The meeting was called to order by Chief Pat McCabe, Chairman, at 4:05 P.M.

A motion was made by Lt. Dan Hagedorn, Secretary, and seconded by Mike Clifford to elect Chief Pat McCabe chairman of the pension board. All were in favor.

A motion was made by Chief Pat McCabe and seconded by Tony Gray to elect Lt. Dan Hagedorn as vice-chairman/Secretary of the pension board. All were in favor.

A motion was made by Chief Pat McCabe and seconded by Tony Gray to elect Mike Clifford as the 5th member of the Board. All were in favor.

A motion was made by Chief Pat McCabe and seconded by Lt. Dan Hagedorn to accept the minutes of the meeting dated 14 February 2008 and the quarterly financial report. All were in favor.

Sidney Taylor, BCA, gave his report and introduced Frank Wan, BCA. The fund was down -4.4% for the quarter and up 4.0% for the 1 year period. He discussed the Total Fund Investment Summary as of March 31, 2008. He also discussed the growth analysis in the past year, risks vs. rewards and the raising and declining markets based on the Quarter.

Grant McMurry, ICC, gave his report. The fund was down -4.35% for the quarter, down -4.44% for the year-to-date and up 10.25% for the 5-year period. He discussed investment performance by sectors with the board.
Jana Woods, DHJ, gave her report. The fund was down -4.1% for the quarter, down -2.8% for the fiscal year-to-date and up 7.2% for the 5-year period. Jana discussed the fixed income portfolio characteristics of the plan. Dan Kallus, DHJ, discussed the 2008 equity market and included in his discussion of the top ten equity holdings.

Scott Christiansen, Attorney, reported the following:

1. The Ordinance passed through the City Commission.
2. He is reviewing and writing the contract for Westwood and Mellon Bank.
3. He gave an update on the current legislature that is in the State house and Senate concerning retirement plans. All legislature based on municipal retirement plans were rolled over to next years sessions.
4. He reminded the Board that Form-1, Financial Disclosure Forms need to be completed by July 1, 2008 and sent to Supervisor of Election. Jeff Templeton will make sure that members have the form and when completed submit them.
5. Scott is reviewing the tax qualifications in all plans with the IRS. He will make recommendations in the near future.
6. Scott will update and revise forms dealing with giving Social Security Numbers.

Larry Wilson, GRS, reported the following: Summary of Experience Investigation results.

Analysis of the experience for the six-year period (October 1, 2001 to September 30, 2007) provided sufficient data to form a basis for recommending updates to the demographic and financial assumptions used in the actuarial valuation of the Retirement System.

Observed salary increases were higher that the 6% assumption and varied service. Recommend a service-based table of salary increase rates (9.5% in first grading down to 5.5% in years 20+). Estimated annual cost: 3.51% of payroll.

Observed retirement rates were lower than assumed. Recommend changing to a table of age-based retirement rates, with 100% assumed to retire by age 60 and a minimum of 50% assumed to enter the DROP in the first year of DROP eligibility. Estimated annual savings: 1.56% of payroll.

Observed withdrawals were higher than expected. Recommend increasing all rates by 20% of the current rates. Estimated annual savings: 0.84% of payroll.

Recommend updating the assumed healthy and impaired (disabled) mortality rates to rates from more recently published mortality tables (RP-2000), incorporating projections to reflect generational mortality improvements. Estimated annual cost: 3.03% of payroll.
Recommend changing the investment return assumption from a gross annual return assumption of 8.0% to an annual return assumption of 7.75%, net of investment expenses. Estimated annual savings: 0.27% of payroll.

Recommend recognizing a payroll growth assumption of 3.50%. Estimated annual savings: 2.54% of payroll.

Estimated annual cost of all recommended changes combined: 0.85% of payroll. The estimated annual cost of all recommended changes combined is 0.85% of payroll. He recommended that this summary should be completed at least every five years.

A motion was made by Tony Grey and seconded by Lt. Dan Hagedorn to accept the Summary of Experience Investigation Report data. All were in favor.

Larry stated that he is working with the State Retirement Bureau and Jeff Templeton on the Annual Report.

Jeff Templeton, Administrator, reported the following:

He has received the annual form titled “Confirmation of Receipt of Retirement Benefits-PF-11” from all retirees except David Young. Jeff will continue to try to reach him concerning the form.

He discussed that the Insurance Premium is now due. The annual fee is $6,142.22. A motion was made by Mike Clifford and seconded by Lt. Dan Hagedorn to continue using Kraft Insurance with their new yearly rate. All were in favor.

Jeff reported that the Liability Insurance information has been received from all of the plans vendors.

The meeting was adjourned at 5:38 P.M.

Respectfully submitted:

Lt. Dan Hagedorn, Secretary