

POLICE PENSION FUND
BOARD MEETING
Minutes
Of
August 9, 2007

PRESENT: Thomas M. McMahon, David M. Cituk, William Heim, Michael A. Fizz, Louis Rizzuto (Solicitor), Kristi A. Gage (HR Coordinator)

ABSENT: Ryan Hottenstein, Kevin L. Rudy

ORDER: Meeting was called to order by Mayor, Thomas M. McMahon @ 10:05 A.M.

PRESENTER: **Roger Barilani – Wachovia Securities**

Re: Performance Review

Mr. Barilani presented the Board with performance numbers for the 2nd quarter. The S&P was up 6.3% for the 2nd quarter. The Russell 1000 Growth was up 6.9% for the 2nd quarter. Neuberger Berman was up 7.9% for the quarter. Navellier was up 8.7% for the quarter. Russell 1000 Value was up 4.9% for the quarter. NWQ was up 6.4% for the quarter. Sovereign was up 5.4% for the quarter. Lehman Brothers was down 0.2% for the 2nd quarter. Invesco was up 0.1% for the quarter. ING-Furman Selz was down 0.1% for the quarter. Allegiance was down 0.5% for the quarter. The current portfolio value is \$77.1 million. Mr. Barilani informed the Board that the Investment Policy needs to be rebalanced. The Board should make sure that there is 50% in Equities and 50% in Fixed Income. Mr. Barilani does not recommend any portfolio changes.

MOTION by Cituk/Fizz to rebalance the Investment Policy Statement as recommended by Roger Barilani...**MOTION PASSED UNANIMOUSLY.**

Mr. Barilani mentioned to the Board that whenever a member of the Police Pension Fund officially retires from the DROP Program the Board has to authorize that distribution. A form should be completed with Toyia and submitted to the Board within 30 days from retirement. Mr. Barilani and his staff are currently working to provide DROP account statements for Toyia to be cross referenced in an effort to research and resolve missing DROP payments.

MINUTES: **MOTION** by Cituk/Heim to approve the Minutes of July 8, 2007 ...**MOTION PASSED UNANIMOUSLY.**

FINANCIAL REPORTS:

MOTION by Fizz/Heim to accept the following Financial Reports ...**MOTION PASSED UNANIMOUSLY.**

Financial Report July 2007
Statement of Transactions July 2007

BILLS:

MOTION by Heim/Fizz to approve the following bills...**MOTION PASSED UNANIMOUSLY.**

1. Louis Rizzuto	\$ 1,240.00
2. Invesco	\$10,139.14

REFUNDS:

MOTION by Cituk/Fizz to approve the following refunds...**MOTION PASSED UNANIMOUSLY**

Name: John W. Gooch	Name: Michele Parker
Amount: \$310.62	Amount: \$329.66

Both, John Gooch and Michele Parker are due refunds due to the fact that they entered the DROP Program on 7/1 and there pension contributions were erroneously deducted from their pay of 7/15 & 7/31.

Name: James Milesosky
Amount: \$14,995.39

James Milesosky is due a refund due to the fact of him leaving the force.

If he is still due a current paycheck, obviously the amount calculated here will change.

MOTION by Cituk/Fizz to amend his refund calculation upon any other withholdings deducted from a future paycheck...**MOTION PASSED UNANIMOUSLY**

APPLICATIONS: **MOTION** by Cituk/Fizz to approve the following applications for retirement...**MOTION PASSED UNANIMOUSLY**

Name: David W. Bucks
DOH: 06/25/1979
DROP Entry: 02/01/2005
DROP Exit: 07/31/2007
Amount: \$2,598.06

D.R.O.P

APPLICATIONS: **MOTION** by Fizz/Heim to approve the following applications for entry into the DROP Program...**MOTION PASSED UNANIMOUSLY**

Name: Timothy D. Rauen	Name: Barbara A. Geiss
DOH: 05/30/1989	DOH: 05/30/1989
DROP Entry: 07/01/2007	DROP Entry: 08/01/2007
DROP Exit: 07/01/2012	DROP Exit: 08/01/2012
Amount: \$3,899.73	Amount: \$3,768.09

**CORRES-
PONDENCE:****Criminal Investigator Dennis Soja****RE: DROP Account**

C.I. Soja submitted a DROP Account Comparison for research.

Retired Lieutenant Lorrin Young**RE: Calendar Year**

Lorrin Young submitted a request to have his pension recalculated based on a current calendar year.

Police Officer Kirby Hartzell**RE: DROP Account**

Officer Hartzell submitted a DROP Account comparison for research.

Inspector Richard Gery

Inspector Gery submitted a request to research a possible discrepancy in his DROP account.

**OLD
BUSINESS:****Military Buyback Update**

The Police Pension Board is still awaiting a decision from the City Council to amend the Police Pension Fund Ordinance in order to correct the 15-7% to 15.7% typographical error. Board Solicitor Rizzuto spoke with City Solicitor Younger in an effort to have this issue resolved.

D.R.O.P. Manual Update

Board Solicitor Rizzuto is currently working on the corrections and additions to the DROP manual. He is also awaiting signatures on the current Collective Bargaining Agreement.

Cost of Living Adjustment

The Board is currently awaiting the results from Milliman (actuary) on the actuarial study. The estimated completion date is September 14, 2007.

**NEW
BUSINESS:****David Bucks****RE: Interest on Funds not deposited into DROP Account**

David Bucks expressed his concern of lost opportunity to gain interest on DROP funds due the fact that his DROP account was missing (1) or (2) payments. The members of the Board are supportive in reconciling this matter upon the resolution of the discrepancies in various DROP accounts.

Chief William Heim**RE: Buyback**

When the Chief was rehired by the Mayor, one of the things agreed upon was his ability to buyback (5) years of his pension. **MOTION** by McMahon to request that the Board allow Chief Heim to buyback additional years of service towards retirement; specifically March 10, 1997 (original hire date) to February 7, 2006 (rehire date). Although, the Chief has a separate contract with the City of Reading, all pension matters must be approved by the Board. The Chief can buyback the prior years of service (approx. 3 years) with the City of Reading Police Department by returning the refund of pension contributions paid to him upon his separation from the Police Department. The issue is whether an additional (5) years can be purchased. **MOTION** by Cituk/McMahon to have Board Solicitor Lou Rizzuto will research this matter and report back to the Board...**MOTION PASSED UNANIMOUSLY.** Solicitor Rizzuto requested a copy of Chief Heim's contract.

ADJOURNMENT: **MOTION** by Cituk/Fizz to adjourn @ 11:10 A.M.

Respectfully Submitted,

HR Coordinator/Pension