

Police Pension Fund
Board Minutes
Of
February 8, 2007

PRESENT: Thomas M. McMahon, David M. Cituk, Ryan Hottenstein, Kevin L. Rudy, William Heim, Michael A. Fizz, Louis Rizzuto (Solicitor), and Toyia Reed (HR Coordinator/Pension)

ABSENT: None.

ORDER: Meeting was called to order by Mayor, Thomas McMahon @ 10:06 A.M.

PRESENTER: **1. Roger Barilani – Wachovia Securities**
Re: Annual Performance Report
Mr. Barilani presented the 4th quarter performance for the portfolio. The current value of the portfolio is \$48.6. None of the managers hit the Index. Neuberger Berman was 5% for the quarter, Navellier was 4.4% for the quarter, and the Russell Growth was 5.9% for the quarter. NWQ was 6.8% for the quarter, Sovereign was 5.1% for the quarter, and the Russell 1000 Value was 8% for the quarter. Fixed Income manager, Invesco was 1.2% for the quarter, Furman Selz was 1.0%, and Allegience was .1% for the quarter. Mr. Barilani also presented a year by year comparison over the past five years. The five year cumulative return for Fixed Income was 22.8%; Furman Selz was 21.2%, Allegience was 20.8%, and Invesco was 25.1%. The Board holds 50% in stocks and all Large Cap in order to remain conservative. Mr. Barilani asks that the Board decide on what they would like to do as far as asset allocation on the Equity side by next (March) meeting. Asset allocation will be based off of 50% in equities and spread over seven managers in order to obtain a diversified portfolio. The Board must also look at changing the Investment Policy. Mr. Barilani will look into lowering the Wachovia fee. Roger Barilani will report back to the Board next (March) month with an asset allocation recommendation.

MINUTES: **MOTION** by Cituk/Hottenstein to approve the minutes dated January 11, 2007 as corrected**MOTION PASSED UNANIMOUSLY.**

FINANCIAL REPORTS:

MOTION by Cituk/Heim to approve the following financial Reports ...**MOTION PASSED UNANIMOUSLY.**

Financial Report	January 2007
Statement of Transactions	January 2007

BILLS:

MOTION by Rudy/Hottenstein to pay the following bills....**MOTION PASSED UNANIMOUSLY.**

- | | | |
|----|---------------|-------------|
| 1. | Louis Rizzuto | \$ 1,322.50 |
| 2. | Invesco | \$ 7,815.05 |

APPLICATIONS:

MOTION by Heim/Cituk to approve the following application...**MOTION PASSED UNANIMOUSLY**

Name: Toms Kampe
 Type: Retirement
 Date: 1/20/2007
 Amt: \$4,403.54/Month

D.R.O.P.

APPLICATIONS:

MOTION Rudy/Hottenstein to approve the following DROP applications...**MOTION PASSED UNANIMOUSLY**

Name: Timothy M. Kelly	Name: David K. Harer
D.O.H.: June 25, 1990	D.O.H.: June 25, 1990
Drop Entry: February 1, 2007	Drop Entry: February 1, 2007
Drop Exit: February 1, 2012	Drop Exit: January 31, 2012
Amount: \$3,151.46	Amount: \$3,905.24

REFUNDS:

None.

CORRES-
PONDENCE:

1. Civilian Buyback

MOTION by Rudy/Cituk to accept the correspondence regarding request to buyback civilian time with no interest bearing on the funds paid into the Police Pension Fund...**MOTION PASSED UNANIMOUSLY**

Police Officer John Gooch

Officer John Gooch submitted a letter of intent to buyback five years of Civilian Service, a copy of the buyback calculation, letter to Nationwide Retirement Services requesting a distribution for payment to be sent to the Police Pension Board, and a copy of the check received for payment in full.

Police Officer Alvin Robinson

Officer Alvin Robinson submitted a letter of intent to buyback five years of Civilian Service via payroll deduction of \$30.00 per pay.

Criminal Investigator Michelle Grugan

C.I. Michelle Grugan submitted a letter of intent to buyback five years of Civilian Service via payroll deduction of \$20.00 per pay.

Sergeant Nicholas Apostolou

Sergeant Nicholas Apostolou submitted a letter of intent to buyback five years of Civilian Service via payroll deduction of \$50.00 per pay.

Police Officer Christopher Ranft

Officer Christopher Ranft submitted a letter of intent to buyback five years of Civilian Service via payroll deduction of \$40.00 per pay.

Police Officer Justin Uczywski

Officer Justin Uczywski submitted a letter of intent to buyback five years of Civilian Service via payroll deduction of 100.00 per pay.

Criminal Investigator Barbara Geiss

C.I. Barbara Geiss submitted a letter of intent to buyback five years of Civilian Service via payroll deduction of \$25.00 per pay.

2. Memo from City Auditor, David M. Cituk

Re: Pensioners/Widows

City Auditor/Board Member David M. Cituk submitted a listing of all pensioners and widows who receive a pension benefit of less than \$1,000 each month. The listing revealed that there are 36 individuals who fall into this category. There are 10 individuals who receive less than \$500 each month. The Police Pension Fund has a total of 204 retirees to date. Board member, Kevin Rudy recommends that this Board consider issuing a Cost Of Living Adjustment.

OLD **BUSINESS:**

1. Military Buyback Update

The Police Pension Board is still awaiting a decision from City Council to amend the Police Pension Fund ordinance in order to correct the 15-7% to 15.7% typographical error.

2. D.R.O.P. Manual Update

The D.R.O.P manual cannot be updated and/or completed until the Police Pension Fund ordinance is amended and complete. Police Pension Board Solicitor, Louis Rizzuto discussed this matter with City Solicitor, Charles Younger and it will be addressed to City Council again.

3. Academy Instructor Pay

Board member, David Cituk with the assistance of Inspector Phil Santoro has submitted a listing of all employees who will be due a refund of pension contributions made on Academy Instructor Pay. The refunds will be processed out the Police Pension Fund checking account. The refund will be tax free because participants pay taxes on contributions going into the plan. **MOTION** by Rudy/Hottenstein to approve and issue refunds within 45 days along with an explanation letter...**MOTION PASSED**

UNANIMOUSLY

4. Calendar Year – Issue was in arbitration; has it been settled?

Captain Kosmerl submitted a copy of an email stating as a reminder that he has filed a grievance through the FOP #9 contesting the amount calculated for his DROP was not computed through the language contained within the City of Reading Police Pension Ordinance with regard to the meaning of calendar year. Sergeant Fizz informed the Board that the City of Reading Managing Director, Leon Churchill agrees that a calendar year is January through December. The Board respectfully requests notification from Mr. Churchill regarding his statement.

5. New FOP Contract – Pension Enhancements

Police Pension Board Solicitor, Louis Rizzuto will work together with the City of Reading Solicitor, Charles Younger to update the Police Pension Fund Ordinance to reflect the changes as per the new contract, effective January 1, 2007.

6. Relay for Life Fundraiser for the City of Reading Team

The members of the Police Pension Board including Roger Barilani and Solicitor Rizzuto contributed personally and individually a total of \$140 to sponsor a Basket for the fundraiser.

7. Board Member Position

The FOP appointed Sergeant Michael Fizz as the new active board member since Toms Kampe has retired from the City of Reading Police Department.

8. Sergeant Mark Stump

Board member, David Cituk will research the discrepancy on the Plan Participant Report which does not show the individual contributions for the year 1980 and 1981.

NEW BUSINESS:

1. 2006 1099R Forms

Due to errors found on the 2006 1099R Forms delayed the issuance of the forms by January 31, 2006. The corrections were made and forms will be mailed to retirees.

2. Letter to Nationwide Retirement Services

Toyia will draft a letter for individuals who request to have funds taken from their PEPSCO accounts and sent to the Police Pension Fund as payment for their buyback of service time.

ADJOURNMENT: **MOTION** by Cituk/Hottenstein to adjourn @ 11:31 A.M.

Respectfully submitted _____
Pension Coordinator