MINUTES
CITY OF OMAHA POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
REGULAR MEETING
OMAHA/DOUGLAS CIVIC CENTER, LEGISLATIVE CHAMBERS
1819 FARNAM STREET, OMAHA, NEBRASKA
THURSDAY, NOVEMBER 17, 2005; 1:00 PM

The regular meeting of the City of Omaha Police and Fire Retirement System Board of Trustees was held on Thursday, November 17, 2005, in the Legislative Chambers of the Omaha/Douglas Civic Center, 1819 Farnam Street.

MEMBERS PRESENT: James Sklenar, Chairperson
Martin Adams, Vice Chairperson (left meeting at 2:30 p.m.)
Anthony Lang, Secretary
Carol Ebdon, Finance Director
Chuck Sigerson, City Councilmember
Cecil L. Hicks, Jr., Human Resources Director
Raymond J. Hasiak, Jr., Citizen Representative

AMONG OTHERS PRESENT: Jo Cavel, Assistant City Attorney
Maureen Guilfoyle, Recording Secretary

MONEY MANAGERS

At approximately 1:00 p.m., money managers from DeMarche, Denver Investment Advisors, Fuller & Thaler Asset Management, INVESCO Capital Management, Peregrine Capital Management, and Wells Fargo Private Asset Management provided their quarterly reports to board members.

FINANCIAL REPORT ENDING OCTOBER 31, 2005

Ms. Ebdon reported the receipts for the month of October 2005 were $20,008,379.37, expenses were $2,747,663.52, and the ending balance was $440,330,705.19. Ms. Ebdon discussed the investment funds income, noting that all of the firms showed an increase with the exception of DePrince, Race & Zollo. The final page of the report indicates that because the payouts and benefits are more than the amount of contributions, they have to take money from the managers, currently $300,000 a month from Philadelphia International Advisors. She stated at the beginning of the year they were taking it from Wells Fargo.

MOTION by Mr. Hasiak, seconded by Mr. Hicks, to place on file the October 31, 2005, financial report.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar

Motion Carried: 7-0
INVESTMENT COMMITTEE REPORT

Ms. Ebdon reported that the committee met in the morning with DeMarche and reviewed the portfolio. She stated the committee does have concerns about DePrince, Race and Zollo, but otherwise they are in good shape. She stated they will have to take more cash at the end of the year. Every year they run a negative cash balance, so the City basically floats a loan and at the end of the year they try to balance that out so on the year-end financial statements they will have a positive cash balance. There will be a negative cash balance of approximately two million dollars at the end of the year. The committee talked to DeMarche about who to take the money from, and they plan to take one million dollars from Invesco and the other million dollars partly from Hotchkis and partly from Brandywine. They will use this money to repay the City by the end of the year. The board discussed the method for choosing which firms to draw money from, and Mr. Sklenar stated that since they were going to the trouble of transferring that money, the committee also looked at how this could positively impact on the balance as approaching their targets, so firms that have done well, such as Invesco and Hotchkis, and are perhaps a little overweighted are having the money taken from them. Mr. Sigerson disagreed and stated in basic raw numbers you don’t take money out of your best performing assets. He stated they should try to balance on the underperforming funds rather than on the well-performing funds. Mr. Sklenar stated that part of having the investment plan that has been in place in the last six or seven years is having set ranges they like to keep their investments in. He stated they periodically do rebalance to get to their target ranges, and the investment manager asked them to stay within their target ranges and remain disciplined. Mr. Sklenar stated they do take from investments that are generating income. Mr. Adams agreed that that is why they adhere to an asset allocation mix is to shield them from the vagaries of the market and its ups and downs. Mr. Sklenar told Mr. Sigerson he raised a good question, but the consultants are recommending this plan of action. Mr. Sigerson stated he would rather see an equal withdrawal from all of the investors rather than just penalize two of them. Mr. Sklenar stated he was comfortable with what the committee has decided and he completely understands Mr. Sigerson’s comments. Mr. Sigerson stated they just have a disagreement in philosophy of investing.

Ms. Ebdon suggested that if board members were interested in the process of asset allocation, they could invite DeMarche to make a presentation to the board. She stated she would contact DeMarche to set up a presentation.

MOTION by Mr. Lang, seconded by Mr. Adams, to place the investment committee report on file.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar

Motion Carried: 7-0

At this time Ms. Cavel asked board members to look at page 3 of the financial report. She stated the page contained the account numbers for the investment firms and those should not be a part of the public record. She suggested that those numbers be redacted. Mr. Sklenar asked for a motion to reconsider the financial report.

MOTION by Mr. Sigerson, seconded by Ms. Ebdon, to return to the financial report.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar

Motion Carried: 7-0
Mr. Sklenar stated that Ms. Cavel pointed out that there are account numbers listed on page 3 of the financial report and that they should be redacted for security purposes.

MOTION by Mr. Hasiak, seconded by Mr. Hicks, to place the financial report on file with the account numbers redacted.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0

MOTION by Mr. Hicks, seconded by Mr. Hasiak, to return to the order of the agenda.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0

APPROVAL OF MINUTES: OCTOBER 20, 2005, REGULAR MEETING

MOTION by Mr. Adams, seconded by Mr. Hasiak, to approve the minutes of the October 20, 2005, regular meeting.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0

OLD BUSINESS

REQUEST FOR RECONSIDERATION APPROVAL OF SERVICE CONNECTED DISABILITY

KAVA, Richard C., retired Fire Captain, Fire Department
Age 66 Served 28 years 3 months
Retirement Date: 12/20/90

This item is being laid over to the December meeting. Mr. Kava is scheduled for an independent medical examination the beginning of December.

MOTION by Mr. Hicks, seconded by Mr. Hasiak, to lay over to the December 2005 meeting Richard Kava’s request for a service-connected disability.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0

NEW BUSINESS

REQUEST FOR APPROVAL OF WIDOWS’ PENSIONS

BIGLEY, Dorothy, widow of retired Police Sergeant Delbert D. Bigley, who deceased 10/21/05
Pension Effective 10/22/05 Monthly Pension: $344.54
(plus supplemental $663.98; total pension $1008.52)
SIEH, Laverna, widow of retired Police Sergeant Verlyn J. Sieh, who deceased 10/26/05
Pension Effective 10/27/05 Monthly Pension: $1385.44
(plus supplemental $712.50; total pension $2097.94)

MOTION by Mr. Hasiak, seconded by Mr. Sigerson, to approve the above widows' pensions.
Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0

REQUEST FOR APPROVAL OF DEATH BENEFITS

BIGLEY, Dorothy, beneficiary of Police Sergeant Delbert D. Bigley, who deceased 10/21/05
Death Benefit $1,000.00

SIEH, Laverna, beneficiary of retired Police Sergeant Verlyn J. Sieh, who deceased 10/26/05
Death Benefit $1000.00

MOTION by Mr. Hasiak, seconded by Mr. Hicks, to approve the above death benefits.
Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0

REQUEST FOR APPROVAL – BINDING AGREEMENTS

DOANE, Royce J.; Police Officer, Police Department
Binding Separation Date: 01/02/06
Mandatory Retirement Date: 01/09/06

GUNTER, Reginald P.; Police Officer, Police Department
Binding Separation Date: 01/20/06
Mandatory Retirement Date: 01/27/06

MAHONEY, Richard J.; Police Officer, Police Department
Binding Separation Date: 01/02/06
Mandatory Retirement Date: 01/13/06

SALZBRENNER, Michael; Police Officer, Police Department
Binding Separation Date: 01/02/06
Mandatory Retirement Date: 01/13/06

SMITH, Brenda J.; Deputy Chief, Police Department
Binding Separation Date: 11/30/05
Mandatory Retirement Date: 03/31/06

MOTION by Mr. Adams, seconded by Mr. Hasiak, to approve the above five (5) binding agreements.
Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar
Motion Carried: 7-0
MEDICAL BILLS

Approval of Submitted Bills – October 2005

MOTION by Ms. Ebdon, seconded by Mr. Hicks, to approve the medical bills for October 2005.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar

Motion Carried: 7-0

Approval of Prescription Payments - William G. Hopkins

Paul Murphy, Benefits and Compensation Manager, was not present at today’s meeting; therefore, board members could not ask him about this prescription for William Hopkins. Mr. Hasiak noted that the accompanying paperwork indicated the prescription was for persons at risk for cognitive impairment or Alzheimer’s disease. He did not think anyone was off on a disability for Alzheimer’s and suggested this be laid over and have Mr. Murphy investigate this item.

MOTION by Mr. Hasiak, seconded by Ms. Ebdon, to lay over to the December meeting the prescription payments for William G. Hopkins.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar

Motion Carried: 7-0

DISCUSSION/ACTION

ACTUARIAL REPORT – FOLLOW-UP

Mr. Murphy was not at today’s meeting so the board members asked that this item be laid over.

MOTION by Mr. Sigerson, seconded by Mr. Adams, to lay over this discussion to the December 2005 board meeting.

Voting: Aye: Hicks, Lang, Sigerson, Adams, Ebdon, Hasiak, Sklenar

Motion Carried: 7-0

ELECTRONIC BALLOTING FOR ELECTION

Mr. Hicks placed this item on the agenda and discussed making changes to the way board members are elected. The City administers the election process and currently sends ballots to all members of the system through the mail. This process is labor intensive and Mr. Hicks stated he would like to look into other methods of conducting the election process. He stated one way was possibly to hold the election during the open enrollment period where employees log onto a computer and update their benefits package. Mr. Hicks stated during the open enrollment period that just ended, 94% of the City’s employees participated in the process. He stated that the current election process does not offer the same results, and if the City could add the election of a trustee to the open enrollment process, it would be more efficient and produce
a better percentage of voters. Board members agreed this was worth looking into and Mr. Hicks stated he would investigate further.

**Note:** Mr. Adams left the meeting at this time.

**PUBLIC FUNDS SUMMIT, JANUARY 11-13, 2006, SCOTTSDALE, ARIZONA**

Mr. Lang reported that he placed this item on the agenda. He stated he has heard good things about this conference and is interested in attending. He stated the conference fee is waived for board members, so the only expense would be for travel and lodging.

MOTION by Mr. Lang, seconded by Mr. Hicks, to approve reasonable expenses for up to three board members to attend this conference.

Voting: Aye: Hicks, Lang, Sigerson, Ebdon, Hasiak, Sklenar

Motion Carried: 6-0 (1 member absent)

**PUBLIC FUND BOARDS FORUM, DECEMBER 4-7, 2005, SAN FRANCISCO, CALIFORNIA**

Mr. Lang reported that he would like to attend this conference. He stated he had planned to attend the Guns and Hoses Conference but could not due to illness, and the fees for that conference have been transferred to the Public Fund Boards Forum.

MOTION by Mr. Hasiak, seconded by Mr. Hicks, to approve reasonable expenses for up to three board members to attend this conference.

Voting: Aye: Hicks, Lang, Sigerson, Ebdon, Hasiak, Sklenar

Motion Carried: 6-0 (1 member absent)

**ADJOURNMENT**

MOTION by Mr. Hasiak, seconded by Mr. Lang, to adjourn the meeting.

Voting: Aye: Hicks, Lang, Sigerson, Ebdon, Hasiak, Sklenar

Motion Carried: 6-0 (1 member absent)

The meeting adjourned at approximately 2:37 p.m.

Prepared and submitted by:

Maureen Guilfoyle  12/15/05
Recording Secretary Date

APPROVED: 6-0 (1 member absent)
James Sklenar  12/15/05
Chair

Anthony Lang  12/15/05
Secretary