and seconded by Tony Grey to pay the insurance premiums and the extensions as stated by Jeff Templeton. All were in favor.

The board discussed the RFP for the consultant information. The Board decided to reduce the (8) eight RFP’s to (4) four and asked Tony Gray, Jeff Templeton, and Scott Christiansen to then reduce the consultants to (3) three for interviews before the Board. The four consultants that were remaining at this time were: Citigroup, Segal, Burgess Chambers, and Bogdahn. The Board will invite the (3) consultants remaining to give a presentation at the next scheduled meeting on August 9, 2007.

The meeting was adjourned at 7:52 P.M.

Respectfully submitted,

Dan Hagedorn, Secretary