

**POLICE PENSION BOARD MEETING
(OLD HIRE)
December 21, 2009 11:00 a.m.
Human Resources Conference Room, City Hall, 250 N. 5th St.**

The Old Hire Police Pension Board met on Monday, December 21, 2009, at 11:00 a.m. in the Human Resources Conference Room at City Hall, 250 N. 5th St. Present were Jay Valentine, Assistant Financial Operations Manager standing in (with proxy) for the Finance Director, and Stephanie Tuin, City Clerk. Also present were Claudia Hazelhurst, Human Resources Manager, and Shelly Williams, Benefits Specialist. Absent was City Manager Laurie Kadrich.

City Clerk Stephanie Tuin called the meeting to order at 11:10 a.m.

Minutes of Previous Meeting

Jay Valentine moved to approve the minutes of the December 23, 2008. Stephanie Tuin seconded. Motion carried.

Old Business

There was none.

New Business

2010 Police Pension Rates

The 2010 Pension Rates were distributed to the board members. Claudia Hazelhurst advised that although City employees are subject to a 3% pay reduction in 2010, State Law prohibits any decrease in the pensions. The calculations with the 3% reduction and then adding in the cost of living adjustment and other rank related adjustments resulted in an overall decrease for the majority of the pensioners so the recommendation is that the pension rates remain flat for 2010 and that no change be made from the 2009 rates. There were no new pensioners and no deletions in 2009 so the pension roll remains the same.

Jay Valentine moved to approve the 2010 Police Pension rates for retirees as presented (no change from 2009). Stephanie Tuin seconded. Motion carried.

HR Manager Hazelhurst advised that an actuarial study is required every two years and last year the recommendation to the board was not to consider any amendments to the Plan due to the volatility of the economy. That recommendation holds for 2010 for the same reason and also due to the City's economic position. Another actuarial study will be

conducted in 2010 and new recommendations will come forward at the next annual meeting.

Ms. Hazelhurst also reported that due to the State's financial situation, the State has suspended its contributions to the unfunded liability for 2009, 2010 and 2011. The State has pledged to make up those contributions once the economy improves. The City will continue to pay its share toward the unfunded liability. The same amount budgeted in 2009 has been budgeted in 2010 (\$312,934).

The board agreed not to pursue any enhancements to the Plan as part of the actuarial study for 2010.

Other Business

There was no further business to come before the Old Hire Police Pension Board.

Adjournment

Stephanie Tuin moved to adjourn. Jay Valentine seconded. Motion carried and the meeting adjourned at 11:20 a.m.

Meeting Reconvened

The board of the Old Hire Police Pension Fund reconvened the meeting at 3:17 p.m. on Monday, December 21, 2009 in the Human Resources Conference Room at City Hall, 250 N. 5th St. Present was Stephanie Tuin, City Clerk, and Claudia Hazelhurst, Human Resources Manager, standing in (with proxy) for Jay Valentine, Assistant Financial Operations Manager. City Manager Laurie Kadrich was absent. Also present was City Attorney John Shaver and Benefits Specialist Shelly Williams.

The purpose of the meeting reconvening is to reconsider the earlier motion to maintain the same pension rates for 2010 as there were for 2009.

HR Manager Claudia Hazelhurst reported that the Old Hire Fire Pension Board held their annual meeting and the members present argued that those pensioners with limited rank should be afforded that increase regardless of any other considerations since those with full rank were held harmless. In an effort to stay consistent between the two groups of pensioners, it is now being recommended that the same rationale be applied to the Old Hire Police Pension rates for 2010. The City Attorney concurred.

Claudia Hazelhurst moved to approve the limited rank adjustment without figuring the 3% reduction which results in an increase for the five limited rank pensioners receiving a limited rank increase for 2010. Stephanie Tuin seconded the motion. Motion carried.

Other Business

There was no further business to come before the Old Hire Police Pension Board.

Adjournment

Claudia Hazelhurst moved to adjourn. Stephanie Tuin seconded. Motion carried.

The meeting adjourned at 3:25 p.m.

Stephanie Tuin, MMC
City Clerk