

POLICE OFFICERS' RETIREMENT SYSTEM

BOARD MEETING

January 28, 2016

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Chairman Jeff Johnson called the meeting to order. In attendance were Trustee James Hooper; Trustee Tony Mangol; Trustee Dudley Hardy; Attorney Ron Cohen; Consultant Rich Campbell; and Deputy Clerk Brenda Wiggins. Trustee Jeff Oody was absent.

Deputy Clerk Wiggins administered the oath to Jeff Johnson and James Hooper.

Chairman Johnson asked for a motion to approve the minutes from the October 27, 2016 meeting.

Trustee Mangol made the motion to approve the minutes as published, second by Trustee Hardy; passed 4-0.

Chairman Johnson asked for a motion to approve the warrants for October, November, and December 2015.

Trustee Hardy made the motion to approve the warrants; second by Trustee Mangol; passed 4-0.

Attorney Cohen reported Steven Murphy has requested a non-duty disability retirement.

He read a letter from Mr. Murphy's physician regarding Mr. Murphy condition and he is unsuitable for duty as a police officer.

Attorney Cohen asked Chief Johnson to speak on the condition of Mr. Murphy.

Chief Johnson responded Mr. Murphy has been fighting cancer for many years and has been in and out of remission. Since 2006 he has overseeing the grants and writing grants for the department. When he began this last battle, he moved Mr. Murphy into the front office because he was unable to perform his regular duties and the schedule of treatments. His doctors stated he couldn't be in the sun for any amounts of time due to the cancer they have removed from him and how susceptible he is to get cancer. His body has become a very fragile body due to the treatments; no energy and very is weak

He is still on the payroll from sick time donations until he receives the disability.

Attorney Cohen would like for Mr. Murphy to submit a letter to the board requesting the non-duty disability due to there is no place on the application for him to sign.

Trustee Hardy commented that with the information we have been provided he doesn't feel the expense of hiring a doctor as our doctor we could use the medical records as our records.

Trustee Hooper added he has no need to review the medical records. He has worked with Stephen Murphy for thirteen years and there is no question of his disability.

Trustee Mangol asked how this disability can be handled to accomplish this for Mr. Murphy? We have his doctor's letter clarifying that he cannot perform the duties which would be expected from him to do his job.

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Attorney Cohen explained to approve this disability today the board can accept the treating doctor as the board's doctor; determine that he is permanently and totally disabled; grant the disability subject receiving something from him that he wants the non-duty disability retirement.

Chairman Johnson added with the history we know working with Stephen Murphy over the past years and knowing what he has been through he entertained a motion to appoint Stephen Murphy's treating Doctor Dr. Brennon as the board's Doctor.

Motion was made by Trustee Hardy, second by Trustee Hooper; passed 4-0.

Attorney Cohen said if it the wishes of the board the disability can be granted if the board receives a signed letter from Stephen Murphy stating he wants a disability retirement and a letter from the doctor declaring Stephen Murphy as totally and permanently disabled.

Chairman Johnson entertained a motion to grant the non-duty disability retirement contingent on the receipt of the document from Dr. Brennon that Stephen is totally and permanently disabled and a signed document that Stephen is requesting the non-duty disability.

Motion was made by Trustee Hooper, second by Trustee Mangol; motion passed 4-0.

Rich Campbell, Dover Investments provided the first quarter for fiscal year for the plan.

For the calendar year the plan had a negative return of -1.5%, which is better than most.

He suggested increasing the general equity allocation; there is 6% we can put into the market and we should do that.

Rich Campbell made the following recommendations for approval.

Sell all Emerging Market International Markets at 3.5% and buy Develop International Market; Sell 1.8% Vanguard Short Term Corporate and source Money Market Fund 4.7% to buy Vanguard 500 Index, which will raise the net portfolio by 6.5%. Placing Equity at 60%, which is permitted by ordinance.

Chairman Johnson entertained a motion to approve the recommendations as presented.

Motion was made by Trustee Hooper to approve the three recommendation, second by Trustee Hardy; passed 4-0.

The following is the asset allocations for 12/31/2015

S&P500 \$892,409; International Equity \$260,271; Vanguard Small Cap \$380,048; Vanguard High \$320,133; Vanguard REIT \$210,726; Vanguard Emerging Markets \$136,303; Baird Core \$117,300; Fixed Income \$117,300; Cash \$478,392; Total \$3,813,101.

Trustee Hooper motion to approve the report as presented, second by Trustee Mangol; passed 4-0.

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Attorney Cohen reported of an situation in the General plan that someone took a 10 year certain life benefit. If you die before all 120 payments are made the remaining payments go to your beneficiary.

The retiree passed away before he received all the payments so it went to his beneficiary, but before all the payments were made the beneficiary passed away. The forms allow for a contingent beneficiary if the beneficiary passes before the retiree but there is nothing on the form to who receives after the retiree and beneficiary pass before the 120 payments have been made.

He is looking into this for the general plan and would like permission to do the research for the police plan and if there is an issue he will report back to the board. He will also mark up new forms and to include percentages for beneficiary.

Trustee Hooper approved for Attorney Cohen to look into the beneficiary issue, second by Trustee Hardy; passed 4-0.

He addressed the retiree buyout that has been discussed at previous meetings. He submitted information to the Department of Management Services Retirement Division due to the 185 money. He doesn't want to hold up any distribution of the money in the future. He has spoken to a tax lawyer and believes we are ok on that part.

Chairman Johnson stated he has concern the plan could handle the buyout.

Trustee Hooper added it would be close to half a million dollars.

Chairman Johnson also added he understands looking into this but we also need to look at the due diligent again and what it would cost the plan and the position it would put the plan in

Attorney Cohen fully understands the plan was designed to have payout over time. It might save on liability but yes it will also take monies out of your assets. He will pursue looking into the information if the board wants me to do so.

Chairman Johnson entertained a motion to not have any more work done for the buyout and not permit the buyout for the three deferred members.

Motion was made by Trustee Hooper, second by Trustee Hardy for discussion; Trustee Hardy ask Chairman Johnson you don't want the plan going from \$3.8 million to \$3.4 million and is there a reason for denial?

Chief Johnson responded just as he indicated the reduction of the assets would cause hardship to the plan and the plan was not designed to do it. It was designed to do benefit payments over time.

Trustee Hooper added when you sign up for employment at the city you know then what type of plan it is and it isn't designed for what they are asking.

Trustee Hardy ask will it be helpful to the plan and the only one to answer that is the actuary.

Attorney Cohen stated he isn't sure it can be done.

After additional discussion

Trustee Hardy requested to table the issue until the next meeting for when Larry Wilson will be here, second by Trustee Mangol; passed 4-0.

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Deputy Clerk Wiggins reported she sent out RFP for the Fiduciary Insurance and receive no proposals. She contacted Mr. Cohen and he provided a name and I submitted the information application. We are waiting on quotes.

Deputy Clerk requested approval to cover 1/3 of the cost for her to attend the FPPTA school. Trustee Hooper made the motion to approve, second by Trustee Hardy; passed 4-0.

The next meeting is scheduled for Wednesday, April 27, 2016, at 1:30 PM.

With no other business a motion was made by Trustee Hooper to adjourn the meeting, seconded by Trustee Mangol; passed 4-0.

Jeff Johnson, Chairman

ATTEST:

Ricky Thompson, Administrator/City Clerk