



City of Grand Island

Tuesday, January 15, 2013

Study Session/Special Meeting

Item -1

City Staff Presentation

Staff Contact: Jaye Monter

Pre-84 Retiree Pension Study Session

January 15, 2013

Joining us today...

Gregg Rueschhoff

ASA, Principal & Consulting Actuary
Milliman, Inc.

Jay Huston

CIC
Ryder, Rosacker, McCue & Huston

Terry Galloway

CPA, CGFM, CFE, CVA, PFS
**Almquist, Maltzahn, Galloway &
Luth, CPAs**

Greg Anderson

Vice President and Trust Officer,
Relationship Manager
**Wells Fargo Institutional
Retirement and Trust**

Robert Evnen

Woods & Aitken LLP

Rodney Cerny

CFA, Senior Vice President
Smith Hayes Advisors Inc.

Order of Presentation




1. History of Police and Fire Statutes
2. Miscellaneous Legal Subjects
3. Pension Committee Authority and Membership
4. Budget – Cash Reserves vs. Unallocated Funds
5. Revision of Current Policies and Procedures
6. Payment of Claims Prior to Council Approval
7. Audit Process
8. Errors and Omissions Insurance Coverage
9. Miscellaneous
10. Items to be Discussed in Executive Session

1 – History of Police and Fire Statutes


Robert Evnen
Woods & Aitken LLP

2 – Miscellaneous Legal Subjects


Council Dugan

-  *Have there been any cases in Nebraska when a city asked for a refund of an overpayment to a pre-84 pensioner?*
-  *Was there a legal challenge in a court regarding such overpayment?*
-  *Is there any case law related to pre-84 public safety pension recipients and the city they served? If so, was it related to calculations? Payments?*

Council Nickerson

-  *Has this situation occurred before with other cities regarding over/under funded pensions. What was the outcome? It would be specific examples (if they exist) involving any instances where a city had to remedy an "over payment" situation with a retiree.*

Response (Bob Sivick and Bob Evnen)

-  **Only relevant Nebraska case is Bellevue Police Officers Association/Fraternal Order of Police, Lodge No. 59 v. City of Bellevue, Nebraska, a political subdivision of the State of Nebraska (Sarpy County District Court Case No. CI 09-1804)**

IN THE DISTRICT COURT OF SARPY COUNTY, NEBRASKA

BELLEVUE POLICE OFFICERS)
ASSOCIATION/ FRATERNAL)
ORDER of POLICE, LODGE No. 59,)

Plaintiff,)

vs.)

CITY of BELLEVUE, NEBRASKA,)
a political subdivision of)
the State of Nebraska,)

Defendant.)

CASE NO. CI 09-1804

ORDER on PLAINTIFF'S
MOTION FOR SUMMARY JUDGMENT

FILED
SARPY COUNTY
DISTRICT COURT
2011 JAN 24 AM 11:29
Clerk District Court

This matter came on for hearing on December 13, 2010, on Plaintiff's Motion for Summary Judgment. Plaintiff appeared through its attorney, John Corrigan. Defendant appeared through its attorney, Michael Polk. Evidence was adduced and the Court took the matter under advisement.

In reference to a motion for summary judgment the Nebraska Supreme Court in Malolepszy v. State, 273 Neb. 313, 318-319 (2007), stated that:

Summary judgment is proper when the pleadings and evidence admitted at the hearing disclose that there is no genuine issue as to any material fact or as to the ultimate inferences that may be drawn from those facts and that the moving party is entitled to judgment as a matter of law. City of Lincoln v. Hershberger, 272 Neb. 839 (2007). In reviewing a summary judgment, an appellate court views the evidence in a light most favorable to the party against whom judgment is granted and gives such party the benefit of all reasonable inferences deducible from the evidence.

See also, Marcovitz v. Rogers, 276 Neb. 199 (2008).

On a motion for summary judgment, this Court must also consider the burden of moving forward with the case. The Supreme Court in Dutton-Lainson Co. v. Continental Ins. Co., 271 Neb. 810, 820 (2006), stated:

The party moving for summary judgment has the burden to show that no genuine issue of material fact exists and must produce sufficient evidence to demonstrate that the moving party is entitled to judgment as a matter of law. Cerny v. Longley, 270 Neb. 706 (2005). A movant for summary judgment makes a prima facie case by producing enough evidence to demonstrate that the movant is entitled to a judgment if the evidence were uncontroverted at trial.



Therefore, this Court must examine the pleadings and evidence presented in order to determine whether Plaintiff has met its burden to show that there is no genuine issue of material fact and whether this Court should grant summary judgment in total or in part. See also NEB. REV. STAT. §25-1331.

Plaintiff's First Amended Complaint requests this Court, pursuant to NEB. REV. STAT. §25-21,150, find that Article 35 of the current labor contract, Exhibit 8, hereinafter referred to as the *contract*, between Plaintiff and Defendant is both valid and enforceable. Article 35 of the current labor contract between Plaintiff and Defendant contains a section that sets forth the retirement plan for Bellevue City Police Officers. The contract is an agreement between the parties for the period extending between October 1, 2005 and April 30, 2010. Both parties agree that they entered into an extension whereby the contract remains effective until a new contract is negotiated. However, this Court must first find that a judiciable issue has been presented.

Defendant contends that no judiciable issue has been plead or shown by Plaintiff. Plaintiff counters that several cases in Nebraska allow a declaratory action to be brought in this type of situation, citing Calabro v. City of Omaha, 247 Neb. 955 (1995); and City of Omaha v. City of Elkhorn, 276 Neb. 70 (2008). In Calabro v. City of Omaha, *supra*, the Supreme Court found that since the City of Omaha had already taken affirmative action to change the supplemental benefit plan, there was a judiciable issue. Again, in the City of Omaha v. City of Elkhorn, *supra*, the City of Elkhorn had taken binding action by adopting a severance plan prior to the litigation which generated a judiciable issue. Both Calabro v. City of Omaha, *supra*, and City of Omaha v. City of Elkhorn, *supra*, involve situations where a binding official action had been taken that affected a contractual obligation. Concerning Defendant's first motion to dismiss, this Court expressed, in a previous decision, its concerns about whether a position taken by the Bellevue City Administrator constituted a binding action by the City of Bellevue with regard to the collective bargaining agreement. However, subsequent to this Court's decision of February 23, 2009, Defendant filed an answer on March 1, 2010, claiming that the contract, which includes the disputed Article 35, is void since it violates public policy and Nebraska law. In regards to pleadings, the Supreme Court in Stewart v. Bennett, 273 Neb. 17, 21 (2007), stated:

This court has said that a party will be bound by allegations in the pleadings and cannot subsequently take a position inconsistent thereto, as such allegations are judicial admissions

Therefore, Defendant's judicially binding position that the contract is void establishes that Defendant has taken an affirmative position which is to the detriment of Plaintiff.

Further, Defendant contends that Plaintiff failed to comply with NEB. REV. STAT. §16-726 prior to filing the present action. Where, as here, Plaintiff seeks only a declaration of rights and not damages, then no claim pursuant to NEB. REV. STAT. §16-726 is required before bringing the present action. See Calabro v. City of Omaha, supra.

As a result of the above findings, Plaintiff has provided a judiciable issue for this Court to proceed with this action.

Article 35 of the Contract.

As to the contract, Defendant contends that Article 35 of the contract violates public policy and Nebraska law, thus, making the entire contract void. Plaintiff's argument is that Article 35 of the contract is not only valid, but also enforceable since it does not violate either public policy or Nebraska law.

Article 35 of the contract sets forth the retirement benefits for police officers of the City of Bellevue, Nebraska. There is no dispute that the benefits contained within Article 35 exceed the benefits set forth in NEB. REV. STAT. §16-1001 to §16-1019. This constitutes the crux of Defendant's argument. Defendant contends that by providing retirement benefits in excess of those set forth by NEB. REV. STAT. §16-1001 to §16-1019, that Article 35 violates public policy and Nebraska law. Defendant's argument is that NEB. REV. STAT. §16-1001 to §16-1019 must be strictly read, and, as such, the benefits contained therein are the only allowable retirement benefits that can be provided to officers. Defendant cites Professional Firefighters of Omaha, Local 385 v. City of Omaha, 243 Neb. 166, 175 (1993), for the proposition that, "Statutes granting powers to municipalities must be strictly construed, and where doubt exists, such doubt must be resolved against the grant." However, in the same case, the Supreme Court also stated, "But in construing a statute, it is presumed that the Legislature intended a sensible rather than an absurd result." See Professional Firefighters of

Omaha, Local 385 v. City of Omaha, 243 Neb. at 176. If this Court adopts the strict construction that Defendant requests, then this Court would also have to conclude that there is no authority for the City of Bellevue to even form or organize a police department. Both parties agree that the City of Bellevue is a City of the First Class. Therefore, this Court has reviewed those statutes pertaining to Cities of the First Class, and found that no statute directly sets forth that a police department can be formed. The applicable statutes are as follows:

1. NEB.REV.STAT. §16-201 grants the City of Bellevue general powers such as making contracts for the concerns of the city and to exercise such other and further powers as may be conferred by law. There is no direct statement granting the authority to create a police department.

2. NEB.REV.STAT. §16-222 grants the City of Bellevue the power to create a fire department but there is no comparable statement that grants the authority to create a police department.

3. NEB.REV.STAT. §16-225 grants the City of Bellevue the power to regulate the police, establish and support a night watch and provides penalties for breach of an ordinance. Again, there is no direct statement that grants the authority to create a police department unless a *night watch* is considered to be the police department but, then, the statute is not being strictly construed.

4. NEB.REV.STAT. §16-227 grants the City of Bellevue the power to prevent and restrain riots and breach of the peace. Again, there is no direct statement granting the authority to create a police department.

5. NEB.REV.STAT. §16-228 grants the City of Bellevue the power to punish the breach of the peace. Again, there is no direct statement granting the authority to create a police department.

6. NEB.REV.STAT. §16-238 grants the City of Bellevue the power to establish jails and station houses. Again, there is no direct statement granting the authority to create a police department.

7. NEB.REV.STAT. §16-246 grants the City of Bellevue general powers to establish laws to protect the citizens as long as said laws are not in conflict with the laws of Nebraska. Again, there is no direct statement granting the authority to create a police department.

8. NEB.REV.STAT. §16-323 grants the chief of police and the police the authority to make arrests. Although, this statute sets forth what authority the police have once a police department is created, the statute does not specifically grant the authority to create a police department.

As a result, none of the aforementioned statutes have meaning unless they are interpreted, i.e. sensibly, as granting the City of Bellevue the authority to establish a police department. The Supreme Court has held that Cities of the First Class must be provided some latitude by stating in Professional Firefighters of Omaha, Local 385 v. City of Omaha, 243 Neb. at 174, that:

The well-settled rule in this jurisdiction is that a municipal corporation possesses, and can exercise, the following powers and no others: first, those granted in express words; **second, those necessarily or fairly implied in or incident to the powers expressly granted**; and third, those essential to the declared objects and purposes of the corporation-not simply convenient, but indispensable. [Emphasis added]

It follows that since the City of Bellevue has the authority incident to the powers expressly granted by statute to establish a police department, then it would also have the authority to establish wages and benefits for the individual members of the police department. [Note: NEB.REV.STAT. §16-218 does allow the city to compensate officers of the city but this follows NEB.REV.STAT. §16-217 which addresses elective offices. Again, there would need to be a reasonable interpretation of NEB.REV.STAT. §16-218, if this is one of the statutes used to authorize wages and benefits to the police department.]

Even though a reasonable interpretation must be given to the statutes in order to authorize the creation of the police department, Defendant may contend that once the police department is created, then, NEB.REV.STAT. §16-1001 to §16-1019 must be strictly read, and, as such, the benefits contained therein are the only allowable retirement benefits. However, nowhere within NEB.REV.STAT. §16-1001 to §16-1019, does there appear to be any limiting language which sets forth that no additional retirement benefits can be provided. For example, there is no prohibition limiting the City of Bellevue from creating a separate retirement plan unrelated to NEB.REV.STAT. §16-1001 to §16-1019. Without any type of limiting language, the City of Bellevue is free to provide the retirement benefits it chooses as long as the benefits do not conflict with any other state law. Defendant has not cited to any other state law that is violated by the retirement benefits as outlined in Article 35.

Lastly, the language specifically stated in NEB.REV.STAT. §16-1007(2), requires that a reasonable interpretation be employed in order to determine the meaning of the statute as it relates to allowable retirement benefits. Essentially, NEB.REV.STAT. §16-1007(1) provides two options for police officers upon retirement. They can elect to take either a lump sum amount or an annuity. As to the annuity option, NEB.REV.STAT. §16-1007(2) states:

(2) For all officers employed on January 1, 1984, and continuously employed by the city from such date through the date of their retirement, the amount of the pension benefit, when determined on the straight life annuity basis, **shall not be less than the following amounts:** [Emphasis added]

(a) If retirement occurs following age sixty and with twenty-five years of service with the city, or twenty-one years of service if hired prior to November 18, 1965, fifty percent of regular pay; or

(b) If retirement occurs following age fifty-five but before age sixty and with twenty-five years of service with the city, forty percent of regular pay.

The phrase "**shall not be less than the following amounts**", would be wholly unnecessary if this statute is to be strictly construed and sets forth the only available retirement amounts, as Defendant contends. Certainly, the phrase "**shall not be less than the following amounts**" anticipates that the officers may be entitled to additional benefits if so provided by the city. NEB.REV.STAT. §16-1001 to §16-1019 simply sets forth the minimum benefits that a City of the First Class must provide to its police force. It does not prevent a city from offering additional benefits to officers. In this case, the voters, as taxpayers of the City of Bellevue, shall ultimately determine the merit of the benefits provided by the City of Bellevue, and not this Court.

Therefore, after considering the totality of the statutes and applying a reasonable interpretation, this Court finds that Article 35 of the contract does not violate public policy or Nebraska law.

Age Discrimination in Employment Act.

Defendant argued in its brief that the contract violated the Age Discrimination in Employment Act, found at 29 U.S.C. § 621 et seq. Plaintiff countered that any argument involving the Age Discrimination in Employment Act was not properly before this Court and, in the event that the issue was properly raised, the contract does not violate the Age Discrimination in Employment Act.

Plaintiff pointed out that Defendant did not raise any claim in its pleadings that the contract violated the Age Discrimination in Employment Act. Plaintiff cited both Nebraska Public Employees v. City of Omaha, 244 Neb. 328 (1993), and Countryside Co-op. v. Harry A. Koch Co., 280 Neb. 795 (2010), for the proposition that an *affirmative defense* must be raised in the pleadings. The case of Nebraska Public Employees v. City of Omaha, *supra*, was decided in 1993, which was prior to the adoption of "Notice Pleading" in Nebraska. Further, Neb. Ct. R. 6-1108(c), has now replaced NEB. REV. STAT. §25-812. However, the Nebraska Supreme Court has recently still required that an *affirmative defense* must be raised in the pleadings. See Countryside Co-op. v. Harry A. Koch Co., *supra*. This position was also relied upon by the Nebraska Court of Appeals in the unpublished case at Alsobrook v. Jim Earp Chrysler-Plymouth, Ltd., No. A-02-1065, Neb.App. (2004).

Defendant countered Plaintiff's contention by arguing that it raised this issue in the counterclaim and the answer filed with the Court.

Assuming, *arguendo*, that Defendant has properly raised the issue of whether the contract violated the Age Discrimination in Employment Act, found at 29 U.S.C. § 621 et seq., the issue is moot. Article 35 of the contract provides that commencing October 1, 2008, that all employees hired after December 31, 1983, and reaching 25 years of service, shall receive full retirement benefits at age 55. The retirement benefits do not change based on age after October 1, 2008. Therefore, after October 1, 2008, Defendant's contention is moot as to any issue involving the Age Discrimination in Employment Act. A case becomes moot when the issues initially presented in litigation cease to exist or the litigants lack a legally cognizable interest in the litigation's outcome. See City of Omaha v. Tract No. 1, 18 Neb.App. 247, 250 (2010). Accordingly, this Court finds that Defendant's argument that the contract violated the Age Discrimination in Employment Act is moot.

Plaintiff has met its burden to show there is no genuine issue of material fact and, therefore, is entitled to judgment as a matter of law.

IT IS THEREFORE ORDERED that Plaintiff's Motion for Summary Judgment is hereby granted, in that, the contract entered into between Plaintiff and Defendant is found not to be in violation of the laws of the State of Nebraska, and is enforceable as to the parties.

IT IS FURTHER ORDERED that any other claims for relief requested by Plaintiff not specifically granted are hereby denied.

Dated this 24th day of January, 2011.

BY THE COURT:


District Judge

Docket: C1 09 Page: 1804

Action: MISCELLANEOUS CIVIL

Filed: September 23, 2009

Title: BELLEVUE POLICE OFFICERS ASSOCIATION/FRATERNAL ORDER OF v. CITY OF BELLEVUE, NEB

DATE

JUDGE'S MINUTES

JAN A.D. 2011

1/24/11

X

Order on Plaintiff's Motion for Summary Judgment signed.
Order on Defendant's Motion for Summary Judgment signed.
Bailliff to mail copy of both Orders to counsel of record.













Judge

2 – Miscellaneous Legal Subjects

Council Gilbert


-  *Where is the documentation that verifies Mr. Sivick's opinion on a 4 year statutes of limitations?*

Response (Bob Sivick)



-  **Nebraska law provides limitations for when various suits may be filed from the time the underlying cause of action arises. Generally those limitations are:**
 -  Recovery of title to real estate or foreclosure of deeds of trust – 10 years (25-202)
 -  Forcible entry and detainer – 1 year (25-203)
 -  Written contracts, foreign judgments, or recovery of collateral – 5 years (25-205)
 -  **Oral contracts or statutory liabilities – 4 years (25-206)**
 -  Trespass, conversion, torts, fraud – 4 years (25-207)
 -  Libel or slander – 1 year (25-208)
 -  Malpractice – 2 years (25-208)
 -  Actions on official or judicial bonds – 10 years (25-209)
 -  Actions against sureties on guardian's bond – 4 years (25-210)
 -  Actions on contracts by reason of failure of consideration – 4 years (25-211)
 -  **Actions not specified above – 4 years (25-212)**

2 – Miscellaneous Legal Subjects

Council Gilbert

-  *If we do legitimize the joint annuity would this include partners now that we have a nondiscriminatory LGBT policy? What is the policy of other first class cities on single versus joint?*

Response (Bob Sivick)


-  **The Council's action in approving Resolution 2012-338 was to prohibit the City from discriminating based on sexual orientation in its employment practices. It did not recognize same sex marriage or domestic partnerships. That issue will most likely be ultimately resolved by the Congress, the Legislature, or the Courts.**
-  **Policies of other first class cities will be discussed during the meeting**

2 – Miscellaneous Legal Subjects


Council Paulick

-  *Is there an ordinance that gave the firefighters a joint annuity instead of single?*

Council Gilbert


-  *I have heard city staff say this is the way fire pensions are to be handled but also do not see any written council approved policy for this. Is there such documentation?*

Response (Bob Sivick)





-  **A search of City records indicates there are no ordinances setting forth a policy of calculating benefits on a single or joint annuity basis for police or fire**

2 – Miscellaneous Legal Subjects

Council Gilbert


-  *Can Mr. Cole's be a legitimate claim when it was not processed meeting the state statutes? Specifically there was not a pension committee meeting, the city representative was not notified, there are no minutes, and there were only 2 legitimate bids.*

Response (Bob Sivick)

-  The police pension committee did not violate any State or City laws.
-  Neb. Rev. Stat. Sec. 16-1014 states, "The governing body of the City shall continue to be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee."
-  A search of City records indicates there are no ordinances granting the public safety retirement committee any authority
-  State law permits the City to enact procedures for the retirement committees to follow. The City has not done so. Therefore the administration of the retirement system, including the procedure for determining payments, rests with the Council payment to Sec. 16-1014 quoted above.

3 – Pension Committee Authority and Membership

Council Gilbert


-  *In addition the members of the pension committee are to serve only 4 year terms and approved through council. Is there documentation that Mr. Rabe was approved after 4 years by the council? Was Jaye Monter approved by the council as the second city committee representative? (This item may relate to the legitimacy of the previous claims if Mr. Rabe's term was expired and was Mary Lou Brown officially appointed to the committee when serving at Finance Director.) I would like to see any documents outlining the policy/procedure of the pension committee – do they any guidance outside of the state statute that allows them to function differently than what the minimum the state demands?*

Response (Bob Sivick)



-  **The Council has approved the appointment of public safety retirement committee members. Approval of the two City positions has been sporadic. The City has numerous committees and various staff members provide support to those committees. The Finance Director has traditionally provided support to the City's retirement committees as City funds are involved. Successor Finance Directors assume the duties of preceding Finance Directors which includes the retirement committees.**

3 – Pension Committee Authority and Membership

Council Paulick



-  *...after reading state statutes, I find no statute that directs any Class One city to have the council decide if the police pensions or fire pensions for that matter be paid joint or single. That is left to the pension committee in Chapter 16. If you have any City Ordinance that says otherwise I would be elated to see it.*

Response (Bob Sivick)



-  **Neb. Rev. Stat. Sec. 16-1014 states, “The governing body of the City shall continue to be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee.”**
-  **A search of City records indicates the Council has not delegated through an ordinance any authority to the public safety retirement committees**

4 – Budget – Cash Reserves vs. Unallocated Funds

Council Gilbert

-  *Please outline what is currently being taken out of those funds and the amount as this will impact the budget when this is gone. What is our liability of all these disabled and is there a mechanism for periodic review of their status? Who is administering this program and trying to get them off the list? (This may be an issue we need to address separately however I was not aware of this new growing liability).*
-  *Are there funds to cover disability if the fire pension fund is used for police pensions? Are we changing one crisis for another down the road by moving those funds?*

Council Paulick

-  *...could you possibly tell me where to find what the Pre84 Police Pension was transferred to, or a copy of the spread sheet?*
-  *I talked to Jaye at last nights council meeting about getting a spread sheet on the police pension fund, if possible this would answer some questions I have. It doesn't have to go clear back to 84, but back to the changes in pensions in 97 would be good.*

4 – Budget – Cash Reserves vs. Unallocated Funds

- 🌐 **800 Fund** - Police and Fire Pension Fund - accounts for direct pension payments to personnel who retired prior to 84 under a defined benefit plan - 25 remain
- 🌐 **805 Fund** - Police Reserve Fund - accounts for administration of the pre-84 police officers pension benefits under a defined benefit plan- 7 remain
- 🌐 **810 Fund** - Fire Reserve Fund - accounts for administration of the pre-84 firefighters pension benefits under a defined benefit plan- 1 remain

4 – Budget – Cash Reserves vs. Unallocated Funds

Excerpt from Actuarial Report Dated January 1, 2011	Police	Fire
Actuarial Present Value of Future Minimum Benefits		
Active Participants	88,953	57
Retired Participants	-	-
Total	88,953	57
Unallocated Assets	442,064	21,853
Actuarial Present Value of Future Normal Costs	-	-

4 – Budget – Cash Reserves vs. Unallocated Funds

September 30, 2011 (excerpt from audit report, p.114)	800 Fund Police & Fire Reserve	805 Fund Police Reserve	810 Fund Fire Reserve	Total Employee Reserve Funds
Cash and Investments	1,523,791	16	3,340,437	4,864,244
LIABILITIES				
Due to General Fund	-	-	988,416	988,416
Pension liability	1,269,789	-	-	1,269,789
Total Liabilities	1,269,789	-	988,416	2,258,205
NET ASSETS	254,002	16	2,352,021	2,606,039

4 – Budget – Cash Reserves vs. Unallocated Funds

December 31, 2012	800 Fund Police & Fire Reserve	805 Fund Police Reserve	810 Fund Fire Reserve	Total Employee Reserve Funds
Cash and Investments	1,523,791	344	3,444,645	4,968,780
LIABILITIES				
Due to General Fund	-	-	512,914	512,914
Pension liability	1,160,256	-	-	1,160,256
Total Liabilities	1,160,256	-	512,914	1,673,170
NET ASSETS	363,535	344	2,931,731	3,295,610

4 – Budget – Cash Reserves vs. Unallocated Funds

Future	800 Fund Police & Fire Reserve	805 Fund Police Reserve (Single)	805 Fund Police Reserve (Joint)	810 Fund Fire Reserve
Cash Balance	1,523,791	344	344	3,444,645
Recorded Liabilities	1,160,256	-	-	512,914
Net Assets	363,535	344	344	2,931,731
Estimated Future Liabilities	-	(702,096)	(1,424,188)	-
Unallocated Funds	-	124,837	124,837	20,989
Net Assets	363,535	(576,915)	(1,299,007)	2,952,720
Transfer from General Fund		600,000	1,325,000	
Transfer to General Fund				(2,900,000)
Net Assets after Transfers	363,535	23,085	25,993	52,720

4 – Budget – Cash Reserves vs. Unallocated Funds

Police Reserve Fund (805) Cash Balance by Fiscal Year

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Beginning cash balance	934,283	950,285	1,037,400	615,622	667,447	445,112	390,662
Interest / gain on investments	16,002	88,365	243,044	84,842	42,659	174,355	34,462
Other revenue	-	-	-	6,325	-	-	1,377
Total Revenue	16,002	88,365	243,044	91,167	42,659	174,355	35,839
Contract services	-	(1,250)	-	(6,818)	-	(1,512)	(1,500)
Retiree payment	-	-	(597,729)	-	(240,943)	(104,881)	-
Loss on investments	-	-	(67,093)	(32,524)	(24,051)	(122,412)	(70,557)
Total Appropriation	-	(1,250)	(664,822)	(39,342)	(264,994)	(228,805)	(72,057)
Transfers from General Fund	-	-	-	-	-	-	-
Transfers to General Fund	-	-	-	-	-	-	(109,270)
Ending cash balance	950,285	1,037,400	615,622	667,447	445,112	390,662	245,174

4 – Budget – Cash Reserves vs. Unallocated Funds

Police Reserve Fund (805) Cash Balance by Fiscal Year

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	TOTAL
Beginning cash balance	245,174	177,463	26	16	263	934,283
Interest / gain on investments	55,770	4,927	-	-	-	744,426
Other revenue	353	83	80	247	359,000	367,465
Total Revenue	56,123	5,010	80	247	359,000	1,111,891
Contract services	(2,500)	-	(2,090)	(350)	-	(16,020)
Retiree payment	-	(583,389)	-	-	(458,919)	(1,985,861)
Loss on investments	(88,116)	(999)	-	-	-	(405,752)
Total Appropriation	(90,616)	(584,388)	(2,090)	(350)	(458,919)	(2,407,633)
Transfers from General Fund	-	583,331	2,000	350	100,000	685,681
Transfers to General Fund	(33,218)	(181,390)	-	-	-	(323,878)
Ending cash balance	177,463	26	16	263	344	344

4 – Budget – Cash Reserves vs. Unallocated Funds

Fire Reserve Fund (810) Cash Balance by Fiscal Year

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Beginning cash balance	5,889,150	5,977,071	6,621,307	7,639,585	8,094,716	8,427,947	8,976,220
Interest / gain on investments	93,808	650,921	1,523,149	792,869	922,497	1,460,483	766,156
Other revenue	-	-	-	6,325	-	10	1,583
Total Revenue	93,808	650,921	1,523,149	799,194	922,497	1,460,493	767,739
Contract services	-	(1,250)	-	(6,818)	-	(1,523)	(4,844)
Disability payments	(5,887)	(5,435)	(5,435)	(5,908)	(5,435)	(5,435)	(5,435)
Retiree payment	-	-	-	(47,405)	-	(273,351)	-
Loss on investments	-	-	(499,436)	(283,932)	(583,831)	(631,911)	(1,687,072)
Total Appropriation	(5,887)	(6,685)	(504,871)	(344,063)	(589,266)	(912,220)	(1,697,351)
Transfers-in from General Fund	-	-	-	-	-	-	-
Transfers-out to General Fund	-	-	-	-	-	-	(694,145)
Transfers-out to Pension Fund	-	-	-	-	-	-	-
Ending cash balance	5,977,071	6,621,307	7,639,585	8,094,716	8,427,947	8,976,220	7,352,463

4 – Budget – Cash Reserves vs. Unallocated Funds

Fire Reserve Fund (810) Cash Balance by Fiscal Year



	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	TOTAL
Beginning cash balance	7,352,463	6,106,593	3,913,972	3,340,437	3,611,100	5,889,150
Interest / gain on investments	1,650,868	1,200,996	740,359	1,209,712	45,950	11,057,768
Other revenue	204,005	291	640	2,730	-	215,584
Total Revenue	1,854,873	1,201,287	740,999	1,212,442	45,950	11,273,352
Contract services	(10,134)	-	(2,090)	-	-	(26,659)
Disability payments	(5,435)	(1,460)	-	-	-	(45,865)
Retiree payment	(616,227)	(589,736)	-	-	-	(1,526,719)
Loss on investments	(2,243,595)	(629,922)	(661,708)	(302,367)	(62,444)	(7,586,218)
Total Appropriation	(2,875,391)	(1,221,118)	(663,798)	(302,367)	(62,444)	(9,185,461)
Transfers-in from General Fund	-	-	-	-	-	-
Transfers-out to General Fund	(53,853)	(706,790)	(479,996)	(475,502)	(108,983)	(2,519,269)
Transfers-out to Pension Fund	(171,499)	(1,466,000)	(170,740)	(163,910)	(40,978)	(2,013,127)
Ending cash balance	6,106,593	3,913,972	3,340,437	3,611,100	3,444,645	3,444,645

4 – Budget – Cash Reserves vs. Unallocated Funds

- Disability Benefits – Neb. Stat. Sec. 16-1031 and 16-1032
 - Firefighters who are disabled due to an injury in the line of duty
 - 12 months after date of injury they qualify
 - Firefighter must provide proof of disability and the City is entitled to review status of disability
 - 50% of current salary is received for duration of disability
 - Order of disability benefit payments:
 - Workers' comp
 - Employee's retirement account
 - Unallocated funds
 - City cash reserves
 - Administration of program
 - Insurance carrier (EMC)
 - Risk management coordinator (Human Resources)
- Ultimately, the City is self-insured for disability obligations as it is for health insurance, workers' comp, and general liability
- Liabilities are recorded when measurable




4 – Budget – Cash Reserves vs. Unallocated Funds

16-1031. Firefighter; disability in the line of duty; disability benefit; return to duty; conditions.

-  (1) Except as provided in subsection (3) of this section for temporary disability, if any firefighter becomes disabled, such firefighter shall be placed upon the roll of pensioned firefighters at the regular retirement pension of fifty percent of regular pay for the period of such disability. For purposes of this section, disability shall mean the complete inability of the firefighter, for reasons of accident or other cause while in the line of duty, to perform the duties of a firefighter as defined by fire department job descriptions or ordinance.
-  (2) No disability benefit payment shall be made except upon adequate proof furnished to the city, consisting of a medical examination conducted by a competent, disinterested physician who is duly licensed to practice medicine and surgery in this state and who certifies to the city that the firefighter is unable to perform the duties of a firefighter. The city, during the first three years of the payment of such benefits, shall have the right, at reasonable times, to require the disabled firefighter to undergo a medical examination at the city's expense to determine the continuance of the disability claimed. After such three-year period, the city may request the district court to order the firefighter to submit proof of the continuance of the disability claimed if the city has reasonable grounds to believe the firefighter is fraudulently receiving disability payments. The city shall have the right to demand a physical examination of the firefighter by a competent, disinterested physician who is duly licensed to practice medicine and surgery in this state and who is chosen by the city. The expense of such examination shall be borne by the city.





4 – Budget – Cash Reserves vs. Unallocated Funds

16-1031. Firefighter; disability in the line of duty; disability benefit; return to duty; conditions.

-  (3) In case of temporary disability of a firefighter received while in the line of duty, he or she shall receive his or her salary during the continuance of such disability for a period not to exceed twelve months, except that if it is ascertained by the city within twelve months that such temporary disability has become a disability as defined in this section, then the salary shall cease and he or she shall be entitled to the benefits for pensions in case of disability as provided in this section.
-  (4) All payments of pension or salary provided by this section shall be subject to deduction of amounts paid under the Nebraska Workers' Compensation Act. Total payments to a disabled firefighter, in excess of amounts paid as workers' compensation benefits, shall not be less than the retirement value at the date of disability. If the actuarial equivalent of the disability pension payable under this section exceeds the firefighter's retirement value at the time of the first payment, the city shall contribute such additional amounts as may be necessary, from time to time, to provide for the required disability pension.
-  (5) If a firefighter who was receiving a pension under this section is later determined to be no longer disabled, the pension provided for under this section shall terminate and the firefighter's vested retirement value, as reduced by any disability payments made from the retirement system, shall thereafter be held and administered in the same manner as for any nondisabled firefighter or former firefighter.


4 – Budget – Cash Reserves vs. Unallocated Funds

16-1031. Firefighter; disability in the line of duty; disability benefit; return to duty; conditions.

-  (6) If a firefighter who was receiving a pension under this section is later determined to be no longer disabled during the first three years when disability benefit payments are being paid, the firefighter may return to duty with the fire department under the following conditions:
 -  (a) If a vacancy exists on the fire department for which the firefighter is qualified and the firefighter wishes to return to the fire department, the city shall hire the firefighter to fill the vacancy at a pay grade of not less than his or her previous pay grade; or
 -  (b) If no vacancy exists in the fire department and the firefighter wishes to return to the fire department, the city shall place the firefighter on a waiting list and rehire the firefighter at a pay grade of not less than his or her previous pay grade when a vacancy occurs for which the firefighter is qualified.
 -  The provisions of this subsection shall not apply to a firefighter whose disability benefit payments are terminated because of fraud on the part of the firefighter.


4 – Budget – Cash Reserves vs. Unallocated Funds

16-1032. Firefighter; temporary disability; workers' compensation benefits; how treated.


-  No firefighter shall be entitled during any period of temporary disability to receive in full both his or her salary and his or her benefits under the Nebraska Workers' Compensation Act. All Nebraska workers' compensation benefits shall be payable in full to such firefighter as provided in the Nebraska Workers' Compensation Act, but all amounts paid by the city or its insurer under the Nebraska Workers' Compensation Act to any disabled firefighter entitled to receive a salary during such disability shall be considered as payments on account of such salary and shall be credited thereon. The remaining balance of such salary, if any, shall be payable as otherwise provided in sections 16-1020 to 16-1038.

5 – Revision of Current Policies and Procedures

Council Nickerson


-  *Do we have an established process for Pre-84 Retirement in writing other than the state statutes? If not, can we get one drafted with specific duties and timelines for each responsible party as well as specific details such as NOT having two of the annuity bids from the same company? I would also like to ensure the sitting Council at the time of the next retirements will have the info we didn't get concerning what the bids were, average of the three, and appropriate adjustment to meet the retirement payout. This would include minutes of the Retirement Committee Meeting.*

Council Paulick













-  *The pension committee was lead to believe that as of 2004 (per City Administrator) that retirees pensions were to be figured jointly. We the City Council have had three different Finance Directors on the pension committee watching out for EVERYONE'S best interest and yet none would come forward and tell at least the council president what was going on. They were getting bids for single annuities yet the officers were getting joint payments made to them. If Brenda was the only one that was aware of this over the last 8+ years what kind of checks and balances do we have in place? If none as it seems to be now, we need to do more. If Dick Rabe was suppose to be an oversight, it didn't work. This looks like at least a half a million dollar mistake. If this had happened anywhere else in the city what would the directors and administration done?*

5 – Revision of Current Policies and Procedures

Council Donaldson

-  *What is being done by administration to insure that the pension committee is taking its job seriously, meeting in open session, publishing thorough minutes, receiving three separate annuity bids? I believe a council member should be appointed to this committee to be jointly responsible with city staff member to report retirement results to full council.*

Response (Jaye Monter)

-  Currently there is no pre-84 retirement process/policy in writing
 -  Council has authority to enact pension policies and procedures
 -  City staff recommendation will be forthcoming for Council consideration
-  Policy and procedures for Council consideration
 -  Payment to retiree presented to Council in form of resolution to include:
 -  Documentation from three separate annuity vendors
 -  Approval of quotes from pension committee meeting minutes
 -  Added requirements to annuity quote form
 -  Quotes must be from three separate annuity vendors
 -  Quotes must be within 5% of each other
 -  Quotes approved at pension committee meeting
 -  Advisor compensation disclosed

**City of Grand Island
Pre-84 Police Retiree
ANNUITY QUOTE**

Employees Name: _____

Get the quote on this date: _____

Specifications

Single Life Annuity – first 5 years guaranteed

Gender Neutral

Open Market Bid

Qualified 401

Annuity Paid Out Annually

Compensation Paid to Advisor - Front End _____ % Trailing _____ %

Provide annuity companies with the following information:

50% of average of last 5 highest consecutive years of employment. (This figure should be taken off of the spreadsheet supplied by Finance and Human Resources Departments.)
\$ _____

Date of Birth Retiring Employee _____

Start Date of Annuity Payments _____

Annuity Quote Date _____

All quotes and specifications approved at Police Pension Committee Meeting on _____.

Note: Quotes must be within 5% of each other and from separate annuity companies. If not, quotes will be taken to city council, and after a hearing, determine the amount of the single lump-sum payment due.

Participant

x

	Company	QUOTE
City	x	-
Retirement Committee	x	-
Participant	x	-
Total		<u>-</u>
Average		-
Participants Wells Fargo Balance	As of _____	-
Balance Payable by City to Participant		<u>-</u>


I agree to above balances and accept the balance payable by the City to participant: _____
Participant

I agree to above balances and accept the balance payable by the City to participant: _____
Pension Administrator

Note: Quotes must be within 5% of each other and from separate annuity companies. If not, quotes will be taken to city council, and after a hearing, determine the amount of the single lump-sum payment due.

5 – Revision of Current Policies and Procedures

Council Donaldson

-  *It has been stated throughout the discussion of the pension problem that the annuity quote the city receives is always much lower than the other two quotes. My question is what type of quote is the city seeking--do they get a single or a joint annuity bid? I would like to see documentation of the quote Mr. Cole received and a complete explanation of the who requested the city quote, an explanation of the type of annuity it represents, and what company/individual gave the bid.*

5 – Revision of Current Policies and Procedures

Pre-84 Police Retirees

	Retirement Date	Quote Type	City Quote	Committee Quote	Retiree Quote		Avg of Quotes	Participant Balance	Balance Paid by City
Retiree 1	10/2003	Straight	469,546	511,573	563,822		514,980	315,058	199,922
Retiree 2	11/2003	Straight	342,330	373,153	420,248		378,577	179,808	198,769
Retiree 3	12/2003	Straight	470,424	514,622	557,180		514,075	401,539	112,536
Retiree 4	01/2004	Straight	448,503	488,886	538,563		491,984	405,482	86,502
Retiree 5	10/2005	Joint	627,348	682,774 *	682,774 *		664,299	423,356	240,943
Retiree 6	02/2007	Joint	513,699	523,508 *	523,508 *		520,238	434,665	85,573
Retiree 7	07/2007	Joint	483,719	494,914	501,482		493,372	474,064	19,308
Retiree 8	06/2010	Joint	360,707	399,174	375,976		378,619	277,607	101,012
Retiree 9	08/2010	Joint	550,783	637,347	633,327		607,152	394,592	212,560
Retiree 10	08/2010	Joint	462,270	533,825	500,058		498,718	228,901	269,817
Retiree 11	11/2012	Joint	749,997	976,160 *	979,198 *		901,785	442,866	458,919
* indicates quotes were received from the same annuity company									


5 – Revision of Current Policies and Procedures

Pre-84 Fire Retirees

	Retirement Date	Quote Type	City Quote	Retiree Quote	Avg of Quotes	Participant Balance	Balance Paid by City
Retiree 1 *	05/2004	Straight	293,533	297,940	295,737	297,752	-
Retiree 2	10/2004	Joint	447,843	451,408	449,626	402,221	47,405
Retiree 3	11/2004	Joint	431,685	450,329	441,007	441,702	-
Retiree 4	10/2006	Joint	499,999	518,297	509,148	524,166	-
Retiree 5	09/2006	Joint	561,411	597,657	579,534	377,598	201,936
Retiree 6	01/2007	Joint	410,794	466,500	438,647	367,233	71,414
Retiree 7	12/2008	Joint	440,667	472,749	456,708	250,486	206,222
Retiree 8	10/2008	Joint	718,182	743,132	730,657	529,542	201,115
Retiree 9	04/2009	Joint	435,996	494,449	465,223	256,333	208,890
Retiree 10	11/2009	Joint	585,551	687,820	636,686	519,396	117,290
Retiree 11	12/2009	Joint	603,906	709,345	656,626	498,116	158,510
Retiree 12	12/2009	Joint	493,859	582,665	538,262	446,642	91,620
Retiree 13	03/2010	Joint	541,112	625,608	583,360	361,044	222,316
* single employee							























6 – Payment of Claims Prior to Council Approval

Council Donaldson

-  *Am I understanding correctly that only a portion of Mr. Cole's retirement was paid before we approved the payment and the rest was paid after our approval? If so, why was it paid that way? What steps are being taken by administration to assure that payment of claims, with the exception of the few such as bond payments, etc, are NOT paid until after approved?*


Response (Jaye Monter)

Payments made prior to Council Meeting



- | | |
|--|---|
|  Bond payments |  Energy purchases (OPPD, etc.) |
|  Telephone bills |  Sales taxes collected |
|  Cell phone bills |  Credit card purchases |
|  Electric bills (other than city utilities) |  Payroll and employee benefits |
|  Gas bills |  Payroll taxes |
|  Health insurance claims |  Health insurance |
|  Dental insurance claims |  Life insurance |
|  Cafeteria administration fees |  Short-term disability |
|  Coal purchases |  Other pre-tax benefits |
|  Coal freight (Union Pacific) |  Garnishments and liens |
|  Credit card fees |  Pre-84 retiree pension payments |

7 – Audit Process

Council Nickerson


-  *Do we have a **PROCESS AUDIT** in place to review these types of activities? If so, how often is the audit conducted and who does it? If not, can we draft the audit procedures and who/when they would be conducted?*

Response (Terry Galloway)


-  **Testing of controls regarding procedures**
-  **Specific audit procedures applied to Defined Benefit Plans**

8 – Errors and Omissions Insurance Coverage

Council Donaldson

-  *I like Scott's suggestion of investigating the availability of errors and omissions insurance to help cover the overpayments that have been made over the years. I believe that those involved in the decision to change from single to joint annuity--including city staff, police officers, and representatives of the police union--knew this decision would "hit the fan". They just had no way of knowing how long it would take before the change was discovered; the longer it took, the stronger the argument for precedent having been set. Question: Since Brenda seems to be the only staff member still employed from that time, was/is she covered by E and O insurance?*

Council Dugan

-  *I believe the City has Errors & Omissions insurance that is designed to cover problems and errors made by employees that violate practice and cause harm to the City. The facts make it clear to me that at some point in 2004 or 2005 a senior official in the city gave instruction that violated the policy of how calculations for pension were to be made. Can we file a claim with our insurance carrier to recover the losses the City has sustained as a result of this employee action? It appears to me this may be possibility of resolving this with all parties fairly. We would not have to chase after the retirees, we could recover our losses, and we can move forward properly.*

8 – Errors and Omissions Insurance Coverage

Response (Jay Huston)

The first insurance policy we should look at is called the “Linebacker Public Officials and Employment Practices Liability Coverage Form”. This policy is often referred to as the “Public Officials Errors and Omissions” policy as well. For our purposes here, I’ll simply refer to it from now on as the “Linebacker” policy.

There are two parts to EMC’s “Linebacker” policy. The first part, Part A, is called “Public Officials Liability”. The second part, Part B, is called “Employment Practices Liability” (EPL). The current situation to be discussed does not concern itself with an EPL incident, such as “wrongful refusal to hire”, “wrongful failure to promote”, “wrongful termination”, “harassment”, to name a few examples. Given that, we have to focus on the coverages provided in Part A – Public Officials Liability.

The “Insuring Agreement” under Part A says the following:

“We will pay those sums that the insured becomes legally obligated to pay as damages because of a “public official wrongful act” rendered in discharging duties on behalf of the insured named in the Declarations.” The term “public official wrongful act” is a defined term in the policy, which is as follows:

“Public official wrongful act” shall mean any of the following:

- (1) Actual or alleged errors;
- (2) Misstatement or misleading statement;
- (3) Act, omission, neglect, or breach of duty by an insured;

In the discharge of “organizational duties.”

8 – Errors and Omissions Insurance Coverage

Response (Jay Huston) cont.

At this point, it might appear there could be some coverage for the current situation under EMC's Linebacker Policy. However, there's a very specific "Exclusion" in their form. It is exclusion 5.i(2), the exclusion for "Fiduciary Liability", which reads as follows:

"Any obligation or duty imposed by: Administration of any employee benefit program or self-insured fund; or (3) Activities in any other fiduciary capacity." Importantly, an "employee benefit program" is defined to include a "pension plan", which is the matter currently in question.

So, our interpretation of the Linebacker Policy leads us to the conclusion that there is no coverage for the City's financial loss for the over-payment of a pension plan because of the "Fiduciary Liability" exclusion cited above.

This leads us to look at another liability coverage that we write for the City. Within the City's General Liability policy there is an endorsement called "Employee Benefits Liability Coverage"(EBL). The "Insuring Agreement" in that endorsement reads as follows:

"We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies." It continues on and says: "This insurance applies to damages only if: (1) The act, error or omission is negligently committed in the "administration" of your "employee benefit program"; and (2) A "claim" for damages, because of an act, error or omission, is first made against any insured". Once again, "employee benefit program" is defined to include "pension plans", which is important for our discussion.

8 – Errors and Omissions Insurance Coverage

Response (Jay Huston) cont.


However, the key here is the definition of the term “claim”. That word is defined as follows:

“Claim” means any demand, or “suit”, made by an “employee” or an “employee’s” dependents and beneficiaries, for damages as the result of an act, error or omission.”


So, this EBL coverage would pay for an administrative error, committed by an “insured”, involving an “employee benefit program”, which includes your pension plan. However, there must be a “claim” made against the “insured”, which means it must be made by an “employee” (or their dependent or beneficiary). In this matter under discussion, it appears to us that there is no such “claim”, as the only party sustaining damages is the City, the insured, not an employee of the City.

8 – Errors and Omissions Insurance Coverage

Surety Bonds

-  Obligation of a guarantor (insurance company) to pay a second party (City) upon default by a third party (City official) in the performance the third party owes to the second party. (Black's Law Dictionary - 5th Ed.)

Neb. Rev. Stat. Sec. 16-219 states:

-  A city of the first class by ordinance may require all officers or servants, elected or appointed, to give bond and security or evidence of equivalent insurance for the faithful performance of their duties.

Grand Island City Code Sec. 2-23 requires the following bonds:

-  Mayor - \$20,000
-  Individual Councilmembers - \$1,000

Grand Island City Code Sec. 2-32 requires the following bonds:

-  City Treasurer (Finance Director) - \$100,000
-  City Clerk - \$10,000
-  Administrator - \$20,000

Public Official Name Schedule Bond

Revised 12/04/2012
=====

NAME SCHEDULE
=====

Bond No. 70281414
=====

Date of Renewal 09/01/2012
=====

No.	Name	Position	Penalty
1	Jaye L. Monter	Finance director/Treasurer	\$120,000.00
2	Patrick A. Kaup	Utility Services Manager	120,000.00
3	Jay Vavricek	Mayor	20,000.00
4	Mary Lou Brown	City Administrator	20,000.00
5	RaNae Edwards	City Clerk	10,000.00
6	Scott Dugan	City Council	1,000.00
7	Vaughn Minton	City Council	1,000.00
8	John D. Gerick	City Council	1,000.00
9	Mitch Nick Nickerson	City Council	1,000.00
10	Linna Dee Donaldson	City Council	1,000.00
11	Robert Niemann	City Council	1,000.00
12	Chuck Hasse	City Council	1,000.00
13	Mike Paulick	City Council	1,000.00
14	Peg Gilbert	City Council	1,000.00
15	Julie Hehnke	City Council	1,000.00


Total Bond Amt \$300,000.00
=====

Agent:

Mueller Insurance agency, Inc.
617 Plum Road
P.O. Box #1484
Grand Island, Ne68002-1484
Ph 308-384-1724 Cell Ph 308-380-7486
Fax 308-382-1787
Email: Mueller74@charter.net

9 – Miscellaneous

Council Paulick


-  *What is going to be the tax implication for either the retiree or the City and is it possible for there to be penalties for withdrawing any monies from an annuity account?*

Response (Jaye Monter)

-  **There are no tax implications for the City and the City does not provide tax advice**

9 – Miscellaneous

Council Haase

-  *Requesting the following information prior to the January 15th meeting on the public safety pension study session.*

For the 800 Police & Fire Pension fund

Jaye Monter stated there are 25 pension recipients in this fund – requesting for each pensioner

- The Monthly Pension Amount*
- The Year of their Birth*
- The Year they were placed on the Pension Role*
- Police or Fire Pensioner*

I don't see the need for any name ... but the preceding information would be helpful for the meeting.

9 – Miscellaneous


	Fire/Police	Birth Year	Pension Year	Monthly Pension
Retiree 1	Fire	1929	1971	395
Retiree 2	Fire	1928	1971	413
Retiree 3	Fire	1926	1972	409
Retiree 4	Fire	1931	1974	540
Retiree 5	Fire	1923	1975	367
Retiree 6	Fire	1932	1975	487
Retiree 7	Fire	1928	1977	512
Retiree 8	Fire	1938	1977	650
Retiree 9	Fire	1935	1977	749
Retiree 10	Fire	1932	1979	647
Retiree 11	Police	1927	1980	584
Retiree 12	Fire	1933	1980	675
Retiree 13	Fire	1932	1981	849
Retiree 14	Fire	1938	1981	1,018
Retiree 15	Fire	1940	1983	779
Retiree 16	Fire	1934	1984	1,009
Retiree 17	Fire	*	1994	335
Retiree 18	Fire	*	1995	947
Retiree 19	Police	*	1996	176
Retiree 20	Fire	*	1999	464
Retiree 21	Fire	*	2002	487
Retiree 22	Fire	*	2003	280
Retiree 23	Fire	*	2006	356
Retiree 24	Fire	*	2008	752
Retiree 25	Fire	*	2012	543
Total				14,423

* Beneficiaries of the original retiree; the "Pension Year" represents




10 – Items to be Discussed in Executive Session

These questions involve potential litigation and litigation strategy should be discussed in executive session to protect the public interest

Council Donaldson

-  *I believe we must expect Mr. Cole to repay whatever can be determined as overpayment due to using the joint calculation. I think it is unrealistic to expect the other three officers to repay anything; I have to believe they have made important decisions about the use of that money that would make it extremely difficult, if not impossible, for them to return any overpayment. I have the same concern as Scott; does this opinion place the city at greater risk for litigation?*



Council Donaldson

-  *If we ask for repayment from Sgt Cole and not the other officers within the window of limitations are we exposing ourselves to liability should Sgt Cole file suit for unfair treatment?*
-  *If we do not ask for repayment are we then saying that they calculations based on joint life annuity were valid practice?*
-  *If the council passes an ordinance stating that single life annuity is the method of calculation are we validating that the joint life annuity was the accepted previous practice?*


10 – Items to be Discussed in Executive Session

These questions involve potential litigation and litigation strategy should be discussed in executive session to protect the public interest

Council Gilbert

-  *Since there does not seem to be documentation of changing from single to joint annuity what is our risk of the attorney general claiming overspending of city funds, risk of prior pensioners that received single annuities suing for unfair treatment.*
-  *Can the prior pensioners that were calculated using joint be refigured closely to interest rates at the time of retirement for 3 new bids? Can we get this information and then the council decides if the amount is worth pursuing and if not it could be noted that this is a write off and not a joint distribution?*




Council Nickerson

-  *If we should try to remedy those within the statute of limitations, how would the process work with so many years behind us?*

10 – Items to be Discussed in Executive Session

These questions involve potential litigation and litigation strategy should be discussed in executive session to protect the public interest

Council Paulick

-  *Their language is the same as the police as far as letting the pension committee change to another payment type if given direction from the governing body. If not' why was theirs always joint and police single. For your information only I learned that Sgt. Cole questioned the amount of his pension and was told that it was figured like they had been since 2004!*
-  *There is going to be possible litigation no matter which way the City approaches this, so what would be the preferred way to handle the pensions, ask Cole to return his portion that was possibly over paid, ask the last four retirees to return their possible overpayments, change the final pre84's back to single if that is accepted, or change the remaining pre84's to joint and try to work out and plan with the 4 pre84's on the top side of this chart on an equitable plan.*
-  *I would like to see the difference between the joint and single figures for all the pre84's on our list, from the four singles on top, the ones we paid joint to, and a estimate on the last pre84's yet to retire.*

FIRE & POLICE PENSION COMMITTEE MEETING MINUTES

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2001-06-21 Fire and Police	24
2001-08-16 Fire and Police	26
2001-12-10 Fire and Police	28
2002-03-26 Fire and Police	30
2002-07-10 Fire and Police	32
2002-08-21 Fire and Police	34
2003-01-09 Fire and Police	36
2003-04-15 Fire and Police	38
2003-07-29 Fire and Police	40
2003-12-08 Police	42
2003-12-17 Fire and Police	44
2004-01-30 Police	46
2004-02-05 Police	48
2004-08-04 Fire and Police	50
2005-11-17 Fire and Police	51
2006-02-15 Fire	53
2006-02-15 Police	55
2006-08-17 Fire	57
2006-11-15 Fire	59
2007-02-07 Fire	61
2007-02-07 Police	63
2007-08-14 Police	65
2007-08-15 Fire	66
2008-02-19 Fire	68
2008-05-08 Fire	72
2008-05-27 Police	74
2008-06-03 Police	76
2008-08-06 Police	77
2008-08-12 Fire	79
2008-12-09 Fire	81
2008-12-09 Police	83
2009-04-01 Fire	85
2009-04-01 Police	88
2009-08-17 Fire	90
2009-09-30 Fire	94
2009-09-30 Police	96
2010-02-12 Fire	98
2010-02-12 Police	100
2010-08-25 Fire	102
2010-08-25 Police	104
2011-02-17 Fire	106
2011-02-17 Police	108
2011-08-10 Fire	110
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2011-08-22 Fire	113
2011-08-22 Police	115
2011-12-19 Fire	116
2011-12-19 Police	117
2012-05-30 Fire	118
2012-05-30 Police	120
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CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

December 2, 1997

A Regular Meeting of the Fire/Police Pension Committee was conducted on Tuesday, December 2, 1997 in the Library Conference Room 16 City Hall, 100 East First Street.

Haase called the meeting to order at 10:02 a.m. Members present were: Fire – Mark Luebke, Rick Olson, Dick Rabe, Chuck Haase. Police – Gary Piel, John Gericke, Dick Rabe, Chuck Haase. Members absent were: Fire – Larry Dethlefs, Kelly Stevens, Police – Martin Totzke, Charles McLamb. Bonni Pulte was introduced as the new Personnel Specialist.

APPROVAL OF MINUTES: Motion to approve the September 5, 1997 minutes was made by Mark Luebke, seconded by Dick Rabe. Motion carried unanimously.

DISCUSSION ITEMS

INVESTMENT POLICY REVIEW

TIMING OF TRANSFERS – Currently transfers are done quarterly and must be completed by the 15th of the previous month. Haase stated that he had comments from participants that want to be able to transfer funds daily and that there were no constraints from Principal. One option for accessing information regarding funds in the Pension Plan was by calling the 800 number; however, it was on an inquiry basis only.

FIRE – Luebke made a motion to allow participants to submit transfer forms to the Personnel Department at any time to allow funds to be directed in a timely manner effective January 1, 1998. It was noted that Personnel would need to process the forms in a timely manner and that forms would be reviewed by Haase prior to submitting them to Principal. Olson seconded the motion; motion carried unanimously.

POLICE – Gericke motioned to allow Police participants to submit transfer forms to the Personnel Department at any time to allow funds to be directed in a timely manner effective January 1, 1998. It was suggested that a letter go out to all participants announcing the change in timing for directing funds. Piel seconded the motion; motion carried unanimously.

EARLY TRANSFER ON FIXED MATURITY – A discussion was held to clarify the current process whereby employees are responsible for the cost of making a transfer on a fixed maturity prior to the maturity date.

FIRE – Olson motioned that if you choose to participate in the transfer of funds, you also pay the cost of the transfer, except in the case of retirement. Luebke seconded the motion, motion carried unanimously.

POLICE – Piel motioned that if you choose to participate in the transfer of funds, you also pay the cost of the transfer. Gericke seconded the motion, motion carried unanimously.

INVESTMENT DIRECTION

NEW MONEY DIRECTION – Investment options were reviewed by each group and the following 1998 direction was provided:

FIRE PLAN: Olson motioned to invest 25% to 5 year GIA, 50% to Stock Index, 15% to US Stock, and 10% to International Stock funds. Luebke seconded the motion, motion carried unanimously.

POLICE PLAN: Gericke motioned to invest 30% to Stock Index, 30% to US Stock and 40% to Bond Emphasis Balance. Piel seconded the motion, motion carried unanimously.

ROLLOVER MONEY – Investment options were reviewed by each group and the following December 31, 1997 rollover investment direction was provided:

FIRE PLAN: Luebke motioned to invest 100% to a Money Market fund. Olson seconded the motion, motion carried unanimously.

POLICE PLAN: Gericke motioned to invest 50% to Stock Index, 25% to Bond Emphasis Balance and 25 % to Small Company Blend Account. Piel seconded the motion, motion carried unanimously.

OTHER BUSINESS:

Retirement of LeRoy Arends effective March 1, 1998 was discussed. Arends needs to go out and get an Annuity Bid and the City will get an Annuity Bid. If the difference is greater than 5%, it then goes to the Committee with final approval by the City Council.

ADJOURNMENT: The meeting was adjourned at 11:25 a.m.

Respectfully Submitted,

Bonni Pulte, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

Pursuant to due call and notice as published in The Grand Island Independent on Thursday, February 5, 1998, thereof, a Regular Meeting of the Fire/Police Pension Committee was conducted on Thursday, February 12, 1998 in the Library Conference Room 16, City Hall, 100 East First Street.

Luebke called the meeting to order at 10:06 a.m. Members present were: Fire - Mark Luebke, Rick Olson, Kelly Stevens, Larry Dethlefs, Dick Rabe; Police - Gary Piel, Charles McLamb, John Gericke, Dick Rabe. Members absent were: Fire – Chuck Haase; Police – Martin Totzke, Chuck Haase. Totzke arrived at 10:25 a.m.

APPROVAL OF MINUTES - Motion to approve the December 2, 1997 minutes was made by McLamb, seconded by Gericke. Motion carried unanimously.

DISCUSSION ITEMS

RETIREMENTS OF ARENDS AND WATSON

Luebke described the bid process that Arends went through with the City. The original bids had a greater than 5% spread. To avoid a special committee meeting and final approval by the City Council, Arends was able to get a bid that fell within the 5% guideline. Piel questioned why the board is not involved in the bid process. Luebke described the process for acquiring bids by the City and Retiree. Rabe suggested that Piel's question regarding the bid process be placed on the agenda for the next meeting.

No comments were made on Watson's retirement.

SET DATES FOR MEETINGS IN 1998

Meeting dates were discussed and agreed upon. Piel made a motion to hold the Police/Fire Pension Committee meetings on the First Tuesday of the month each quarter, March, June, September, and December. The next regular pension meetings for 1998 will be, June 2, 1998, September 1, 1998 and December 1, 1998.

ICMA

Andy Anderson, Midwest Territory Director and Jerry Huggins, Senior Consulting Associate representing ICMA were asked to attend the Pension Committee meeting to bring the Committee up to date on the implementation process.

Jerry explained that Shotkoski had requested ICMA's basic contract, which was sent over

night to him along with their Plan Document before Christmas. The standard Plan Document is a 401k prototype that has caused some confusion among the Committee whose concern was that ICMA was referring to them as a 401k plan. Huggins assured the committee that they were aware of the special needs and special issues regarding the First class cities in the state of Nebraska for both Fire and Police. Huggins has kept in contact with Shotkoski and requested a copy of the Plan Document, which he did not receive. The updated Model Plan Documents for Fire and Police along with the updates for all the Federal laws, some of which won't go into affect until 1999, were sent to Chuck last week. Copies of the Plan Document for Police/Fire were passed around for review.

Luebke discussed the history of the plan and wanted to make sure that ICMA was aware that pension laws originate from the state legislature. Huggins discussed how the plan would be qualified.

Luebke discussed definitions of the previous plan and the confusion regarding the interpretation of the plan. Huggins passed around a document called "Nebraska Police & Fire Plans for Cities of the First Class", that explained Features and Terms for Police and Fire (attached).

The differences between "Defined Benefit Plan" and "Defined Contribution Plan" were discussed. Huggins stated that Police/Fire have a defined benefit plan within a defined contribution plan. They mentioned again that they were unable to attain a copy of the Police/Fire Plan Document.

Luebke explained that the City purposely did not give ICMA a copy of the current Plan Document so that they would not replicate the original plan. The committee felt comfortable that ICMA could generate exactly what they needed without looking at what was already there.

Piel stated that they anticipated being a lot further along by this time but wanted to know what needed to be done next.

Huggins said that they will need to get out a New Administrative Services agreement and re-do the whole adoption package. Huggins explained that there was a lack of communication and that they were asked to show up for this meeting.

Huggins said that once ICMA was selected, they would put together a transition plan. They will have Financial Planners come out to assist the participants in the enrollment process. In addition, they will have available Asset Allocation Seminars for individualized service for accounts with \$100,000 or more in their funds. Anderson explained the process.

Luebke would like to see a Plan Booklet for all plan participants. ICMA requested a copy of the old booklet to see the format.

Rabe commented that he could envision an annual meeting with ICMA representatives to give the committee an opportunity to give them a list of things to respond to and that's where the previous provider fell down.

Anderson discussed, once selected, they would design a plan on site to meet the needs of the plan participants for the next 6 to 12 months as well as Annual Plan reviews. It would more than likely be a different plan the first year. They will design the plan based on the needs as determined by the Committee.

A Sample Transition Plan can be sent out by ICMA and a time line will be developed.

Anderson and Huggins were thanked for attending the meeting and asked to wait in the cafeteria for a few minutes until the meeting was adjourned.

A motion was made by Dethlefs to go forward to see if the Plan Document by ICMA meets approval of the Fire Pension Committee, Legal and City Council, seconded by Olson. Motion carried unanimously.

Piel made a motion to go forward to see if the Plan Document by ICMA meets approval of the Police Pension Committee, Legal and City Council, seconded by Totzke. Motion carried unanimously.

ADJOURNMENT Luebke adjourned the meeting at 11:30 a.m.

Respectfully submitted,

Bonni Pulte, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

Pursuant to due call and notice as published in The Grand Island Independent on Friday, March 20, 1998, thereof, a Special Meeting of the Fire/Police Pension Committee was conducted on Tuesday, March 24, 1998 in the Library Conference Room 16, City Hall, 100 East First Street.

Haase called the meeting to order at 10:03 a.m. Members present were: Fire - Mark Luebke, Rick Olson, Larry Dethlefs, Chuck Haase, Dick Rabe; Police - Gary Piel, Charles McLamb, John Gericke, Chuck Haase, Dick Rabe. Members absent were: Fire – Kelly Stevens

DISCUSSION ITEMS

ICMA Timetable

Haase referred to the agenda regarding the determination of an effective date to change from Principal to ICMA Pension Plan. He suggested that the Pension Committee assign someone the task of getting the contract in the form that is acceptable to both Committees'.

It was confirmed that both Chairmen had copies of the Plan Document. Haase stated that a team should be put together to go over the Plan Document and possibly include someone in Legal.

Haase stated that we would need to notify Principal and would need to determine what rights Principal will have with the termination of the contract. Haase referred to a packet that was handed out to the Committee members with extracts from the Contract with Principal. Haase highlighted several sections in relation to the transfer to an alternative funding agent, charges and limitations. Article V states that the home office needs to be notified and that the funds transferred need to be determined within seven business days. Article V also states that you have to tell them who is authorized to receive the money. Haase discussed surrender charges in relation to the Guarantee Account as a common practice. Haase discussed that employees need to be educated about this.

Haase discussed other time limitations that Principal may wish to implement. Rabe stated that it might depend on if ICMA will accept Principal's investments or if Principal will allow ICMA to accept them.

Haase referred to the final two pages of the packet that indicates how much money is in the plan as of 12/31/98.

Police/Fire Special Pension Meeting
March 24, 1998

Haase discussed having ICMA in on the notification to Principal. Prior to notification, Piel suggested that Luebke should handle going over the Plan Document with the Fire Committee and Police would do the same. Luebke stated that he would like the Fire Committee to get together to go over the Plan document and then go over it with Dale Shotkoski.

Haase discussed putting the contract in simple language so that everybody understands and misunderstandings are avoided. Luebke stated that the employee handbook should be easy to understand that it should be similar to the information sheet that ICMA handed out.

Totzke questioned if the Asst. City Attorney had the expertise to go over the Plan Document and whether or not the City should hire an outside source. Rabe stated that as far as legalities were concerned that all of this (The Plan Document) was going to fit within the parameters of the law. The fine-tuning of the Plan to fit each situation was not as big an issue as the Committee was making it out to be.

Haase stated that eight copies of the current Principal Contract would be given to each Committee member. Fire would be sent additional two copies of the ICMA Contract. Contracts would be reviewed by each Committee and then sent over to Shotkoski to review, followed by Haase and Rabe reviewing the changes.

It was decided that a Special Meeting would be called the first week of May 1998. At that time the Committee would be together a better timetable for the remaining events.

Haase commented on his status as trustee of the Police/Fire Pensions that due to current federal and state legislation regarding trustee responsibility that it may be necessary to seek out a trustee for some of these plans based on fiduciary requirements. Rabe stated that the trustee is personally responsible for the funds and that a professional may need to be hired.

ADJOURNMENT: Haase adjourned the meeting at 10:55 a.m.

Respectfully submitted,

Bonni Pulte, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

Pursuant to due call and notice as published in The Grand Island Independent on Saturday, September 26, 1998, thereof, a Special Meeting of the Fire/Police Pension Committee was conducted on Wednesday, September 28, 1998 in the Library Conference Room 16, City Hall, 100 East First Street.

Haase called the meeting to order at 10:07 a.m. Members present were: Fire - Mark Luebke, Rick Olson, Larry Dethlefs, Kelly Stevens, Chuck Haase, Dick Rabe; Police - Gary Piel, Kelly Mossman, John Gericke, Chuck Haase, Dick Rabe. Members absent were: Police – Martin Totzke. Others present: Dale Shotkoski

DISCUSSION ITEMS

Haase opened the meeting by sharing information with the committee in regard to a meeting being conducted in Columbus by NBC. It is an informational meeting about Pension plans.

ICMA Plan Document

The special meeting was called to approve all plan changes, discuss the changes with ICMA and ready them for presentation to the City Council.

Mark Luebke suggested that the section in regard to Light Duty be deleted from the plan document. Police committee members are okay with it either way. This will be taken up with ICMA.

A conference call was placed to Catherine Bryan, Andy Anderson and Joe Schadwick with ICMA. Each member of the committee introduced themselves and their position on the committee. Each ICMA participant did the same.

Haase began by addressing Luebke's request to remove the Light Duty issue. Catherine will remove it. He then addressed the language in regard to Life Insurance Companies. It will now read "Life insurance companies who are licensed to sell Annuities in the State of Nebraska." The language will also be changed in the QDRO section. The language will reflect Jan. 1, 1984 and before, Jan. 2, 1984 and after. Catherine Bryan will be making the changes and sending them via e-mail to Mr. Haase. There is still discussion about notification to Principal for termination of our contract with them. There will be research done both here and at ICMA to determine the time line. Andy will also research penalties that may be assessed on the Guaranteed Funds in the transition of our funds from Principal to ICMA, and if we will transfer all existing funds and payroll deductions at the same time.

ICMA will send the Administrative Agreement to us to prepare for the City Council. We would like to have this ready the study session on 10-5-98 and on the Council Agenda for 10-12-98.

Rick Olson wanted verification that ICMA would be following through with their promise to send out contracts and educational materials as they said they would be. Andy Anderson will be sending out booklets/educational materials to be available to us by October 12, 1998.

The subject of vesting was also discussed. Gary Piel suggested the Police Pension vesting schedule be changed to be uniform with the General Pension Plan. Vesting based on a 5 year schedule. Mark Luebke also asked that the Fire Plan be on the same schedule. This will be discussed at a later date after we get the plan approved by the City Council.

ADJOURNMENT: Haase adjourned the meeting at 11:12 a.m.

Respectfully submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING
November 17, 1998

Pursuant to due call and notice as published in The Grand Island Independent on November 16, 1998, thereof, a Regular Meeting of the Fire/Police Pension Committee was conducted on Tuesday, November 17, 1998 in the Administrative Conference Room , City Hall, 100 East First Street.

Haase called the meeting to order at 3:00 p.m. Members present were: Fire - Larry Dethlefs, Rick Olson, Kelly Stevens, Dick Rabe, Chuck Haase; Police - John Gericke, Kelly Mossman, Gary Piel, Martin Totzke, Dick Rabe, Chuck Haase. Members absent were: Fire - Mark Luebke; Police - None .

APPROVAL OF MINUTES Approval of the 9-28-98 Minutes was made.

DISCUSSION ITEMS

Haase opened the meeting by informing the Committee that they were called together to discuss Investment direction for the Pre84 funds. The committee had previously agreed and again voted to direct the funds to the Traditional Growth Model Portfolio with ICMA-RC. Gary Piel and Martin Totzke motioned that the Police money should be directed to that fund. Larry Dethlefs and Rick Olson said this was also acceptable for the Fire committee members. The committee unanimously approved both accounts.

Disability and Pension issues were also discussed. Statutes governing the distribution of Pension funds were a topic in that discussion.

Educational meetings with ICMA were discussed next. Each committee can be setting up their own educational meetings with ICMA. They can then pick their topic and set a schedule that will work for them. Tami Herald will contact ICMA and obtain brochures to distribute to the Committee. They are mainly interested in 401 and 457 education. The firefighters mentioned that Bill Joe would like to do a seminar for them. They will contact him directly.

ADJOURNMENT Police adjourned at 3:58, Fire committee adjourned at 4:10 p.m.

Respectfully submitted,

Charla Thuernagle, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

February 8, 1999

A Regular Meeting of the Fire/Police Pension Committee was conducted on Monday, February 8, 1999 in the Library Conference Room 16 City Hall, 100 East First Street.

Dale Shotkoski called the meeting to order at 10:10 a.m. Members present were: Fire – Mark Luebke, Rick Olson, Kelly Stevens, Larry Dethlefs, Dick Rabe. Police – Gary Piel, John Gericke, Kelly Mossman, Dick Rabe. Also attending were Dale Shotkoski and Larry Fox Jr. Members absent were: Fire –Chuck Haase Police – Martin Totzke,Chuck Haase.

DISCUSSION ITEMS

ANNUITY PURCHASES

It was discussed and decided that we would go out for bids for the Annuity Purchases. During the transition from Principal to ICMA there was some confusion as to which company was to be issuing checks to our retirees and disability participants. The Annuity Purchases with Principal was an issue. Both Fire and Police felt that it would not be a problem for some of those participants to be receiving 2 checks. One from the annuity purchased for them as well as from another company handling the unallocated fund accounts. Mark Luebke made the motion that the Fire Committee go out for bids. This was seconded by Larry Dethlefs. Gary Peil made the motion that the Police Pension committee do the same. This was seconded by John Gericke. Motion carried.

This will need to be discussed further with Chuck Haase.

Mark Luebke brought up the Kirkpatrick-Pettis issue. He has heard from other cities that they are changing managers and Mark feels that maybe it is time for us to look more closely that what they are doing for us. The committee still feels that it is in the best interest of The City to look into other Managers. Chuck Haase was going to look into that further. He was absent so we will need to discuss that further at the next meeting.

COMMITTEE TERM LIMITS

Each of the committee members is elected for a four year term. All active members terms expire on October 31, 2000. There was some discussion as to the possibility of changing or staggering the terms. This would eliminate the possibility of all members leaving the committee at the same time. Dale Shotkoski and Mark Luebke will be looking into the laws regarding that issue. It was not clear if the term limits were set by the committee or by Nebraska State Statutes.

ICMA INTERNET INFORMATION

Kelly Stevens brought a copy of the statement he ran off of the internet. It appears that they have changed some terminology. It also appears that the Pre-84 funds can be directed by the employee. This is not the way the committee wanted the Pre-84 money set up. This will be discussed with Chuck Haase and see if some changes need to be made at ICMA.

REDIRECTON OF PRE-84 MONEY

Rick Olson wanted to discuss the Pre-84 money. He feels that there is one participant who would like to direct the Pre-84 money to a portfolio that is lower risk than the Traditional Growth Fund because he is nearing retirement and does not want to take the risk with the money any longer. The committee felt that if they allowed this to happen they would have to address it every time someone is thinking about retirement. It also defeats the purpose of The City directing the Pre-84 Funds. Dale Shotkoski and Mark Luebke will research this issue further.

EDUCATION

Tami Herald contacted Gordon Tiffany with ICMA Corporation to set up Pension Education Meetings. He will be available the week of April 12,1999. The committee members will do a quick survey to see how many people will be interested so we know how many days we will need to plan for Gordon to be here. Tami will contact him again towards the end of the week when the survey is done to get meeting dates set up.

ADJOURNMENT: The meeting was adjourned at 11:15 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

August 25, 1999

Pursuant to due call and notice as published in The Grand Island Independent on August 18, 1999, thereof, a Regular Meeting of the Fire/Police Pension Committee was conducted on August 25, 1999 in the Library Conference Room 16, City Hall, 100 East First Street.

Members present were: Fire - Mark Luebke, Paul Mueller, Dick Rabe ; Police – Kerry Cole, Gary Piel, Kelly Mossman, Dick Rabe, Paul Mueller. Members absent were: Fire – Rick Olsen, Larry Dethlefs, Kelly Stevens ; Police – John Gericke. Also present were Marlan Ferguson , Dale Shotkoski, and Larry Fox.

Paul Mueller called the meeting to order at 10:05 a.m

APPROVAL OF MINUTES Approval of the February 8, 1999 Minutes. Motion to approve was made by Dick Rabe, seconded by Mark Luebke. Motion carried unanimously.

INTRODUCTION OF COMMITTEE

Marlan Ferguson has been appointed as the Plan Administrator. Introductions were made by each of the members to get acquainted with Marlan. We will also have Paul Mueller as the new City Chairperson and voting member. Kerry Cole has also been appointed to the committee to replace Martin Totzke.

Mark Luebke gave Marlan an explanation of the Fire Pension Plan and some history of the committee.

He informed him also of the Pre-84 money (Defined Benefits) and Post-84 (Defined Contribution) and how they can be directed. The number of voting members and the process was the final topic of that discussion.

COMMITTEE TERMS LIMITS

Dale Shotkoski did some research into the State Statutes for the term limits of the committee members. We have had previous discussions about trying to change the limits so the terms could be staggered and not take the chance of a complete committee change. According to the State Statutes, the terms cannot be changed. All of the terms for the present members expire October 31, 2000. Dale recommended that the Committee be thinking about this early in the year next year because all the committee members need to be approved by the City Council. The decision was made to put it on the committee meeting agenda for June 2000.

PLAN TRANSITION

The transition process from Principal to ICMA was the next item of business. Mark Luebke felt that the reporting process was going well. However, the recent movement of funds by ICMA was confusing for all the participants. ICMA set up separate accounts for the Pre-84 money for the participants so that the money could not accidentally be moved by the

participant. Statements were sent out without an explanation to the members so several questions were raised. During this time ICMA put a block on the accounts and would not allow movement of any kind. This caused some problems for a few of the members. Brad Laub and Jim Hales had some difficulties. Dick Rabe suggested that this could be a common problem with changing companies and that the committee should just give them a chance to get all things figured out.

The committee discussed the Waiver of Annuity process that we went through with Dale Peer. The committee was in agreement that this process worked well and if the opportunity comes up again, we could do that again.

401 vs 414. The differences of the two were discussed by Dick Rabe, Paul Mueller, and Larry Fox. Mark Luebke suggested that we entertain the idea of having William Joe present a program about Pension Plans in general. Mark has been in contact with William and would like to share the Pension knowledge with the Police and Fire Committee as well as participants. He will contact him and see when he will be doing his next presentation. Tami Herald will then work on notifying the participants and committee members.

Kirkpatrick – Pettis was discussed. There was some previous concern about their investment company but the committee feels this is no longer an issue.

QDRO

Dale Shotkoski discussed the present plan for QDRO's with the City. Presently the ex-spouse of the employee cannot have access to their portion of money until the employee qualifies to take his portion out. This is unfair to the ex-spouse and causes hardships in some cases. Dale presented options with ICMA to the committee members. The committee decided that it really isn't necessary for the City to control that money and that they want to take steps to Amend our plan with ICMA. The committee will review the information Dale presented and will discuss this at the next meeting.

ADJOURNMENT Gary Piel motioned to adjourn the meeting at 11:30. The motion was seconded by Paul Mueller and carried unanimously.

Respectfully submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

December 14, 1999

A Regular Meeting of the Fire/Police Pension Committee was conducted on Tuesday, December 14, 1999 in the Library Conference Room 16 City Hall, 100 East First Street.

Paul Mueller called the meeting to order at 10:05 a.m. Members present were: Fire – Mark Luebke, Rick Olson, Kelly Stevens, Larry Dethlefs, Dick Rabe, Paul Mueller. Police – Gary Piel, John Gericke, Dick Rabe, Kelly Mossman, Kerry Cole, Paul Mueller.

APPROVAL OF MINUTES: Motion to approve the August 25, 1999 minutes was made by Dick Rabe, seconded by Mark Luebke. Motion carried unanimously.

DISCUSSION ITEMS

YEAR END ISSUES

Mark Luebke asked the committee if they had any concerns or questions in regard to Year End issues with the Pension Plans. All members seemed comfortable with the plan. Tami Herald will ask Debra Adair from ICMA if it is possible for them to run a statement for each of the participants after the 12-23-99 payroll. The participants could then compare that statement against one they personally request after the first of the year to confirm that their accounts were unaffected by Y2K.

Mark Luebke also suggested that we ask ICMA for a 1st year review and ask Kirkpatrick-Pettis for a yearly report. Dick Rabe felt that this is standard procedures for these companies and that it would be a good idea to follow through. He felt that it would probably take 60 to 90 days to get this information. Mark suggested also asking them to meet with the committee and give them an update.

Kerry Cole is new to the committee so the members educated him on what each (ICMA and Kirkpatrick-Pettis) does for us. There was also a discussion held about the statements from ICMA. They appear to be difficult to read and some clarification is needed.

SUMMARY PLAN BOOKLETS

Mark Luebke met with Debra Adair, Paul Mueller and Tami Herald on 12-8-99 to discuss the changes that need to be made to the draft of the Summary Plan Document. Debra was taking the changes back to ICMA and another draft will be sent for approval. An update of this process was shared with the committee. Gary Piel reviewed the Police Plan and felt there were not any changes that needed to be made. During this meeting, Tami Herald made a copy of the SPD for Kerry Cole, John Gericke, and Kelly Mossman for their review.

REBATE OF FEES

A discussion was held about a rebate of fees that the City will receive from ICMA. Paul Mueller will research what account the fees are being paid out of and where the rebate should be credited to. Mark felt that the City was responsible for paying the fees for the Fire participants so some research needs to be done.

PLAN TRUSTEE

The City is the Trustee for these plans. Do we want to continue that way? Paul will research the pros and cons to being the Trustee on the plans and also ask Legal for their expertise. He will update the committee at the next meeting.

LAWSUIT – ABBOTT LABS

The City has been notified that there is a Class Action Suit being filed against Abbott Labs and their CEO. The Legal department is checking to see what it would take for The City to be a part of it. Dick Rabe suggested that we sign up and go along for the ride providing there are no fees involved. Mark Luebke made a motion to be a part of the suit, Kelly Stevens seconded it for the Fire committee. John Gericke made the motion and Kelly Mossman seconded it for the Police committee.

PRE-84 PARTICIPANTS DIRECTION

Kelly Stevens brought to the table a suggestion from some participants regarding the direction of the Pre-84 money. The Pre-84 participants want the capability to direct the City's money. They would like to move it from the Traditional Growth Portfolio, (where it is directed now) to the low risk Guaranteed Funds account.

A discussion was held concerning what could legally be done. Mark Luebke suggested that we allow them to move from high risk to lower risk but not the other direction. Would this be the fairest way to do this? Some participants may want to move their money the other direction when they get closer to retirement. Could we put an age factor on it? Dick Rabe reminded the committee that if they were to change the plan that it would again be an amendment to the plan and what have to meet State Statutes and get the approval of the City Council. This discussion will be continued at the next meeting.

Tami Herald will contact Kirkpatrick-Pettis and ICMA-RC to when year end reports can be ready and where representatives will be available to meet with the committee in February or early March..

ADJOURNMENT: The meeting was adjourned at 11:35 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

March 16, 2000

A Regular Meeting of the Fire/Police Pension Committee was conducted on Thursday, March 16, 2000 in the Library Conference Room 16 City Hall, 100 East First Street.

Paul Mueller called the meeting to order at 10:03 a.m. Members present were: Fire – Larry Dethlefs, Rick Olson, Dick Rabe, Paul Mueller. Police – Gary Piel, John Gericke, Kerry Cole, Dick Rabe, Paul Mueller. Members absent were: Fire – Mark Luebke, Kelly Stevens, Police – Kelly Mossman. Also present were: Marlan Ferguson and Dale Shotkoski.

APPROVAL OF MINUTES: Motion to approve the December 14, 1999 minutes was made by Dick Rabe, seconded by John Gericke. Motion carried unanimously.

DISCUSSION ITEMS

ICMA

Debra Adair and Andy Anderson from ICMA were in attendance to give a presentation on the Police and Fire Plans. They had information as to the number of participants we have in the Pre-84 and Post-84 plans for both Police and Fire and the amount of money invested in each. They had a comparison of the amount of money the participants are investing in their own portfolios and how much is invested using the model portfolios set up by ICMA.

The 457 plan was also discussed. They had an update of dollars and participants in this plan also. They asked if it would be possible to have some educational meetings for the employees to gain more knowledge of the 457 plan.

After the presentation, they answered several questions from the committee. Questions were asked about the rebate of the fees taken out of the participant accounts. Andy informed the committee that it was being taken care of and the rebates would be issued to the participants. He also offered some information on new on-line services that ICMA will soon have to offer.

The topic of Trustee of the account was also discussed with ICMA. Andy and Debra will be sending information to Paul to review and share with the committee.

PRE-84 Money

Dale will be doing some more research into the investment of Pre-84 money and will update the committee next time.

ADJOURNMENT: The meeting was adjourned at 10:57 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

July 22, 2000

A Regular Meeting of the Fire/Police Pension Committee was conducted on Thursday, July 20, 2000 in the Library Conference Room 16 City Hall, 100 East First Street.

Tami Herald called the meeting to order at 10:07 a.m. Members present were: Fire – Larry Dethlefs, Kelly Stevens, Mark Luebke, Dick Rabe. Police – Kelly Mossman, Kerry Cole, Dick Rabe. Members absent were: Fire: Rick Olson and Paul Mueller Police – Gary Piel and John Gericke and Paul Mueller. Also present were: Brenda Sutherland and David Springer.

Minutes were approved as read. Each of the committee members introduced themselves to Brenda and David and shared with them their employment status and their role on the committee. Brenda and David were also given a background on the Police/Fire Pension Plans by Mark Luebke and Kelly Stevens.

DISCUSSION ITEMS

COMMITTEE BACKGROUND

A short discussion was held on the differences of the Pre-84 and Post-84 money to help Brenda and David have an understanding of the investment of the funds. The differences between and Police Pension and the Fire Pension Plans were also covered.

TRUSTEE ISSUES

Having a Trustee for the plan is an important issue. Dick Rabe explained the selection process the committee went through when they selected ICMA and the reason ICMA is not the Trustee of the plan. It is not part of the services ICMA offers to act as a Trustee for the plans they administrate. He explained that the committee is happy with ICMA and the services they offer our employees.

The discussion continued by talking about Actuarial studies, whom should do them and how often they should be done. They need to be conducted by an independent outside service whom has no vested interest in the plan.

Again, we discussed the possibility of changing the rules for the Pre-84 money so that the employee could direct it. Again, it is NOT possible to do that. This is governed by State Statutes and cannot be changed by the committee or the employees.

COMMITTEE TERMS

The terms for the committee members will be up soon. Each of the committee members will go back to the employees in their departments and ask them for nominations for committee members. Tami Herald will put together information to send out to them so they can begin the process of filling the positions. Mark Luebke and Larry Dethlefs expressed an interest in remaining on the committee. The Mayor will make the appointments and then will need to go to Council for final approval.

The next meeting, for the fourth quarter, will be scheduled at a later date.

ADJOURNMENT: The meeting was adjourned at 11:02 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

February 21, 2001

A Regular Meeting of the Fire/Police Pension Committee was conducted on Wednesday, February 21, 2001 in the Library Conference Room 16 City Hall, 100 East First Street.

Paul Mueller called the meeting to order at 10:05 a.m. Members present were: Fire – Larry Dethlefs, Greg Moeller, John Mayer and Mark Luebke. Police – Kelly Mossman, Kerry Cole, and Clyde Church. Members absent were: Fire: Dick Rabe Police: – Jim Olson and Dick Rabe. Also present were Brenda Sutherland, David Springer and Marlan Ferguson.

Motion to approve minutes was made by Larry Dethlefs, seconded by Greg Moeller.

COMMITTEE BACKGROUND

A short discussion was held on the differences of the Pre-84 and Post-84 money to help the new committee members have an understanding of the investment of the funds.

DISCUSSION ITEMS

We have four new members to the committee so we had everyone introduce himself and tell us what group they were representing. Each committee then elected a chairperson for their committee. The Chairman for the Police will be Kerry Cole and for the Fire will be Mark Luebke. Each member was given a notebook containing: Summary Plan Documents, State Statutes, and retirement information.

Paul presented the year-end report from Kirkpatrick-Pettis and explained to the new members where this money comes from and the purpose of having it there. He informed the committee that we are over funded at this point. What this means is that if all the Pre-84 people retired today, the City would have the funding to handle that.

TRUSTEE ISSUES

Having a Trustee for the plan is an important issue. Kelly Mossman asked what decisions have been made. Paul discussed it further but no decision has been made at this time.

The last item discussed was the pension money being paid on the unused sick pay paid out in January. Pension should NOT be paid on that money. Paul informed the committee that it will be corrected for this year but they will not be going back any further than that.

The next meeting, for the second quarter, will be scheduled at a later date.

Motion to adjourn was made by Kerry Cole seconded by Mark Luebke.

ADJOURNMENT: The meeting was adjourned at 10:50 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

June 21, 2001

A Regular Meeting of the Fire/Police Pension Committee was conducted on Thursday, June 21, 2001 in the Library Conference Room 16 City Hall, 100 East First Street.

Paul Mueller called the meeting to order at 10:15 a.m. Members present were Fire- Mark Luebke. Police –Jim Olsen, Kerry Cole, and Kelly Mossman. Members absent were Fire: Dick Rabe, John Mayer, Greg Moeller and Larry Dethlefs. Police: – Clyde Church and Dick Rabe.

Motion to approve minutes was made by Mark Luebke, seconded by Kerry Cole.

COMMITTEE BACKGROUND

The focus of the meeting is on the investment options the participants have when they retire.

DISCUSSION ITEMS

Mark Luebke and Paul Mueller led a discussion on the unallocated funds in the Police and Fire Pension plans. With the plan, the City is obligated to keep the plan fully funded up to the actuarial amounts. What happened with the funds above and beyond that amount (the City is currently over-funded) is up to the City's discretion, according to Paul. Mark felt that the money should still stay in the fund because it belongs in that fund and should not be used by the City for anything else. He felt that there would have to be some legislation that would govern that. Both of them are going to do some research into the subject.

The second item of business to be discussed was Retirement options. The options that the retiring employees have at this time are:

- 1) Roll the money out of the plan.
- 2) Leave it in the plan- City directs City portion
- 3) Defined benefits

Mark L explained the Pre-84 rules for direction to the newer committee members. Mark does not agree with the City's opinion that the retiree needs to set up a separate account so they can direct ALL the funds. Paul explained, the way the SPD (the plan) is written, it doesn't allow an employee to stay in the plan after retirement.

Paul explained again, that the City couldn't give retiring or terminating employees investment advice. They need to go to an investment company and discuss their options. Two names were mentioned, Bill Joe and Char Dewitt. They were mentioned because they have worked with retiring Police and Fire employees in the past. They are both very knowledgeable about the State Statutes and Police/Fire Pension plans. They could both offer advice.

The committee asked Tami Herald to contact Deb Adair and set up a time for her to attend a committee meeting and discuss these issues. The confidence level with Deb is not real high at this point. The feeling is that she is not very knowledgeable about Nebraska State Statutes and our plan. She doesn't seem to have straight answers for the participants and it is the feeling of some that she is not looking out for the best interest of the participants but only of herself. The committee wants some answers from her or perhaps we need to talk to someone who can give us some answers. The committee wants to have something set up for the next quarterly meeting in early August.

Mark asked that the Investment policy for each Plan be distributed to each member for his or her comments, questions, and approval. It has not been reviewed since 1998.

TRUSTEE ISSUES

Having a Trustee for the plan is an important issue. A Trustee could be handling these types of questions and assume the responsibility. This will be discussed again.

The next meeting, for the third quarter, will be scheduled at a later date.

Motion to adjourn was made by Jim Olsen seconded by Mark Luebke.

ADJOURNMENT: The meeting was adjourned at 11:25 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

August 16, 2001

A Regular Meeting of the Fire/Police Pension Committee was conducted on Thursday, August 16, 2001 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 11:05 a.m. Members present were Fire-Mark Luebke, John Mayer, Greg Moeller, Larry Dethlefs, and Dick Rabe. Police –Jim Olsen, Kerry Cole, Clyde Church, Kelly Mossman and Dick Rabe. Members absent were Police: – Kerry Cole. Also attending the meeting were Dale Shotkoski and Brenda Sutherland.

Minutes were approved as read.

COMMITTEE BACKGROUND

The focus of the meeting is on the investment options the participants have when they retire. Debra Adair, ICMA representative, attended our meeting to answer our questions and address our concerns.

DISCUSSION ITEMS

The only item to be discussed was Retirement options. The options that the retiring employees have at this time are:

- 1) Roll the money out of the plan.
- 2) Leave it in the plan- City directs City portion
- 3) Defined benefits

The real issue with the retiring employees is that they want to have full control of the money when they retire. As long as the City sponsors the plan and as long as the employees keep their money in the plan, the City is still taking all the risk.

The only way that the retiring employees could control 100% of the money is to roll their money out of the plan.

Deb Adair suggested that one option they could have is to set up a separate account with ICMA, which would be treated as an IRA account. The City could set up a separate plan that have “investment restrictions” set on it. She said that Chadron has done this but the problem there is, we can’t compare to them because they are not a First Class City. Mark Luebke asked if Deb could put something together for the committee that would show them the mechanics of this separate plan. Just to see if it could ever happen here.

The concern lies in the gap between age 55, when they can retire, and age 59 ½ when they can withdraw from their plan.

Dale addressed the question “When does the obligation of the City end?” He stated that it ended when the employee makes the election.

Dave Springer and Brenda Sutherland both stated that the City Council would need to sign off /approve any changes that they wanted to make in the plan. Dave suggested that more research needed to be done before any more discussion on plan changes would be held. It would need to be decided if the separate account option would be under the IRS rules.

Dave and Brenda also suggested that an option may be, the employee could elect to take small portion of their money to live on between age 55 and 59 ½ then put the balance of the account into an account with ICMA or an IRA and take distribution after that.

Clyde Church motioned to adjourn the meeting, Kelly Mossman seconded it. Meeting adjourned at 12:10 p.m.

Mark asked that the Investment policy for each Plan be distributed to each member for his or her comments, questions, and approval. It has not been reviewed since 1998.

TRUSTEE ISSUES

Having a Trustee for the plan is an important issue. A Trustee could be handling these types of questions and assume the responsibility. This will be discussed again.

The next meeting, for the third quarter, will be scheduled at a later date.

Motion to adjourn was made by Jim Olsen seconded by Mark Luebke.

ADJOURNMENT: The meeting was adjourned at 11:25 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

December 10, 2001

A Regular Meeting of the Fire/Police Pension Committee was conducted on Monday, December 10, 2001 in the Staff Library of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:04 a.m. Members present were Fire-Mark Luebke, John Mayer, Greg Moeller, Larry Dethlefs, and Dick Rabe. Police –Jim Olsen, Kelly Mossman and Dick Rabe. Members absent were Police: – Kerry Cole and Clyde Church. Also attending the meeting was Dale Shotkoski.

Motion to approve minutes by Dick Rabe seconded by Mark Luebke.

COMMITTEE BACKGROUND

The focus of the meeting is on Year-to-date performance by both ICMA and Kirkpatrick Pettis.

DISCUSSION ITEMS

The first item of discussion was Paul Mueller. Paul is currently the City's representative on the Committee but due to recent workload and lack of time, Paul has asked to step down from that position. Dale and Dave thought this needed to go before the City Council so that a new representative can be appointed. Dave Springer would be willing to accept the position.

David brought with him the Performance reports that the committee requested. The committee wanted to see what effect the 9-11-01 attack had on their account and to see if there was any recovery yet. The balance as of 10-1-01 in the Police funds is \$929,528.00 and in the Fire \$6,216,189.

Tami brought in the summary from ICMA in regard to the Retirement Options that ICMA had to offer. This was information that was requested from Debra Adair the last time she attended our meeting.

Mark Luebke started the discussion again about the Retirement options. There are so many new IRS laws going into effect in 2002 in regard to the 457 Plans that may affect the 401 plan and the options our employees have. Mark feels that maybe there still aren't enough options. John Mayer said he felt that the options were there and that they were clear. As long as the money is left in the plan, the participant controls their portion and the City controls theirs. If the participant wants full control of the money they have to

take it out. When the participant makes the election and signs the forms, that is the end of the City's liability.

The committee was given a copy of the ICMA withdrawal booklet that the employees are given at the time they decide to retire. They felt that the booklet was not "user friendly". They are too long, too confusing and not specific enough for our needs.

The want to see a booklet and forms that are customized for the City Of Grand Island 401H plan and not some packet of generic forms. They would have a greater comfort level with forms that are customized to our needs. They would also like to see a simple list of options they have at the time of retirement and a list of forms they need to fill out.

The committee would like Tami Herald to get ahold of the Deb Adair and see if she would be able to put together a new type of booklet for us and also see if she would be available to do some retirement seminars. The committee felt this would be beneficial for those who will be retiring in the next few years. They would also like Deb or someone from ICMA to do a seminar in the early spring addressing all the new IRS rules and how they will effect them.

The committee asked Tami and Dave to call several other cities and see what they give their employees at retirement time. They suggested that we call Elkhorn, Fremont, Norfolk, Columbus, York, Hastings, Beatrice, McCook, North Platte and Scottsbluff.

The motion to adjourn was made by Dick Rabe seconded by Mark Luebke.

ADJOURNMENT: The meeting was adjourned at 11:15 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

March 26, 2002

A Regular Meeting of the Fire/Police Pension Committee was conducted on Tuesday, March 26, 2002 in the Staff Library of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:11 a.m. Members present were Fire-Mark Luebke, John Mayer, Larry Dethlefs, and Dick Rabe. Police – Kelly Mossman, Kerry Cole and Dick Rabe. Members absent were Police: –James Olsen and Clyde Church.

Motion to approve minutes by Dick Rabe seconded by Kelly Mossman.

COMMITTEE BACKGROUND

The focus of the meeting was to discuss the drafting of an informational handout for employees who will be looking at retirement in the not too distant future.

DISCUSSION ITEMS

Tami Herald gave the committee a copy of the ICMA fund results for the 401 and 457 plans.

The committee had asked Tami and Dave to call several other cities and see what they give their employees at retirement time. They suggested that we call Elkhorn, Fremont, Norfolk, Columbus, York, Hastings, Beatrice, McCook, North Platte and Scottsbluff. Tami made calls to Hastings, Fremont, Norfolk, Columbus, York, Rapid City, Manhattan, North Platte and Scottsbluff. None of these cities have anything to offer their employees. Tami will ask Deb Adair if she has anything that they use in their contacts with other cities.

The committee asked again if Deb Adair could come up with a booklet that is more specific to the City of Grand Island plan. Tami will contact her AGAIN. Another item Mark Luebke would like us to address with De Adair is; can she have an addendum put in their plan booklets addressing the 457 plan and how it affects their 401 plan?

Dave Springer suggested that he and Tami work with Debra Adair on putting together a draft of an informational sheet and give it to Mark Luebke and Dick Rabe for their review. It would be helpful if it was in a booklet form and would address the pre-84 vs

Post 84 issues also. We hope to then have something to present to the committee at the next meeting.

Kelly Mossman and Kerry Cole asked if there was a System Plan Overview for the Police Department available. Debra did not offer that to us previously but Tami will give her a call and ask that one be sent out to us.

Kelly and Kerry also have some concerns about the deposits into their Pension accounts since the beginning of the year. They asked if it was true that there were only two deposits made in two months. Kelly asked if it was the City's practice to hold on to pension money that long and not deposit it. Dave Springer addressed their concerns. He told them that it was not common practice and that the goal is to have the deposits made in 5 working days. He said the Finance Department dropped the ball on this and didn't get anyone's deposits made. He assured them that they are on track now and do not intend to let this happen again.

Mark Luebke asked that we bring to each quarterly meeting the Kirkpatrick -Pettis Quarterly results. Dave and Tami and handle that.

Questions were asked also about Medical Retirement. Where does the money come from to pay for Pension in that case. Does it come out of the KP funds? Dave addressed that issue and thought that this was be a WC issue along with Pension and that the KP funds would probably be unaffected.

The next meeting will be scheduled for late June 2002.

The motion to adjourn was made by Dick Rabe seconded by Mark Luebke.

ADJOURNMENT: The meeting was adjourned at 10:50 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

July 10, 2002

A Regular Meeting of the Fire/Police Pension Committee was conducted on Wednesday, July 10, 2002 in the Staff Library of City Hall, 100 East First Street.

Tami Herald called the meeting to order at 10:10 a.m. Members present were Fire- Mark Luebke, John Mayer, and Dick Rabe. Police – Kelly Mossman, Jim Olsen and Dick Rabe. Members absent were Police: –Kerry Cole and Clyde Church. Absent for the Fire: Larry Dethlefs and Greg Moeller

Motion to approve minutes by Dick Rabe seconded by Kelly Mossman.

COMMITTEE BACKGROUND

The focus of the meeting was to discuss the drafting of an informational handout for employees who will be looking at retirement in the not too distant future.

DISCUSSION ITEMS

Mark Luebke opened a discussion on the service from ICMA. He talked briefly about what the employees are being told or how they are guided by ICMA.

Tami Herald informed the committee that she has had conversations with Deb and she is working on getting the information the committee requested. It appears that the information should be to us within a week. Deb has also offered to come out and meet with the committee and participants to talk about 401 and 457 plans. The committee decided that August 21, 2002 would be a good day to meet with her. Tami will make the arrangements to have her meet with the committee and to also hold a group meeting for the participants and individual meetings with anyone who is interested.

The committee would like to discuss the following with Deb when she is here:

401/457- Is one affected by the other.

Can she have an addendum put in their plan booklets addressing the 457 plan and how it affects their 401 plan?

Give them more information on the PLUS fund. Are there truly guarantees with this fund.

Kelly Mossman asked if there was a System Plan Overview for the Police Department available. Debra did not offer that to us previously but Tami will give her a call and ask that one be sent out to us.

Mark Luebke had asked that we bring to each quarterly meeting the Kirkpatrick -Pettis Quarterly results. Tami brought the last report that was available to her to share with the committee. They reviewed it and made a copy to share with their co-workers.

Mark Luebke asked if it was necessary for the Police and the Fire committees to meet jointly. He felt it was just set up that way for the convenience of the City and maybe the Pension vendor. The committees can meet separately if they want to. They will discuss that again at a later date.

Mark also asked that Tami make the City aware that they are seriously thinking about going through the RFP process to go out for Bids for the Police/Fire Pension Plan early next year. He talked about this process for both ICMA and Kirkpatrick /Pettis funds. They feel that they would like to go out there and look and see if there is a better plan/vendor out there for them. Tami will update David Springer with that information.

The next meeting will be scheduled for August 21, 2002 at 10:00 a.m. with Deb Adair.

The motion to adjourn was made by Dick Rabe seconded by Mark Luebke.

ADJOURNMENT: The meeting was adjourned at 11:05 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

August 21, 2002

A Special Meeting of the Fire/Police Pension Committee was conducted on Wednesday, August 21, 2002 in the Council Chambers of City Hall, 100 East First Street.

Tami Herald called the meeting to order at 10:10 a.m. Members present were Fire- Mark Luebke, Larry Dethlefs, and Greg Moeller. Police –Kerry Cole and Clyde Church. Members absent were Police: –Kelly Mossman and Jim Olsen. Absent for the Fire: John Mayer and Dick Rabe.

Motion to approve minutes by Mark Luebke seconded by Larry Dethlefs.

DISCUSSION ITEMS

Debra Adair from ICMA was present at the request of the committee. She had previously put together a discussion sheet of the Most Frequently Asked Questions. This was distributed to the committee for their review and for discussion.

Debra also brought with her a System Plan Overview for each of the committees. This gives them the specifics of their plan and their options at the time they leave the employment of the City of Grand Island.

In discussing the Frequently Asked Questions:

Mark Luebke commented that he felt that the questions should be more specific to each plan, that the information Deb has was too generic.

Deb explained that ICMA made it generic because of the liability they have of putting this information out. They needed to offer the information in the Legal format.

Mark also suggested and Deb agreed to, putting the Summary Plan Booklets in a question and answer format. She will be putting together 3 different booklets.

Debra discussed the 401 (h)- the (h) meaning that the plan allows for the money to be used to pay for medical expenses for retiree employees. Mark asked if the Firefighters could use this and then recover the money that was not spent in the plan. Debra is looking into that for him. She also needs to check with the City and see if this is something that they want to write into the plan and allow the employees to use.

The discussion then moved to the 457 Plan.

The difference between the 457 and 401 is: the 401 has to pass discrimination tests so that everyone is treated alike since it is a defined benefits plan. The 457 has different IRS rules because it is a voluntary plan.

Pension Reform under the 457 Plan:

At retirement (separation of service) the money becomes portable.

According to Debra, the City needs to amend the plan document with ICMA to make that happen. The withdrawal rules for the 401 plan say that the 401 rules follow your money into the 457 plan on the amount of money you had in your account.

The City needs to talk with our Legal department about when the City's liability would end if we would allow the roll over of the funds into the 457 plan. The 457 plan is not governed by the State Statutes because it is not a Defined Benefits plan.

The committee wanted to also know if they would be allowed to roll their Pre-84 money into the 457 plan. The City again needs to discuss the liability issues.

Debra reminded the committee that it is in their best interest to leave their money in the 401 plan as long as they can because the fees are based on the amount of money in the plan. So, if they pull all their money out and go somewhere else when they leave, the fees for the plan could go up.

The PLUS fund was the next item of discussion. The PLUS fund is a guaranteed fund. Guaranteed to pay you a positive percentage from the fund.

The firefighter would like the restrictions lifted on their plan so it would allow the City's money to be put into something safer than the Traditional Growth Fund. They would like to be able to put it in the PLUS fund.

Debra reminded the committee that they should keep in mind that they can defer the cash pay out of their Sick time and vacation time at the time of separation to the 457 plan. This would save them some tax dollars.

ADJOURNMENT: The meeting was adjourned at 11:40 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

January 9, 2003

A Regular Meeting of the Fire/Police Pension Committee was conducted on Thursday, January 9, 2003 in the Staff Library of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:12 a.m. Members present were Fire-Mark Luebke, John Mayer and Dick Rabe. Police –Kerry Cole, Kelly Mossman, Dick Rabe and Clyde Church. Members absent were Police: –Jim Olsen. Absent for the Fire: Larry Dethlefs and Greg Moeller.

Motion to approve minutes by Mark Luebke seconded by Dick Rabe.

DISCUSSION ITEMS

The first item of discussion was the election of a new member. Larry Dethlefs has asked to be replaced on the committee. His schedule will no longer allow him the time to dedicate to the committee. Mark will be posting a notice at the Fire Stations for all members to have the opportunity to be on the committee. The selection will need to be made by the members of their committee and then approved by the City Council. Dave would like to take this to the Council before the end of the month.

Moving funds from the 401 to the 457 plan was the next item up for discussion. This is an option for them once they have left the employment of the City. The thing that they need to remember is that the 401 rules follow that money into the 457 plan. Dave talked with Dale Shotkoski about this and they say that they need to feel comfortable with the fact that the City is released from any liability before this can happen.

Also discussed was the use of 457 plan money to be set aside for medical expenses. Dick Rabe felt that this would be a use or lose it type situation also. If they set the money aside for medical usage, they need to use it or it will be lost. It won't be put back into their account. This is according to IRS regulations.

There are a few items that the committee would like Dave to discuss with ICMA and get some solid answers. They are:

- 1) More information on the 457 Medical use option.
- 2) Is there a 10% penalty for early withdrawal of the money if they leave before age 59 ½. What penalties at age 50-55 and 55-59 ½.?
- 3) Is there a penalty on both their own money and the City money.

Both Dave and Dick thought there would be no penalty on their own money just on the City's. They also talked about the employee moving the money to an Annuity or IRA. There are no penalties attached to those.

4) More specific information on their options at retirement.

The committee thought that it would be a good idea for the City to conduct a pre-retirement conference. This would allow the employees to ask questions of the City and the benefit companies. This would hopefully help them make some good decisions. When asked, the committee thought several of their co-workers would be interested and would attend.

Mark Luebke talked about a Pension service that the IAFF Union was sponsoring. He is going to gather more information and bring it to the committee to see if it is anything that they would be interested in.

At the next meeting we will be discussing going out with an RFP for the Police/Fire Pension plans. The committee feels that it is time to see what is out there. Dave said he would work on getting money into the budget for next year to do that.

Dave informed the committee that an actuarial review would be conducted in February just to make sure that the City is still fully funded.

ADJOURNMENT: The meeting was adjourned at 11:10 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE/POLICE PENSION MEETING

April 15, 2003

A regular meeting of the Fire/Police Pension Committee was conducted on Tuesday, April 15, 2003 in the Staff Library of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:05 a.m. Members present were Fire-Mark Luebke and Scott Kuehl. Police –Kerry Cole, Clyde Church and Kelly Mossman. Members absent were Police: Jim Olsen. Absent for the Fire: Greg Moeller and John Mayer.

Motion to approve minutes by Mark Luebke seconded by Clyde Church.

DISCUSSION ITEMS

YEAR END REPORTS

The Year End Report from KPM was distributed to all the members present. David Springer reviewed the results. He answered the questions that the members had in regard to the gains and losses of the plan. David also answered questions from Kelly Mossman in regard to the administrative fees charged. David felt they were in line and there wasn't any need for concern. He also discussed the future of the stock market and that he is looking for a turn around. Maybe only inching back- but hopefully it will turn around soon.

David also shared the Actuarial Report prepared by Milliman and Robertson. Both reports, Fire and Police, indicated that the funds are still over funded and there is no concern for anyone. The funds are in very good shape.

Mark Luebke asked if it would be prudent to hire an outside company to rate the performance of our plan administrators. Should we have someone take a look at what ICMA is doing for us? David reminded the committee that there are always published results in different publications that can be read. Should we also do an RFP on KPM? Mark felt that there was probably money available in the unallocated fund to be used for the analysis process.

David said again that when the budget process starts up he will be putting money in the budget for the committee to go through the RFP process for plan administrators.

NEW COMMITTEE MEMBER

The newest member of the Fire Committee was welcomed. Scott Kuehl has replaced Larry Dethlefs on the committee. David talked to Dale Shotkoski previously about having to go to Council to get Scott approved. Dale felt it wasn't necessary. The committee questioned that so David will check again.

WITHDRAWAL PENALTIES

David talked to ICMA about the 10% penalty assessed on early withdrawal money. He found out that Yes there is a penalty for withdrawals made between the ages of 50-55 and NO penalty for withdrawals for age 55-59 ½.

The committee would like us to contact Deb Adair again and see if we can get her to come out and see us. Tami has tried ever since Deb got back from maternity leave but has not been successful.

David discussed the PEP plan briefly. They would like to hear more about it in the future.

ADJOURNMENT: The meeting was adjourned at 10:45 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE/POLICE PENSION MEETING

July 29, 2003

A regular meeting of the Fire/Police Pension Committee was conducted on Tuesday, July 29, 2003 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:05 a.m. Members present were Fire-Mark Luebke, John Mayer and Dick Rabe. Police –Kerry Cole, Clyde Church, Kelly Mossman, Jim Olson and Dick Rabe. Absent for the Fire: Greg Moeller and Scott Kuehl.

DISCUSSION ITEMS

ICMA Territory Manager, Jonathan Epstein and our new representative Jay Prister were in attendance. Jay has just joined ICMA and will assuming Debra Adair's position.

Jonathan discussed several issues with us. The first item was to discuss the Pre-84 participants and how we need to get them educated on their options when they leave employment.

We also discussed with him the possibility of getting a new coverage booklet for all participants that is easier to understand. The pre-84 issues could also be addressed in the booklet and also on a one page overview that Jonathan will be working on for us.

Education is always important and is the key to the employees understanding the plan and their options. Maybe even an administrative manual for me to have in the Human Resources department would help.

Jay has offered to be here on a monthly basis to address any questions or concerns that the participants have. Mark Luebke talked about the lack of participation from the employees in the past when the representatives were holding meetings here. Jay would like to visit each Fire Station and the Police Department. He mentioned being at the Police Department for the graveyard shift so he can talk with those who never have the opportunity to see the ICMA representatives. He will also be going thru the internet website with the employees who are interested. If the monthly visits are too often and there is not a lot of interest, he may change that schedule.

The committees felt this would be a great idea. The plan is to start this in September.

Jonathan distributed a Plan review to each of the members. He went through each of the plans and talked about their performances. He also covered the educational programs that they have to offer and also about the Vantage Care plan that ICMA has to offer. He also discussed the ICMA website and the positive comments they receive from that.

He suggested that perhaps we think about having them do an educational seminar on Pre-84 options. They would be happy to come out and do that if we feel it would be beneficial.

Jonathan asked if the members would like to be on the e-mail distribution list. They could each be included in any information distributed on topics of interest to them. The committee thought that would be good. Tami will get them the e-mail addresses of the committee to Jay in a couple of weeks. Meetings schedules will also be set up at that time.

Jonathan also talked about Annuity bids and how ICMA has the ability to do all of that now. We're not sure we want to change our process but it is good to know what they have available.

Vantage Care is a program through ICMA that will allow the employees to put money into this program to use for medical expenses after they leave our employment. This money is put in on a pre-tax basis and will never be taxed either.

ADJOURNMENT: The meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

December 8, 2003

A special meeting of the Police Pension Committee was conducted on Monday, December 8, 2003 in the Staff Library of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:05 a.m. Members present were Police – Kerry Cole, Clyde Church, Kelly Mossman, and Dick Rabe. Absent: Jim Olsen. Additional people present: Brad Brush and Larry Trosper.

DISCUSSION ITEMS

The committee called the meeting to discuss several retirement questions and concerns they had.

They wanted to talk specifically about Annuity Bids and what the process is that the City uses. There have been a couple of their employees who have retired recently and are concerned about the way the City got their bids. They feel that the bids the City gets from Ameritas are too low. They are wondering if we are getting a gender neutral bid. David Springer assured them that we are.

They are asking:

- 1) Can we come up with an overview of “What Do I Do When I Want To Retire.” - This is something that can be taken care of by the Human Resources Department. Tami Herald will work on that.
- 2) Can we give them the parameters of what we ask for when we get bids? They would like to be asking for exactly the same information that we ask for. This way we are comparing Apples to apples. This is entirely possible. We will get that information for them.
- 3) Can we give them a list of the companies that we got the bids from? They would like us to include the contact persons name and phone number.
- 4) What salary figures do we use? Are we using gross wages, etc. The committee would also like to know this so they are using the same figures too.
- 5) They would also like to have ICMA come out and do retirement issue educational meetings. Tami will work on getting that set up.

The committee members were encouraged to read their State Statutes again and see if they will answer some of their questions.

A regular Fire and Police committee meeting will be held on December 17, 2003 at 10:00 a.m.

ADJOURNMENT: The meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE & FIRE PENSION MEETING

December 17, 2003

A special meeting of the Police/Fire Pension Committees was conducted on Monday, December 8, 2003 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:05 a.m. Members present were Police – Kerry Cole, Clyde Church, Kelly Mossman, and Dick Rabe. Absent: Jim Olsen. Present for Fire: Mark Luebke, Tom Cox, John Mayer Dick Rabe and Scott Kuehl. Additional people in attendance: Brad Brush, Cameron Calleroz, Brenda Sutherland.

DISCUSSION ITEMS

Jonathan Epstein from ICMA was in attendance. He brought with him the Police and Fire Pension Retirement Plan Overviews for Pre-84 employees that the committee asked for. The committee reviewed them and suggested a couple of changes need to be made. Jonathan will take care of that and send that back out ASAP.

John Mayer asked that ICMA also put together an overview for the Post-84 employees so they know what their options are also. Jonathan will also put that together and send to us.

Jonathan briefly discussed the retirement issues that John Gericke had with his retirement. There were a couple of errors made by ICMA but they were corrected quickly and John received his money. He suggested that we keep in mind that we need to look at each retirement individually. Each is a different situation.

ICMA would be willing to come out in January and conduct some retirement meetings to help the employees understand what they need to be thinking about when they start considering retirement. Tami will work with Jonathan and Jay to get these scheduled.

All were in agreement that an overview of exactly what to ask for when going out for a Annuity bid is necessary. We all need to be on the same page with this. Jonathan is going to help us with this also. It was discussed that maybe the committee should set some criteria. Perhaps say that the committee and the employees need to use an AAA rated company/reputable company. Jonathan has offered to help us with that also.

Jonathan's goal is to have the requested information to the committee in a week or so.

The employees would like to be able to see a projection of what their pension benefits will be. Jay has a program on his computer that can do that for the employees. We will ask him to do that for us when he comes out in January.

He also offered us some advice on the annuity bids and what needs to be done there. He will get us the information that they use when they work with investment companies. They work with MetLife and John Hancock. He will e-mail Tami a list of companies and some websites to look at to research this issue. It was asked by Mark Luebke and Kerry Cole if we needed to go by the standards that are set in the Nebraska State Statutes stating that the Nebraska Investment Council sets standards. This will be looked into by several people.

Mark Luebke introduced the newest members of their committee, Tom Cox. Tom will be completing the term for Greg Moeller. Greg could no longer commit the time needed to the committee. Tami will check and see what the terms are for the members and let them know when election time is here again.

ADJOURNMENT: The meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

January 30, 2004

A special meeting of the Police Pension Committee was conducted on Friday, January 30, 2004 in the Conference Room #1 of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:15 a.m. Members present were Police – Kerry Cole, Clyde Church, Kelly Mossman, and Dick Rabe. Absent: Jim Olsen. Additional people in attendance: Gary Greer, Brenda Sutherland, Doug Walker, Gary Young, Gary Piel, Larry Trosper and John Gericke.

DISCUSSION ITEMS

Annuity Bid process for John Gericke, Gary Piel, Larry Trosper and William Holloway.

Kerry Cole began the meeting by explaining the purpose of the meeting to be- getting the annuity bids process settled and completed. The employee, the committee and the City will all be consistent in the obtaining of the bids.

One item discussed was the issue of monthly vs. annual payments of the annuity.

Annuity Quote Worksheets and a sheet of Specific Information to provide to bidders were distributed to all in attendance. Any changes that the committee requested to be made were made and new sheets for distributed.

It was decided that a specific date needs to be used when asking for the bids. The employee, the committee and the City need to **all** ask for bids as of the same date. All need to make very clear to the bidders that they need to conform to all the criteria.

John Gericke stated he was told it takes 10 days to get a bid from Paul at the City previously. It will be a much quicker turn around time than that.

Doug Walker discussed the State Statutes in regard to the Monthly annuity payments. He has discussed this with the two attorneys that wrote the statutes and they say “it should be monthly”. It is very clear in the statutes. Statutes say “Shall be” means it will be monthly payments. The committee and the retirees feel it is the committee’s option as to how it should be paid out monthly or annually. Their attorney agrees with it.

Gary Greer spoke and said that we need to follow the law and get this done. It doesn’t matter how it was done in the past, we just need to get this done right at this time.

Doug Walker AGAIN said that the statutes said it is monthly BUT the committee can make the decision on what they want to do. He suggested they call the attorneys who wrote it. But at the same time he is telling them they can make a decision to do it whatever way they want to. He said his interpretation is that the monthly is mandatory but the committee can change it.

Clyde Church made a motion to let the committee make the decision, Mossman seconded. All members voted Aye. Motion carried. The Vote was 4-1.

The annuity date decided upon to be used was Tuesday, February 3, 2004. Gary Piel said he did not want his annuity rebid. He would settle on what he already had. Mr. Springer told him we could do his wire transfer that day and have his settled. Mr. Piel then said he wanted it rebid.

All 4 retirees will be rebid as per the decision of the committee.

Brenda Sutherland reminded everyone that they need to ask that the paperwork states that it is Gender Neutral information. They do say male sometimes when truly they are gender neutral.

Gary Young reminds everyone that the Statutes state that the committee can request that any bids can be fixed if they feel it was not handled correctly. Everyone was already aware of that.

A meeting will be held on February 5, 2004 at 10:00 a.m. to complete the bidding process. The City, the employee and the Committee will bring their bids on that date and a decision will be made at that time.

The worksheets that were used for the figuring of the wages were shared with each of the retirees and they were asked to review the numbers and make sure they agree with the numbers. Gary Piel approved his. The rest of the retirees looked through theirs and will let the City know when they approve of them.

ADJOURNMENT: The meeting was adjourned at 11:15 a.m.

Respectfully Submitted,

Tami Herald, Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

February 5, 2004

A special meeting of the Police Pension Committee was conducted on Thursday, February 5, 2004 in the Conference Room #1 of City Hall, 100 East First Street.

Members present were Police –Kerry Cole, Clyde Church, Kelly Mossman, Jim Olsen and Dick Rabe. Additional people in attendance: Brenda Sutherland, Doug Walker, Gary Piel, Larry Trosper and John Gericke.

DISCUSSION ITEMS

Annuity Bid process for John Gericke, Gary Piel, Larry Trosper and William Holloway.

Kerry Cole presented David Springer with the bids from the Committee. Each of the retirees also brought in their bids.

Brenda reminded Kerry that the committee needs to review all bids to make sure they meet the criteria set forth by the committee.

William Holloway's bid was the only one that was figured on the right date. The rest of the bids were on different dates. Committee voted to accept all the bids gathered by the City, Committee and retiree. Kerry made the motion to accept them.

John Gericke accepted the numbers presented and signed for his payout immediately. Kerry Cole made a motion to accept John's numbers of \$15,462.00. Jim Olson seconded the motion, it was unanimously accepted by the committee. It will be wire transferred to Edward Jones on Thursday. John needs to provide his account number.

Larry Trosper's bid was next. The bids dates were not consistent. Larry felt the numbers were good with him. Clyde Church made the motion to accept the dollars of \$86,502.00, the committee accepted unanimously. Larry's will also be wire transferred to Edward Jones on Thursday. David will call Edwards Jones to get his account number. Larry's signed his form.

Gary Piel was next. The committee reviewed his bids. Gary expressed that he was happy with his dollars.\$112,536.00. The committee accepted the bids unanimously. Gary wanted his money wire transferred to ICMA. This will be done on Thursday, Feb. 5, 2004. He needs to provide David Springer with his account number. Gary signed his form.

William Holloway was not in attendance. The committee needed to decide if his numbers were acceptable. They placed a call to him. His payout would be for \$50,758.00. The committee was asked to vote on Bill's numbers as per a conversation with Bill later in the day by one of the committee members. Kerry Cole made the motion, Clyde Church seconded it. The committee voted unanimously to accept the figures.

Copies of all the bids and final payouts numbers were distributed to each of the retirees. David Springer assured them that they would be handled and wire transferred by the end of the day. If there was a problem with that he would let them know.

Motion to adjourn made by Jim Olson to adjourn, Clyde Church seconded it.
Meeting was adjourned.

Respectfully submitted by,
Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE & FIRE PENSION MEETING

August 4, 2004

A regular meeting of the Police/Fire Pension Committees was conducted on Wednesday, August 4, 2004 in the Staff Library of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:10 a.m. Members present were Police – Kerry Cole, Clyde Church, Kelly Mossman Absent: Jim Olsen and Dick Rabe. Present for Fire: Mark Luebke Absent: Tom Cox, John Mayer Scott Kuehl, and Dick Rabe

Minutes were approved, motion made by Mark Luebke, seconded by Clyde Church. All in favor and minutes were approved.

DISCUSSION ITEMS

The RFP for a Consultant for the Police and Fire Pension plans was the topic of discussion.

The committee was informed that the bids had closed for the Consultant RFP. There was only 1 proposal submitted. It was from William Joe.

After a discussion about fees, past history with Bill and his current proposal, the committee decided to use him as their consultant.

A motion was made by Kerry Cole and seconded by Kelly Mossman for the fees to be paid for out of the forfeited funds from each plan. They decided that each (fire and police) would pay half of the billed expenses for William Joe's services.

David Springer will take this to the City Council for the August 10, 2004 meeting for approval. After that William Joe will be notified that he was selected and the process of going out the RFP for the plan can begin.

The committee felt the information given to them at the recent seminars from our benefit providers was good and well received.

No other items of discussion.

ADJOURNMENT: Meeting adjourned at 11:00 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE & FIRE PENSION MEETING

November 17, 2005

A regular meeting of the Police Pension Committees was conducted on Thursday, November 17, 2005 in the Council Chambers of City Hall, 100 East First Street.

Tami Herald called the meeting to order at 10:35 a.m. Members present were Police – Kerry Cole, Clyde Church, Kelly Mossman, Mark Dreher and Dick Rabe.

DISCUSSION ITEMS

Greg Anderson, Tracy Kehm and Mike Schuster from Wells Fargo were present to discuss the Annual Review of the plan.

Greg talked about the support team and how they are there to help the participants.

Greg presented each of the members with a copy of the Annual Relationship Review. Mike indicated that he has had contact with 22 participants about their accounts. He felt very good about that.

Both Mike and Greg asked for suggestions from the committee as to what they could do to reach more of the participants in 2006. They could do mailings, meetings, go to the work locations and be available for those who want to see them. Mark Dreher thought it might be a good idea to be at the Police Station at shift change and go to one of the briefing sessions. He thought more officers would be willing to talk to them that way.

They also suggested that when Tami is doing the orientation with a new employee that she contact Mike Schuster and have him come over and talk to the new employee at that time. He could explain the plan and do the sign up at that time.

Dick Rabe suggested that Wells Fargo hold pre-retirement seminars for the older officers who may be thinking about retiring in the next 5 years or so. Wells Fargo can also send letters to those who are getting close to retirement (1-5 years) to have them come in and talk to them about their retirement strategy.

Maybe some more education on the ‘managed accounts’ is needed also. There is not a lot of participation in that yet.

Meeting adjourned at 11:46 a.m.

ADJOURNMENT: Meeting adjourned at 11:00 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

February 15, 2006

A regular meeting of the Fire Pension Committees was conducted on Wednesday, February 15, 2006 in the Council Chambers of City Hall, 100 East First Street.

Tami Herald called the meeting to order at 10:05 a.m. Members present were –Scott Kuehl, Tom Cox, John Mayer, Todd Morgan , Dick Rabe, David Springer and Tami Herald

DISCUSSION ITEMS

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Annual Plan Review 2005.

Bruce did the fund review. He addressed each asset class and each fund in the Firefighters fund selection. He feels the economy is in pretty good shape over all. Overall he is pretty comfortable with what is going on in their fund selection. He did not suggest changing any of them. He was asked “What do you see happening in the Auto Industry?” He felt that the American automakers will survive but they will continue to lose market share to the foreign companies. He talked also about what the companies have to do with the benefits of past and present employees. They are cutting back on all benefits because they cannot afford to move forward with the present plan.

Greg presented each of the members with a copy of the Annual Relationship Review. He encouraged the members to use the Retirement Planner on their website. It is a great tool to help them with retirement decisions. In 2006 the planner will include spousal information and multiple pension plans information built in to it so this will give them a better overall picture of their finances. There are on-line seminars that employees can also view or they can always continue to call Mike and Greg for guidance.

Employee Plan Progress Reports will be coming out soon. More information later.

Greg asked again for suggestions from the committee as to what they could do to reach more of the participants in 2006. They could do mailings, meetings, go to the work locations and be available for those who want to see them. John Mayer suggested that they come to the stations and make themselves available to the employees and do a 15-20 minute presentation on rebalancing, investments, etc. Maybe plan to do this in March or April. John asked if they could do a comparison for the employees of the difference between selecting funds and not review them vs. reviewing your plan yearly with WF to make sure you are on the right track. John Mayer also indicated that he hasn't heard much from the employees so things must be going well and they must be happy.

They suggested at the last meeting that when Tami is doing the orientation with a new employee that she contact Mike Schuster and have him come over and talk to the new employee at that time. He could explain the plan and do the sign up at that time. This process is in place and is going well so far.

They talked again about Wells Fargo holding pre-retirement seminars for the older officers who may be thinking about retiring in the next 5 years or so. Wells Fargo can also send letters to those who are getting close to retirement (1-5 years) to have them come in and talk to them about their retirement strategy.

Bruce will return in August to do another plan review with the committee.

Meeting adjourned at 11:40 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

February 15, 2006

A regular meeting of the Police Pension Committees was conducted on Wednesday, February 15, 2006 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 1:00 p.m. Members present were –Kerry Cole, Clyde Church, Kelly Mossman, Mark Dreher, Dick Rabe, and David Springer.

DISCUSSION ITEMS

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Annual Plan Review 2005.

Bruce did the fund review. He addressed each asset class and each fund in the Firefighters fund selection. He feels the economy is in pretty good shape over all. Overall he is pretty comfortable with what is going on in their fund selection. He did not suggest changing any of them. He was asked “What do you see happening in the Auto Industry?” He felt that the American automakers will survive but they will continue to lose market share to the foreign companies. He talked also about what the companies have to do with the benefits of past and present employees. They are cutting back on all benefits because they cannot afford to move forward with the present plan.

Greg presented each of the members with a copy of the Annual Relationship Review. He encouraged the members to use the Retirement Planner on their website. It is a great tool to help them with retirement decisions. In 2006 the planner will include spousal information and multiple pension plans information built in to it so this will give them a better overall picture of their finances. There are on-line seminars that employees can also view or they can always continue to call Mike and Greg for guidance.

Employee Plan Progress Reports will be coming out soon. More information later.

Greg asked again for suggestions from the committee as to what they could do to reach more of the participants in 2006. They could do mailings, meetings, go to the work locations and be available for those who want to see them. Kerry Cole suggested that they come to the station and make themselves available to the employees and do a 15-20 minute presentation on rebalancing, investments, etc. Maybe plan to do this in March or April. Feedback has been positive from the employees.

They suggested at the last meeting that when Tami is doing the orientation with a new employee that she contact Mike Schuster and have him come over and talk to the new employee at that time. He could explain the plan and do the sign up at that time. This process is in place and is going well so far.

They talked again about Wells Fargo holding pre-retirement seminars for the older officers who may be thinking about retiring in the next 5 years or so. Wells Fargo can also send letters to those who are getting close to retirement (1-5 years) to have them come in and talk to them about their retirement strategy.

Bruce will return in August to do another plan review with the committee.

Meeting adjourned at 2:30 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

August 17, 2006

A regular meeting of the Fire Pension Committees was conducted on Thursday, August 17, 2006 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:05 a.m. Members present were –Scott Kuehl, Tom Cox, John Mayer, David Springer and Tami Herald

DISCUSSION ITEMS

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Investment Review.

Greg presented each of the members with a copy of the Investment Review.

Bruce spoke on the economy. He feels that high oil prices and high interest rates have slowed the economy. Stock struggled in the 2nd Quarter. The inflation rate is at 2.2% which is good right now. He is concerned about the airline industry with the high gas prices. There could be some turmoil there.

Bruce did the fund review. He addressed each asset class and each fund in the Firefighters fund selection. He feels the economy is in pretty good shape over all. Overall he is pretty comfortable with what is going on in their fund selection. He did have two concerns: American Century Ultra and Lord Abbett Small Cap Growth. American Century will be watched because the lead manager resigned. This may be one that will need to be changed on down the road. He feels that the managers needs a chance to prove what he can do but if it continues to decline he would suggest taking it out of the fund selection. Lord Abbett was underexposed to the oil market so Bruce said they should be kept on a short leash. He would like to look at it again in November and if there is no improvement- it will be removed.

John Mayer indicated that he hasn't heard much from the employees so things must be going well and they must be happy. They asked again if Wells Fargo could come to the stations and do an evening meeting to help educate the employees on retirement. Especially those who fall into the pre-84 category. What they should plan for and what they should do to get ready are the topics they would like to cover. Greg Anderson will be working on a schedule and will let John Mayer and Tami Herald both know when it will work for them.

John Mayer asked if they could be more involved in the annuity process for the retiring Pre-84 employees. David Springer stated that the employees are always welcome to

share the information with their co-workers and the committee if they choose to. He was not sure if it was our (The City's) place to share personal information about the employee with others. We will do what we can to keep the process as open as we possibly can.

Bruce will return in November to do another plan review with the committee.

Meeting adjourned at 11:05 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

November 15, 2006

A regular meeting of the Fire Pension Committees was conducted on Wednesday, November 15, 2006 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 1:05 p.m. Members present were –Scott Kuehl, Tom Cox, Todd Morgan, Dick Rabe, David Springer and Tami Herald

DISCUSSION ITEMS

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Investment Review.

Greg presented each of the members with a copy of the Investment Review.

Bruce spoke on the economy. He feels that high oil prices and high interest rates have slowed the economy but the market is still doing well.. It is allowing the big companies to out perform right now. He mainly wanted to discuss the American Century Ultra Fund. The fund is not doing well. The fund manager quit in July and Wells Fargo can't really get a good sense of what the fund is doing.

Bruce suggested taking American Century Ultra Fund out of the fund selection and he brought three options of a replacement to the committee.

- 1) Mainstay Large Cap Growth
- 2) T. Rowe Price Growth
- 3) Wells Fargo Advantage Capital Growth

Greg shared with the committee that the Police committee was faced with the same decision and they chose the Wells Fargo Advantage Capital Growth Fund.

After several good questions asked by Scott Kuehl and Todd Morgan regarding expense ratios and processes the committee decided to remove the American Century Ultra fund and replace it with Mainstay Large Cap Growth Fund. Dick Rabe felt that all three funds offered were good choices so they couldn't go wrong. Greg explained the process and the timing of the fund changes. They will pick a movement date and transfer the funds over. If the employees do not transfers their own funds over by the end of the transfer period, WF will automatically do it for them. It will be January before this will take place. Flyer will be printed by Wells Fargo and sent to Tami Herald for distribution. The next meeting with Wells Fargo will be in February. The committee thanked Bruce and Greg for doing such a great job in watching funds and making suggestions for changes needing to be made.

Meeting adjourned at 2:00 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

February 7, 2007

A regular meeting of the Fire Pension Committees was conducted on Wednesday, February 7, 2007 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 1:00 p.m.

Members present were –Scott Kuehl, Dick Rabe, David Springer and Tami Herald

Absent: Todd Morgan, Tom Cox and John Mayer

DISCUSSION ITEMS

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Investment Review.

Greg presented each of the members with a copy of the Investment Review.

Bruce spoke on the economy. He feels that high oil prices and high interest rates have slowed the economy but the market is still doing well.. It is allowing the big companies to out perform right now. He mainly wanted to discuss the American Century Ultra Fund. The fund is still having problems. The committee discussed this before and decided to remove the fund on 12-12-06.

He spoke about the Lord Abbett fund. This one is struggling for the last year. They are going to keep an eye on it but no need to panic right now.

Target Date Funds- They discussed these with the committee. Bruce likes the way these funds are structured and would encourage the participants to use them.

He feels they allow the participants to be more aggressive when they are young and more conservative as you get older. The Target fund accounts will automatically do this for you. After the employees retire they will continue to manage the funds for up to 10 years.

These are set up to get out of them when you want to also. Scott liked them. Bruce suggested adding them to the fund lineup but not mapping any money to them at this time.

Bruce suggested looking at the default fund again. Maybe the Target Date Funds would be a good choice. Scott asked Dave what he thought. Scott decided to do it.

Scott also asked if there are any other funds that need to be closed. Bruce didn't have any other concerns. He suggested looking at it later.

It will take 60 days to roll out these Target Date funds. Wells Fargo will put together a flyer and will send to Tami for verification. If it is okay Tami will get additional copies and send them out to the stations.

Mike and Greg will be going out to the stations to do some more meetings in April and May. Greg will coordinate with Troy Hughes as to the availability of the guys.

Scott indicated that he felt the service Wells Fargo provided so far it good. No complaints. They asked what kind of feedback Scott got about the Pre-84 meeting they held a few months ago. Scott didn't get any feedback from anyone so he felt it must have gone okay.

Greg said there will be some changes to the participant's statements in June. Does our committee want to accept the changes? Scott said yes.

Meeting adjourned at 2:30

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

February 7, 2007

A regular meeting of the Police Pension Committees was conducted on Wednesday, February 7, 2007 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:00 a.m. Members present were –Kerry Cole, Clyde Church, Kelly Mossman, Mark Dreher, Dick Rabe, and David Springer.

DISCUSSION ITEMS

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Current Market Status review.

Bruce did the fund review. He addressed each asset class and each fund in the Police fund selection. Bruce spoke on the economy. He feels that high oil prices and high interest rates have slowed the economy but the market is still doing well. It is allowing the big companies to out perform right now. He mainly wanted to discuss the American Century Ultra Fund. The fund is still having problems. The police are no longer in that fund.

He spoke on the Lord Abbett fund. They are going to keep them on a short leash but not going to panic yet. They will watch them for 6-9 months. The strategic Balanced Funds did okay. They are in decent shape.

Target Date Funds- They discussed these with the committee. Bruce likes the way these funds are structured and would encourage the participants to use them. This may be a good choice for the default fund.

He feels they allow the participants to be more aggressive when they are young and more conservative as you get older. The Target fund accounts will automatically do this for you. After the employees retire they will continue to manage the funds for up to 10 years. They are set up to allow the participants to get out if they want to. This is a tool to help people get ready for retirement.

The committee voted to add the Target Funds option to their fund lineup.

The pre-84 money is being directed to the Stable Return Fund by the City. Dave Springer felt maybe the City should take a look at that again.

Greg asked again for suggestions from the committee as to what they could do to reach more of the participants in 2007. They could do mailings, meetings, go to the work locations and be available for those who want to see them. Kerry Cole suggested that they come to the station and make themselves available to the employees to help them

with website access. Maybe plan to do this in April or May before the new funds are rolled out.

Greg said there will be some changes to the participant's statements in June. Does our committee want to accept the changes? The committee said yes.

They talked again about Wells Fargo holding pre-retirement seminars for the older officers who may be thinking about retiring in the next 5 years or so. Wells Fargo can also send letters to those who are getting close to retirement (1-5 years) to have them come in and talk to them about their retirement strategy.

Meeting adjourned at 11:30 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

August 14, 2007

A regular meeting of the Police Pension Committees was conducted on Tuesday, August 14, 2007 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 1:10 p.m. Members present were –Kerry Cole, Danny Dubbs, Kelly Mossman, Dick Rabe, and David Springer.

Absent: Mark Dreher

DISCUSSION ITEMS

Introduction and welcome to Danny Dubbs. He has joined the committee to complete the term vacated by Clyde Church when he retired.

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Current Market Status review.

Bruce did the fund review. He addressed each asset class and each fund in the Police fund selection. Bruce spoke on the economy. He feels that high oil prices and high interest rates have slowed the economy but the market is still doing well. Overall not a bad performance of their funds. The funds are doing what they should do and the array is doing well.

Target Date Funds- They discussed these with the committee. Bruce likes the way these funds are structured and would encourage the participants to use them. This may be a good choice for the default fund. The committee decided to add these funds at a previous meeting. Wells Fargo will be conducting training sessions at the Police Department next week for the Police Officers.

Greg asked again for suggestions from the committee as to what they could do to reach more of the participants. The committee felt that things are going well. They like the website. They also like the early election and education that the new officers are getting from Wells Fargo.

The next meeting will be scheduled for February 2008.

Meeting adjourned at 2:10 p.m...

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

August 15, 2007

A regular meeting of the Fire Pension Committees was conducted on Wednesday, August 15, 2007 in the Council Chambers of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:00 a.m.

Members present were –Scott Kuehl, John Mayer, Tom Cox, Dick Rabe, David Springer

Absent: Todd Morgan

Also in attendance: Mark Luebke and Ron Tubbs

DISCUSSION ITEMS

The first item of business brought forward by the committee was to present Dick Rabe with a plaque of Appreciation.

The second item they presented was the discussion on the unallocated funds. They wanted to know what the level of funding was and is it over funded?

David Springer told them that there was money in there to pay out the remaining pre-84 firefighters and the balance will then go back into the general fund. Mark Luebke spoke and said that the City is responsible for keeping it funded for all firefighters to fulfill the obligation to their families and children up to age 19. David said he would get a legal opinion on that section and get back to the committee.

John Mayer and Mark Luebke suggested that Dave talk to Gary Clatterbuck who helped write the state statutes to get his opinion on this. Dave told them again that he would get a legal opinion and would talk to Clatterbuck.

David asked if they would put their requests in writing so we could research all their issues. Scott Kuehl said that their questions would be a part of the meeting minutes and we could get the questions from there. There is the paperwork. They would not be submitting it to Dave in any other form.

John continued the discussion by asking what could be done with the money. He felt it was time they know. Mark continued by saying he has reviewed the statutes and talked to attorneys already. They again suggested talking to Clatterbuck which Dave already said he would do.

David told them it was his opinion that the City controls that fund and the committee does not. John wants a decision nailed down so we are working within the statutes. The committee voted 4-0 to have Dave research this with Clatterbuck.

Scott Kuehl then wanted to know what the City's obligation was to Post 84 firefighters who are killed in the line of duty. Mark wanted to know if the actuary suggests that a fund be marked to fund those situations. David said it doesn't and we are only obligated to fund the account for the pre-84 as per statute. He told them again then he would research these issues and get back to them.

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Investment Review.

Greg presented each of the members with a copy of the Investment Review.

Bruce spoke on the economy. He feels that high oil prices and high interest rates have slowed the economy but the market is still doing well.. It is allowing the big companies to out perform right now. There are 26 funds in the array. 22 of them are in good shape. The ones who are struggling are the Large Value Funds. This is because they are not invested in any oil stocks.

Target Date Funds- They discussed these with the committee. Bruce likes the way these funds are structured and would encourage the participants to use them.

He feels they allow the participants to be more aggressive when they are young and more conservative as you get older. The Target fund accounts will automatically do this for you. The 2050 Target Date fund will be added on September 10, 2007.

Mike and Greg went out to the stations to do some more meetings in July. The committee felt this was very helpful to the firefighters and did raise their awareness to the Target Date funds. They feel the employees are more active and comfortable in their fund management.

Scott indicated that he felt the service Wells Fargo provided so far it good. No complaints.

The next meeting will be scheduled for February 2008.

Meeting adjourned at 11:10 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

February 19, 2008

A regular meeting of the Fire Pension Committees was conducted on Tuesday, February 19, 2008 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 1:35 p.m.

Members present were –Scott Kuehl, John Mayer, Todd Morgan Dick Rabe, David Springer

Absent: Tom Cox

Also in attendance: Mark Luebke, Greg Anderson, Bruce Remington, Mike Schuster, Dale Shotkoski and Brenda Sutherland

DISCUSSION ITEMS

David Springer led the discussion on the Unallocated Funds with Wells Fargo for the Firefighters. He explained that this fund is set up to be used for pension shortfalls, expenses and disability benefits that need to be paid. It is covered by State Statutes. The City is always responsible for providing funds to cover these situations. As of 12-31-07 the balance in the unallocated funds was \$228,665.95. Funds at the McCarty Group were intended to back stop the Unallocated Pension Funds and should have been labeled “reserve fund” not pension funds. No contributions were ever made by firefighters to the McCarty monies. The last time an actuarial was done it indicated \$22,000.00 was all that was needed in the account.

There is a lot of confusion as to the separation of these funds and where they each came from. Todd said this is the first time he has heard anything about an unallocated fund with Wells Fargo. He thought the account with the 8 million was the unallocated account. Scott Kuehl agreed with that.

David suggested to the committee that it is time to have an actuarial done. The auditors also recommended that 1 million in excess monies should be brought back to the general fund. The actuaries will determine if there is enough funding to fully fund all retiring pre-84 employees.

At the last meeting John Mayer and Mark Luebke suggested that Dave talk to Gary Clatterbuck who helped write the state statutes to get his opinion on this. Dave asked Gary Clatterbuck for an opinion. He declined because he said it would be a conflict of interest.

Mark Luebke asked where the unallocated fund came from. Dave thought it was probably from firefighters who left and were not fully vested.

Mark thought he remembered that in 1984 \$900,000.00 was put into an account with Kirkpatrick Pettis/Mutual of Omaha (?). Where did that go? Dave felt it went to pay out firefighters when they left and a shortfall needed to be covered.

There has been a fund that was kept separate in Wells Fargo as it should be. Mark disagreed with Dave on the accounts and thinks they should approach the Legislature and get this all straightened out. He feels that there should be funding in there to cover all firefighters not just pre-84 and possible disabilities.

Dale Shotkoski and Dave Springer told the committee that according to GASB45 from 1 year ago, it says that we are over funded in that account and money needs to come back to the general funds. We cannot tax the citizens for money we can't spend. There are only 8 pre 84 firefighters left that need to be taken care of.

Dave again said that the city has the obligation to take care of those firefighters and it shouldn't make a difference where it comes from. Mark Luebke believes Dave is not correct. John Mayer feels that an attorney needs to be hired to take care of all the legalities of this situation.

Mark wants to know what the legal avenues are and what process needs to be followed. He wants everyone to stay out of hot water with the legislature.

Dale again suggested having an actuarial done to make sure it is fully funded. We should have an independent company tell us what is needed. Dale wants to get this resolved in a manner that is acceptable to everyone and make sure the firefighters are taken care of. John just wants their duties on the committee spelled so that they are doing everything legally.

Dale indicated that there should be 3 funds required by statutes. We have 4. Where did we get 4? There should be Employee, Employer and Unallocated. He agrees that there is shared confusion about the accounts and we need to get some resolution.

Greg Anderson stepped in to clarify that the unallocated funds came to them from ICMA and it was from firefighters who left and were not fully vested. They also discussed the actuarial report and how it works. They can't put a full value on the potential for disability for every firefighters. That's not how it works. The firefighters don't want to do this they want an attorney to look at it.

Mark remembered that back in 1984 there were two separate accounts and two separates investment companies.

Scott Kuehl had a report from 12-31-02 that said there was 6 million dollars in the account. Scott and Todd wanted to know if we could trace these accounts back to 1984 to see where the money came from.

The committee was in agreement that this needs to be resolved and if there needs to be money transferred that is fine but they want to make sure it is done right.

Dale again asked how we can get past this. John thought we should appeal to the Legislature. Dale again suggested that the actuarial be done and transfer what is needed to the unallocated fund with Wells Fargo to make sure it is totally funded. John is still uncomfortable with not knowing what their liability is. What are their responsibilities under the statutes? Mark told the committee that it is a good idea to do the actuarial. John felt they needed to study it but did agree that the actuarial was a good idea.

Dale suggests we do an actuarial on the account to make sure it is fully funded, rename the account to "unallocated funds/account" and all agree on it. It would be prudent to do it right away and get it done by the next meeting.

Bruce Remington again told the guys, the account was mislabeled but in any case, the money is there and the city is taking care of their obligations to the firefighters.

A motion was made by John Mayer and 2nd by Todd Morgan to do the study. The cost will be around \$1500.00 to do it and it will be paid for out of the Unallocated Fund at Wells Fargo. All were in favor. Dave will have Milliman do the study.

Greg Anderson and Bruce Remington from Wells Fargo were present to discuss the Investment Review.

Greg presented each of the members with a copy of the Investment Review.

Bruce spoke on the economy. He felt there will a slow economic growth in the next year. 1.7% next year. We are not in a recession yet but on the cusp of it. He said we may go into a growth recession. Real Estate is struggling but most everyone is in pretty good shape.

Most of the funds are in pretty good shape. The Large Cap Value funds are not in too good of shape. Van Kampen Comstock and Wells Fargo Advantage Cooke & Beeler are not good. Both accounts have undervalued oil which hurt them. He suggested pulling the plug on the Wells Fargo Cook & Beeler and replace it with MFS Value. A Motion made by Todd Morgan and 2nd by John Mayer to make the change. All in favor.

Small Cap Growth also needed a change. The Artisan Small Cap Growth will be taken out and replaced with Wells Fargo Small Cap Growth. A motion made by Todd Morgan, 2nd by John Mayer. All in favor.

Target Date Funds- They discussed these with the committee. Bruce likes the way these funds are structured and would encourage the participants to use them. He is pleased with their performance.

Greg will get the changes in motion. It will take 30 days turn around time. Notifications will be sent out and the mapping will be done. The participants don't have to do anything.

Mike Schuster felt the firefighters are getting well educated they come in to see him a lot. The new firefighter enrollment process is going well. These employees are using the Target Date Funds which is a good idea.

Mike spoke about the fees the firefighters can be faced with after they leave employment. Mike felt Net Asset Value IRA Funds Transfers are the way to go. He is educating more employees on this.

Greg covered the Annual Relationship Review.

Greg and Mike have put together a program on Asset Allocation that they would like to share with the firefighters at their stations when it is appropriate. The committee thought that early spring- April- would be a good time. Greg will schedule that through Troy Hughes.

Meeting adjourned at 3:45 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

May 8, 2008

A meeting of the Fire Pension Committees was conducted on Thursday, May 8, 2008 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were –Scott Kuehl, John Mayer, Tom Cox, Todd Morgan Dick Rabe, David Springer

Also in attendance: Dale Shotkoski, Jeff Pederson and Brenda Sutherland

David Springer called the meeting to order at 2:05 p.m.

DISCUSSION ITEMS

David Springer led the discussion on the Actuarial Valuation Report. This report was completed by Milliman in Omaha in March 2008. A copy of the report was already sent to each of the committee members. Dave covered it and the dollars it indicated needed to be there to cover the City's obligations. The City can meet all obligations there. He indicated that it is budget time and the auditors report indicates 1 to 1.2 million needs to be pulled out of the funds with McCarthy Group. David opened it up for discussion.

John Mayer feels there is a difference in opinion on what can happen with the money in the funds with the McCarthy Group. They are not comfortable with the City's opinion. The firefighter committee members have met with Attorney Marvin Anderson in Grand Island to discuss their concerns. They have a letter and contract information from him and they would like to hire him to review the law and give a legal opinion. Todd Morgan referenced the RFP process in 2004 and why we didn't bid this plan out at that time.

Dale wants to know what can be done to get resolution to this situation. It isn't right to keep this money tied up forever as we continue to tax people for money we can't spend. John Mayer did agree that is it over funded.

Dale talked about the risks to the funds and the committee are getting less all the time with more firefighters retiring. Dale asked if they would be interested in getting a mediator to get this resolved.

John has read the pension law and it does not say what to do if your plan is over funded. Dale agreed that it does not say it in there but the Constitution does. He added that there is too much money in there by auditor's standards.

Scott Kuehl would like to see the history of the accounts, both unallocated and forfeiture, and see where the money came from. He also asked if according to state statutes we can legally take money out of there. Dale said it can be and should be used for Fire pension funds and firefighter account contributions.

Dick Rabe remembers back when the firefighters voted on how to invest the money. He thought too that mediation would be a good way to get resolution, come to some consensus and take care of this. He wants the committee to feel better about their obligations.

Todd Morgan spoke on the over funding issue the city had 10 years ago. He asked why we didn't send money out of this account then. Dale answered that. He said it was a State audit and it was an issue with the money the City had saved for big projects. The pension money was for just that and was not a part of that audit. It has been labeled for pension use the whole time. Everyone is in agreement that the funds have been mislabeled all along.

John felt it was a lot to ask for them to get to mediation and he again brought up using Marvin Anderson to get a legal opinion. He wondered if it should be taken to the State Pension Board. Dale informed him there isn't a State Pension Board or anyone there who could give him an opinion. John also said that Gary Clatterbuck would be a good one to get an opinion from, it would be valued and they would be satisfied with his opinion. The City already asked him for that and he declined because of a conflict of interest.

Dale asked the committee if they would be open to the City purchasing an insurance policy that would cover the obligations that the committee feels are not being met. They would talk about that possibility. Dale also asked what type of indemnification clause they needed from the City. He would be happy to put it in writing for them to help them feel better.

Jeff Pederson asked Dale how the mediation process works and who would we look at. Dale said there is a service out of Kearney who employs attorneys trained in mediation to do this. He felt that would be great because they understand the law and could help sort this out. Jeff brought up the idea of a Financial Planner also. We need to get all the money from the unallocated and forfeiture accounts into one account and call it one thing.

John made the motion to hire Marvin Anderson to review and give his opinion. The motion was seconded by Todd Morgan. Put to a vote- all firefighters and Dick Rabe were in favor. Who will sign the contract with Marvin Anderson? David Springer will sign it and the money will come out of the pension funds to pay for his services. Dick asked the committee if they would allow a partial movement of money from the account. They said no. They weren't comfortable with that being legal.

Meeting adjourned at 3:10 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

May 27, 2008

A special meeting of the Police Pension Committee was conducted on Tuesday, May 27, 2008 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 8:23 a.m. Members present were –Kerry Cole, Danny Dubbs, Kelly Mossman, and David Springer.

Also present were: Brenda Sutherland, Dale Shotkoski

Absent: Mark Dreher, Dick Rabe

DISCUSSION ITEMS

This meeting was called to discuss the Disability benefits under the Police Pension Plan for William Luft. The committee was presented with the letter from Dr. Benavides indicating that Mr. Luft cannot comply or fulfill his job requirements. Also presented to the committee were the sections of the State Statutes regarding this topic, William's Summary Statement from Wells Fargo and wage information.

Kerry Cole asked if this meeting could be used as a study session since this process is new to them. All agreed it is new to all of us and we want to make sure it is done correctly.

The committee went over the State Statutes and their role in this process. Their role is to make sure authorize the funds be paid to William and that it is done correctly. They asked if we could ask for a second opinion on the disability. Brenda explained that the City is comfortable with Dr. Benavides because he is well respected so we are willing to go with his opinion.

As of today, William is being treated as a temporary disability. With this information from his doctor we are going to treat it now as a permanent disability.

We are waiting for a letter of application of disability from Bill and his attorney Ron DuPue. It was requested by Tami Herald last week and should be arriving shortly. Once that letter is received the committee will gather again and vote on what they want to do.

Dale explained to the committee how the payout would work. The funds would be taken out of William's vested account balance on a monthly payment basis until it is depleted and then if it is still a permanent disability, money will be taken from the unallocated funds to pay him. This will take care of the first three years.

There will be coordination of benefits here. The order would be Worker's Compensation benefits first, William's account next and then the unallocated funds. The committee asked how the Worker's compensation payout could work. William can choose either a lump sum payout or a monthly payment. Whichever the case the City will be coordinating the payments so that he is receiving a 50% benefit as State Statutes dictate. If he chooses a lump sum payment the pension disability payments would be held for the number of months his WC equates to and then would start after that date.

The committee now knows that they will review the letter of request for disability, authorize the payment of the benefits and will help make a decision in three years, if necessary, as to what is the best way to continue funding William's disability. Should an annuity be purchased at that time? More discussion later. Dale is available for phone calls from the committee as they come up with more questions.

As soon as the letter is received by the City another meeting will be called.

Meeting adjourned at 9:10 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

June 3, 2008

A special meeting of the Police Pension Committee was conducted on Tuesday, June 3, 2008 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 8:15 a.m. Members present were –Kerry Cole, Danny Dubbs, Kelly Mossman, and David Springer.

Also present were: Brenda Sutherland, Dale Shotkoski

Absent: Mark Dreher, Dick Rabe

DISCUSSION ITEMS

This meeting was called to discuss the Disability benefits under the Police Pension Plan for William Luft. The committee was presented with the letters received from William Luft and his Attorney Ron Dupue. The letter of application for disability from William was reviewed by the committee.

Wage information was reviewed and it was concluded from the State Statutes that wages from 5 consecutive years will be used to get the 5 year average wage for his pension payout. Tami will gather the wage information and put together the spreadsheet. These figures will then be given to the committee and to Wells Fargo so they can begin the distribution paperwork process.

There was a motion made by Kerry Cole to accept the letter of application for disability submitted by William Luft. It was seconded by Danny Dubbs. All were in favor. The final date of employment for William Luft will be 6-3-08.

Meeting adjourned at 8:50 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

August 6, 2008

A meeting of the Police Pension Committee was conducted on Wednesday, August 6, 2008 in the Community Meeting Room of City Hall, 100 East First Street.

David Springer called the meeting to order at 10:10 a.m. Members present were –Kerry Cole, Danny Dubbs, Kelly Mossman, Mark Dreher, Dick Rabe and David Springer.

Also present: Greg Anderson, Mike Schuster and Bruce Remington from Wells Fargo.

DISCUSSION ITEMS

Greg Anderson opened the meeting by stating the purpose of them being there is to do an investment semi-annual review.

Bruce Remington spoke on the economy. We are in a recession and several of the world markets are down also. Housing prices are starting to stabilize, energy prices are up and so is unemployment. Manufacturing is expanding globally. The bond market is even vulnerable right now.

Bruce reviewed the Performance Summary as of 6-30-08. He spoke on each of the funds in the array and feels pretty good about most of them. He feels the funds are doing pretty well in the big picture. The majority of the funds are out performing the general market.

They are suggesting that the committee close the Van Kampen Comstock fund and move all funds to the MFS Value RC fund. They also suggest moving from the MFS Value A fund to the MFS Value R3 fund. They will get better return on their money.

Kerry Cole made the motion to move from Van Kampen Comstock and MFS Value A to MFS Value R3 funds. The motion was seconded by Mark Dreher. All in favor.

Mike Schuster spoke on Police Officers who are leaving our employment and cashing their accounts out rather than rolling them over to another account. Mike and Greg would like to know what suggestions the committee has on educating these officers so they are realizing it would be a better option to either leave it alone or roll it into another account and not take the cash. The committee thought it would be good to have a training session at the police department for all officers. They can give them the information so they can make an informed decision at termination time. Greg and Mike will make arrangements with Robert Falldorf to be there in October or November for these training sessions.

Mark Dreher asked about the 457 plan and if it was set up to have other companies offer that to City employees. Dave indicated it should not be a problem and felt we could get moving on that issue for them.

Meeting adjourned at 11:00 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

August 12, 2008

A meeting of the Fire Pension Committees was conducted on Tuesday, August 12, 2008 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Tom Cox, Todd Morgan Dick Rabe, David Springer Also in attendance: Randy Throop and Dan Bailey. From Wells Fargo were Bruce Remington, Greg Anderson and Deanna Swertzic.

Absent: Scott Kuehl

David Springer called the meeting to order at 10:05 a.m.

DISCUSSION ITEMS

Greg Anderson opened the meeting by stating the purpose of them being there is to do an investment semi-annual review and discuss participate communication ideas they have.

Bruce Remington spoke on the economy. We are in a recession and several of the world markets are down also. Housing prices are starting to stabilize, energy prices are up and so is unemployment. Manufacturing is expanding globally. The bond market is even vulnerable right now.

Bruce reviewed the Performance Summary as of 6-30-08. He spoke on each of the funds in the array and feels pretty good about most of them. He feels the funds are doing pretty well in the big picture. The majority of the funds are out performing the general market.

They are suggesting that the committee close the Van Kampen Comstock fund and move all funds to the MFS Value Fund R3. They also suggest moving from the MFS Value A fund to the MFS Value R3 fund. They will get better return on their money.

Motion made by Todd Morgan to make the changes suggested by Wells Fargo. The motion was seconded by Tom Cox. All in favor.

Communication pieces for the employees will be sent to Tami for distribution. The changes will be made in 60 days.

Greg and Dee spoke about the education pieces they have to offer. Dee felt that our group needed some more education on the Target Date funds. They put together a draft of the pieces that have and when they would like to use them. The committee thought that it would be a great idea for them to do that but to also keep coming out to the stations

and talking to the employees a couple time a year. Greg told them they still planned to do that but this was another way to get information in front of the participants. Wells Fargo will work through Tami to get information out to them via City e-mail.

Dee also offered a list of Education Seminar Series that have a couple seminars on getting ready for retirement that the committee is thinking about.

Bruce will be back in 6 months to do another review with the committee.

Meeting adjourned at 11:25 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

December 9, 2008

A meeting of the Fire Pension Committees was conducted on Tuesday, December 9, 2008 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Todd Morgan Dick Rabe, David Springer

Also in attendance: From Wells Fargo was Bruce Remington and Greg Anderson.

Absent: Tom Cox

David Springer called the meeting to order at 1.00 p.m.

DISCUSSION ITEMS

Greg Anderson opened the meeting by stating the purpose of them being there is to do a formal review of the market status.

Bruce Remington spoke on the economy. We are in a recession but it isn't as bad as the media makes it sound. There has been quite a bit of market movement. Oil is down to \$43 a barrel. There is reduced consumer spending. The whole system is unstable.

It is down but it is not the great depression again!

Stocks are cheap now. The stock market hasn't been this cheap since 1990. There are lay offs in anticipation of what is to come. Companies are not in that bad of shape.

Investors should know that it is important to stay in the market so you don't miss the best days. We are in a bear market right now.

Wells Fargo right now is over weighted in stocks and underweighted in bonds.

The Funds in the array are in pretty good shape. This recession is more severe than normal but we will work through it. Bruce then did a fund review of the full array of funds.

The Target Date Funds are doing what they should be doing. The Strategic Balanced Funds are not doing as well as they would like them to do.

Bruce feels the fund menu is in good shape. No worries. We just need to understand we are in a crappy market and a soft economy and it will probably be a slow recovery.

Todd Morgan asked if it would be better for those who are considering retirement to do it now and take their money or should they continue working and wait this out. Bruce explained that if they left now the City would have to kick in more and they would be giving up some more years of wages they could earn and contributions into their retirement accounts. He thought maybe it would be better to work some longer.

David Springer informed the committee that the 457 plan option will go to the City Council for approval on December 16. This will offer the employees the option to have a 457 plan with Wells Fargo, ICMA, Ameritas and Security Benefits.

Greg Anderson felt that January would be a good time for them to come out and educate the employees on what they have to offer in their 457 plan.

John asked if there would be fees for them to leave the ICMA 457 plan. The answer is No.

Wells Fargo will come back in the spring to do the Quarterly Fund Review. John Mayer asked if they could do some more retirement education for Firefighters who are considering retirement in the next few years. Greg thought that was a good idea. They will get that arranged.

Tami Herald informed the committee members that their committee terms will expire on 1-1-09. They need go to their coworkers and get nominations for committee members for the next 4 years. John will take care of that and will get the names to Tami for Council approval in January.

Meeting adjourned at 2:20 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

December 9, 2008

A meeting of the Police Pension Committee was conducted on Tuesday, December 9, 2008 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were: Kerry Cole, Danny Dubbs, Kelly Mossman, Dick Rabe and David Springer.

Absent; Mark Dreher

Also present: Bruce Remington from Wells Fargo.
David Springer called the meeting to order at 3:00 p.m.

DISCUSSION ITEMS

Bruce Remington opened the meeting by stating the purpose of him being there is to do a review of the current market status.

Bruce Remington spoke on the economy. There has been a downturn in the market. The world market did bounce back a bit. The experts saw this recession starting in December of 2007.

We are in a negative financial environment. Oil is \$43 a barrel, unemployment is up. It is at 6 ½ % right now but they expect it to get up to 7.5 to 8%.
Corporate earnings are not as bad as you think.
Stocks are the lowest they have been since 1990-1991. The bond market is vulnerable for a reversible.

The financial sector mess started under the Clinton Administration in 1998-1999.
Home building is slowing down, commercial building is slowing down and sales of goods such as cars, and Christmas shopping is down. This problem is global not just here. Businesses are laying people off just to try and stay afloat and stay in business.

We are in a severe recession but cyclical and are probably a quarter or two yet from the bottom. Still positive: value of stocks, houses, etc, are low but it is a good time to buy. There is low inflation and strong corporate balance sheets.

Investors should avoid the urge to panic. Timing the market doesn't usually work. You don't want to miss the best days in the market.

Bruce reviewed the individual funds. Nearly all are doing better than the benchmarks. No particular concerns about any funds. They are all down due to the market not poor managers or other reasons. He spoke on the Target Date Funds. They are doing what they want them to do.

David informed the committee that their terms expire on 1-1-09. They need to get their nominations to Tami for Council approval.

David also informed the committee there will soon be the 457 plan options with Wells Fargo, Ameritas, ICMA and Security Benefits.

Meeting adjourned.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

April 1, 2009

A meeting of the Fire Pension Committees was conducted on Wednesday, April 1, 2009 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Todd Morgan, Tom Cox, Dick Rabe, David Springer

Also in attendance: From Wells Fargo was Bruce Remington, Deanna Swertzic, Mike Schuster and Greg Anderson.

Absent: Tom Cox

David Springer called the meeting to order at 10:00 a.m..

DISCUSSION ITEMS

Greg Anderson opened the meeting by stating the purpose of them being there is to do a formal review of the market status.

Mike Schuster spoke on the current services they offer the participants at the time of retirement. He spoke briefly about the communication pieces they now offer. He is advising them to stay invested and don't let emotion drive your decisions.

Mike also shared how he helped retiree Ray Faz with his retirement decisions. He got him competitive quotes for the highest possible Annuity bids, talked to him about multiple IRAs (72T rule) and the Net Asset Value Transfer. John Mayer commented that they are doing a good job but they aren't saying that all retirees are going to leave their money with Wells Fargo when they retire.

Retirement planning meetings are conducted by Wells Fargo and they help them with retirement calculators that are available online for retirement planning.

John felt that Randy Throop didn't understand the timing issue with the annuity bid process. He asked Tami if her procedures had changed in the last month or so since he felt Randy wasn't notified in time. Tami explained that the process was handled exactly the same way for Randy as it has been for all other retirees. He thought a different education piece on retirement could be sent out to the employees far in advance.

Mike encouraged them to have the employees talk to their financial planners far in advance. More groundwork needs to be laid ahead of time and the committee and employees can do a better job of planning for their own retirements ahead of time. Mike said all those retiring can provide everything ahead of time to get the annuity bids.

Scott has spoken to other cities and our committee feels they want to be more involved in the pre-84 retirement process. Other cities do it already. He felt that way someone would be watching out for the retirees. They want to know how we rectify this situation. Greg talked about the law and the statute and how it isn't real clear as to the role of the committee. Each city does different things as far as this process. The law is pretty vague.

John said they have asked the retirees how it has been working and they seem to think okay. John would like to get a report on what money is moving and retiree issues handled during the retirement process.

John and Scott asked about the trend of investments made by the employees. John felt they were obligated to keep a close eye on it since the guys are asking about it.

Copies of the Quarterly Statements from Wells Fargo for the Unallocated Fund and the Mr. Forfeiture accounts were distributed to the committee. Greg Anderson spoke on the funds and the accounting of each of them. He explained the ins and outs of the account. There is currently \$14,140.00 in the unallocated account. All funds from the Mr. Forfeiture account were transferred to the unallocated account so there is only one account there now.

John asked David Springer to explain the city's reimbursement process. Scott asked if this included Ray Faz and Randy Throop's payouts. They were told that when there isn't enough money in that account it has to be drawn from other sources. Scott asked Dave where did Ray's money come from and Dave explained that the city paid it and we haven't been reimbursed for it yet. Dave is waiting for the market to come back before he transfers the funds to repay the City.

The committee was also given a report of the Fire Backup Pension Reserve Fund- Fund 810. Dave gave them a history from 1995-96 to present. The committee will review and if they have questions they will contact Dave.

John said they are still waiting for the legal answers on the interpretations of the law.

Bruce Remington did a Market Status Review. We are in a recession but it isn't as bad as the media makes it sound. The market rallied in March. It was the single highest month since 1992.

We have been in a bear market before and worked ourselves out so there is no reason to think differently this time. He feels the communication by the media has made this situation much worse than it is.

The housing market is driving the whole situation. There is higher debt now. We are each spending more than we are making. The areas that are really in trouble with the housing market and in foreclosures are Nevada, California, Arizona and Florida.

People are holding tight to their money and not spending it so that is hurting the market. Unemployment is up to 8.5%. They expect to see that continue until 2010. They think we are in the worst of the recession right now. Stocks are cheap right now. There is more risk in the bond funds than stocks right now.

He has no recommendations for changing any funds right now. It doesn't appear there is any panic in the participants. They are not moving their money around which is good.

The Target Date funds- they take a conservative approach and it is working well. The market is coming back a little. We are seeing some positive things happening.

Greg and Bruce spoke on the purchase of Wachovia by Wells Fargo. They used the TART money from the Government to do so. Wells Fargo is still growing and looking for new business. Now that the two businesses will be combining, Wells Fargo has decided to use the IT system from Wachovia. We will be moved over to that by late 2010. It should be seamless.

Dee spoke on the communication and education role she has with Wells Fargo. She shared the communication strategy and pieces she will be using for 2009. The first communication piece will be going out in mid May.

Greg covered the Plan Reinstatement changes and told the committee why it needs to be done. There are not changes that will affect them. Scott said that the union has been working with a couple Senators to go to the State Legislature and make contributions a negotiable item at negotiation time.

The next meeting will be held in August to do another fund review with Bruce.

Meeting adjourned at 12:00 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

April 1, 2009

A meeting of the Police Pension Committee was conducted on Wednesday, April 1, 2009 in the Council Chambers of City Hall, 100 East First Street.

Members present were: Danny Dubbs, Kelly Mossman, Janet Mead, Mike Nelson, Dick Rabe and David Springer.

Also present: Bruce Remington, Greg Anderson and Deanna Swertzic from Wells Fargo. David Springer called the meeting to order at 1:00 p.m.

DISCUSSION ITEMS

Introductions of the new committee members were done. Janet Mead and Mike Nelson have replaced Kerry Cole and Mark Dreher. Their terms were up in January. Kelly Mossman suggested that we look into staggered terms. Maybe two years terms for a couple of them so they are not all replaced at the same time. We will consult Legal to see if it would take a resolution to do that.

Bruce Remington opened the meeting by stating the purpose of him being there is to do a review of the current market status.

Bruce Remington spoke on the economy. There has been a downturn in the market. The experts saw this recession starting in December of 2007. He says there is panic in the market right now. The S & P is down 37%. That is the biggest since 1931.

We have been in a bear market before and worked ourselves out so there is no reason to think differently this time. He feels the communication by the media has made this situation much worse than it is.

The housing market is driving the whole situation. There is higher debt now. We are each spending more than we are making. The areas that are really in trouble with the housing market and in foreclosures are Nevada, California, Arizona and Florida.

People are holding tight to their money and not spending it so that is hurting the market. Unemployment is up to 8.5%. They expect to see that continue until 2010. They think we are in the worst of the recession right now. Stocks are cheap right now. There is more risk in the bond funds than stocks right now.

He has no recommendations for changing any funds right now. It doesn't appear there is any panic in the participants. They are not moving their money around which is good.

Bruce reviewed the individual funds. Nearly all are doing better than the benchmarks. No particular concerns about any funds. They are all down due to the market not poor managers or other reasons. He spoke on the Target Date Funds. They are doing what they want them to do. He also spoke on the Stable Value Funds and that Wells Fargo's accounts are doing fine.

Greg and Bruce spoke on the purchase of Wachovia by Wells Fargo. They used the TART money from the Government to do so. Wells Fargo is still growing and looking for new business. Now that the two businesses will be combining, Wells Fargo has decided to use the IT system from Wachovia. We will be moved over to that by late 2010. It should be seamless.

They gave the Legislative updates on LB426 which is proposed for 10-1-09. It would move the contributions up to 8% and change the vesting for Police Officers to 5 years.

Greg covered the Plan Reinstatement changes and told the committee why it needs to be done.

Dee spoke on the communication and education role she has with Wells Fargo. She shared the communication strategy and pieces she will be using for 2009. The first communication piece will be going out in mid May.

Greg would like to continue to go to the Police Station and do the education meetings with the participants. The committee thought that was a good idea also. Danny felt they were very valuable. They will plan to do these meetings in June or July again. They will schedule them with Robert Falldorf.

Mike Nelson asked if any of the officers check their accounts and/or come in and see them at Wells Fargo. They are not really doing a lot of checking.

The next meeting will be in early August.

Meeting adjourned at 2:50 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

August 17, 2009

A meeting of the Fire Pension Committees was conducted on Monday, August 17, 2009 in the Legal Library of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Todd Morgan, Tom Cox, Dick Rabe, Mary Lou Brown. Also attending were: Jeff Pederson and Dale Shotkoski.

Also in attendance: From Wells Fargo was Mike Schuster.

Tami Herald called the meeting to order at 10:05 a.m.

DISCUSSION ITEMS

The meeting opened with an introduction of Mary Lou Brown, new Finance Director for the City of Grand Island.

John Mayer brought several topics to the table. He asked if they could receive a full accounting of the funds. The committee was not satisfied with what Dave Springer provided to them previously. He felt the committee was uninformed. The committee has the desire to be more involved. They want to know what the retirees are getting paid and there is confusion as to why money has been moved, and the purchase of Death and Disability Insurance. These items seem to pose problems for the committee.

The committee doesn't agree with how the balances in the unallocated funds were arrived at. They suggested having an outside agency dig back 5-10 years and see what is going on. They want to know what the dollar amount is that should be in the fund to keep it fully funded.

Legal Fees for the attorney the firefighters on the committee hired was discussed next. John and Jeff Pederson talked about this subject. John indicated the committee unanimously voted to hire him and he should be paid. He wants to know what the City is going to do about this. The committee wants to resolve this. The committee feels they have been kept out of the loop. Scott said the last 5-6 years they were in the dark about a lot of things.

Jeff Pederson said he and John Mayer had visited about the accounting and the City has no problem divulging the accounting information. Mary Lou brought with her "Fire Reserve Fund History- Fund 810" which included fund activity from 1995-96 to the present. She asked the committee if this is the detail they are looking for. John said this is exactly what they need to see so they know what is going on. Mary Lou offered to go

back 3 more years if that would be helpful. There were a few questions for Mary Lou which she was able to answer. John and Mary Lou agreed to do this on a Quarterly basis.

John asked if the unallocated fund has money in it to be used for expenses. Also asked what balance we need to maintain in the surplus fund. They also discussed how many pre-84 participants that are left. They thought 5. John suggested that if they figured \$400,000 per employee is needed to fund their accounts that the City should have to maintain 1.5 million in the account.

Jeff Pederson spoke on the Resolution that passed last spring to have an actuarial analysis done and then take the money out of the fund for the retirement contributions for the current employees.

Jeff also discussed the purchase of Death and Disability Insurance on the Fire department personnel. This is not a possibility because insurance companies do not allow the City to name themselves as a beneficiary to the policy. He indicated he is getting into an area that he is not knowledgeable. Dick Rabe said that the City has sufficient funding in the fund now and the insurance is not needed to meet their obligation.

John felt the City is in good shape with the prefunding but they still are not comfortable with the City saying they will meet the obligation. He wants to go to the State and see what should be in there. He is concerned about the widows and children after the death of an employee. Jeff indicated that they have death benefits already. Dale Shotkoski confirmed that the City has the obligation to do that and they are.

Scott has taken a look at the proposed budget and the expenditures out of this fund. He is concerned that the balance is going down. Mary Lou shared that the balance is going down because of the losses in the Stock Market and the retirement pay outs- and the needs to account for that. As the liability goes down so does the account balance. Jeff also added there are transfers out for the match of current employees. Scott felt the \$942,215 net of loss was high. Jeff indicated that the resolution allows for current year match only- can't be anymore. Mary Lou added that the losses are lagging a month behind so the balance could be a bit higher now with the market performing a little better lately.

John still wants to come up with a balance that needs to be in the account- a base line that the City cannot let it drop below. They want 1.5 to 2 million in there. According to Jeff, the market has affected this account greatly and there have been several payouts but it is all legitimate. This was also covered in the last actuarial that was done. Dick Rabe again offered that the City has an obligation and everyone understand that. Jeff asked about the actuarial report done last year. John wants to get an opinion from someone at the State, he feels this needs to be addressed. Jeff said the liability is with the City and the State does not care. The State gets more excited about overfunding and not this issue.

Mary Lou added that actuarial reports have been done in the past and the City has met its obligation. They cannot do one based on any other basis. The committee needs to put

some trust in the work they did. They are professionals and they know what they are doing. John wanted to know if they understand the law and the Fire department. Mary Lou added that they cannot do their jobs if they do not.

Actuarial reports were given to all Committee members as they were done in the past. They each should have read it and gotten an understanding of it. Jeff suggested they take a look at it again and get an understanding of what it says. Mary Lou said they are all obligated to read the report. John just wants to make sure the City is meeting its obligation.

Mary Lou offered to sit with John and go over it before the next regular committee meeting. John still wants the City to commit to a dollar amount to be kept in the account. Mary Lou will read the report before she can address any more questions from John. She will do this before the next meeting. Scott thinks we need to read the legal opinion from Marvin Anderson and John feels the actuarial company did not use the right information; they do not understand what they are to do. Mary Lou suggested that we have the company come out and do a presentation to the committee. The last report that was done was on the Wells Fargo accounts and not the Smith Hayes account according to Dale.

John's next item to discussion was the legal fees for Marvin Anderson. He wants an update on when the City is going to pay it.

Jeff said the City is trying to sort out the bills received and get it broken down to what makes sense for us to pay. The section of the bill that deals with the lawsuit, I have a problem paying him to prepare a case to sue us, Jeff said.

John said they had an emergency meeting of the committee and felt they were within their legal limits. (Those in attendance were only the Firefighters on the committee- no City representation)

Tami- No one invited the whole committee, it was not advertised and posted so it was not a legal meeting and violated the Open Meeting law.

John felt it was legal because he took notes and they got the opinion of Marvin Anderson that it met the legal requirements.

John wants to know what to tell Marvin, he needs to be paid.

John feels the resolution is not legal on the part of the City.

Jeff asked the Committee why they felt they needed to go outside of the City for a legal opinion when we have two fulltime attorneys on staff.

John said it had been discussed too many times already and we cannot agree. Dale's opinion was not the same as ours so we went to an outside source.

Jeff asked again why expenses should be incurred to get an opinion that could have been obtained in house. Jeff asked Dale if the committee asked him about the open meeting guidelines. Dale's answer was "No"

John said he will tell Marvin he will not get paid because it didn't meet regulations and the City can decide what they want to do. Todd Morgan asked what account the money would come out of the cover the expenses. Is it still the City's money?

He said the City paid attorney's fees in the past. (Back when Mark Luebke was still here) An outside attorney helps them understand.

Jeff said it bothers him that the committee would want to pay an outside attorney to get legal advice on issues. They should consult the City Attorneys. He needs to get a breakdown of the bill and go from there. Mary Lou has a bill but it does not have details on it.

John said there was not a full disclosure by Dave Springer and the committee felt backed into a corner. They had no choice but to hire an outside attorney. Scott asked how much money we are talking about. Jeff thought maybe \$2000.00 but needed to see the bill breakdown. The law does not allow for you to sue the City.

Dale explained the function of the committee and their role. They are suing themselves with this lawsuit. The committee should address the City Council. This committee is a creation of the Council and they receive direction from the Council. John wanted to know if he should go to the Council and ask to discuss this issue. He discussed this issue with Marvin Anderson and had a meeting and hired him. Jeff again said that Dale knows this information; he works in municipal law, and does not need the help of an outside attorney.

Dave is no longer here so we cannot speak to what he was doing or saying but Jeff is here to work with the committee and resolve these issues. We will all gain experience from this.

John feels that the committee is making progress and getting closer to where they need to be. Every one needs to be open with each other. Scott wanted to know if he could call Mary Lou directly to discuss issues. She said "sure- anytime". Todd felt this is more information than they received in the past 3 year. He thanked Mary Lou. Dick Rabe felt everything looks good.

Scott asked one more time if the Ordinance allowed assets to be used to assist with expenses. So it is the 13% contributions and the payouts being taken out of the account? Dale said it is for pension expenses.

John appreciated the worksheet.

Dale said the actuarial report drives the train here. Milliman and Robertson did the last one. The next one is due in January. The ordinance requires one be done every year.

Meeting adjourned at 11:30 am.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

**FIRE PENSION COMMITTEE MEETING
September 30, 2009**

A meeting of the Fire Pension Committee was conducted on Wednesday, September 30, 2009 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were the following: Mary Lou Brown, John Mayer, Scott Kuehl, Todd Morgan and Tom Cox. Dick Rabe was absent. Also attending from Wells Fargo were Bruce Remington and Greg Anderson.

The meeting was called to order at 3:30 PM.

DISCUSSION ITEMS

Greg kicked the meeting off indicating that the Wells Fargo team would be presenting the six month investment cycle review.

Bruce provided an overview of the economy and the performance of the various funds. The following are the highlights of his comments:

Economy

- In the second quarter, all indices have turned positive
- We are currently experiencing a broad based market recovery
- Wells Fargo is not expecting a "V" shaped economic recovery where the markets bounce back as quickly as they dropped.
- There continues to be risk in the bond market
- Wells Fargo believes that there is a lot of risk in Treasuries at the current time
- Stocks are not as cheap as they were several months ago; however, the P/E ratio is still below historical highs.

Fund Performance

- The majority of funds in the Plan are outperforming their respective benchmark indices
- The Plan is up approximately \$2.2 million in value since April 1, 2009. Most of the increase is due to market performance as contributions account for only \$183,000 of the increase.
- The Lord Abbott Small Cap Blend Fund is the only fund that Wells Fargo will be watching over the short-term. The performance of that Fund is not where it should be at this time.

Additional topics of discussion included the following:

- The level of fees paid for some of the funds – all are within benchmark range
- Any manager changes that may indicate a major change in investment philosophy – none were reported
- Participation levels, fund choices and churn between accounts
- Good distribution in the target date funds
- Timing and number of educational meetings conducted by Wells Fargo – annual meetings work best
- Orientation meetings with new hires

Greg will call Tami in late January to set up the next meeting for either late February or early March. Full year calendar 2009 results will be available then.

Mary Lou then presented the most recent report on the Fire Reserve Fund History. The report reflects changes since the August report and also adds the 2009/2010 budget numbers in the same format. The report will continue to be updated prior to each quarterly meeting.

The meeting adjourned at 5:05PM.

Respectfully submitted,

Mary Lou Brown

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

**POLICE PENSION COMMITTEE MEETING
September 30, 2009**

A meeting of the Police Pension Committee was conducted on Wednesday, September 30, 2009 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were the following: Danny Dubbs, Kelly Mossman and Mary Lou Brown. Mike Nelson and Janet Mead were absent. Also attending from Wells Fargo were Bruce Remington and Greg Anderson.

The meeting was called to order by Mary Lou Brown at 1:30 PM.

DISCUSSION ITEMS

Greg kicked the meeting off indicating that the Wells Fargo team would be presenting the six month investment cycle review.

Bruce provided an overview of the economy and the performance of the various funds. The following are the highlights of his comments:

Economy

- In the second quarter, all indices have turned positive
- We are currently experiencing a broad based market recovery
- Wells Fargo is not expecting a "V" shaped economic recovery where the markets bounce back as quickly as they dropped.
- There continues to be risk in the bond market
- Wells Fargo believes that there is a lot of risk in Treasuries at the current time
- Stocks are not as cheap as they were several months ago; however, the P/E ratio is still below historical highs.

Fund Performance

- The majority of funds in the Plan are outperforming their respective benchmark indices
- The Plan is up over \$2 million in value since April 1, 2009. Most of the increase is due to market performance as contributions account for only \$131,000 of the increase.
- The Lord Abbott Small Cap Blend Fund is the only fund that Wells Fargo will be watching over the short-term. The performance of that Fund is not where it should be at this time.

Additional topics of discussion included the following:

- The level of fees paid for some of the funds – all are within benchmark range
- Any manager changes that may indicate a major change in investment philosophy – none were reported
- Participation levels, fund choices and churn between accounts
- Timing and number of educational meetings conducted by Wells Fargo
- Orientation meetings with new hires
- LB 426 which did not become law

There was one correction noted for the minutes of the April 1, 2009 meeting: The reference to TART funds should be TARP funds.

Greg will call Tami in late January to set up the next meeting for either late February or early March. Full year calendar 2009 results will be available then.

The meeting adjourned at 2:45 PM.

Respectfully submitted,

Mary Lou Brown

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

February 12, 2010

A meeting of the Fire Pension Committees was conducted on Friday, February 12, 2010 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Todd Morgan, Tom Cox, Dick Rabe, Mary Lou Brown.

Also in attendance: From Wells Fargo was Greg Anderson and Bruce Remington.

Tami Herald called the meeting to order at 2:05 p.m.

DISCUSSION ITEMS

Bruce Remington began the meeting with the Annual Fund review for 2009.

- Unemployment is still high- should improve in 2011
- Total funds balances were up 1.7 million in 2009
- Funds are in good shape. Target date funds are lagging but that is due to the fact that they are conservative. Economy has turned around-the funds reflect that.
- No recommendations for fund changes.

Greg Anderson covered some administrative topics:

- Meetings with new hires are going well. Good process.
- They want to continue the annual educational meetings with the employees. Will coordinate that with Tim Hiemer.
- Talked about plan balances and distributions in 2009. Some sizable distributions due to retirements.
- Auto-rebalancing needs to be used by employees
- Addition of Hueler Income Solutions- Annuity purchase program. No charge to the City or employees to have it in the plan. On the Wells Fargo website.

Mary Lou feels it is important that employees understand we are not endorsing it but that it is just an option within the plan. Employees are talking to Mike Schuster and other investors at the time of planning for retirement. John wants to add this to the educational meetings with the Fire department.

There is no problem with State Statutes to do this. The committee decided to keep it in the plan and on the website and educate the employees.

Mary Lou presented the committee with a Fire Reserve Fund History-Fund 810 as per their request.

She shared that it would cost \$1700.00 for Milliman to do an Actuary study and \$1500.00 for a face-to-face presentation of the finding. It doesn't not have to be done this year. The committee decided not to do it at this time.

John would like more information from Dale on the death and disability insurance they asked the City to look into. This will be gathered for the next meetings. Mary Lou explained to the committee that the City understands its liability and will fulfill it. The City has the ability to borrow money to cover that obligation if it is necessary. The committee is still not comfortable with that.

Meeting adjourned at 3:30 p.m..

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

February 12, 2010

A meeting of the Police Pension Committee was conducted on Friday, February 12, 2010 in the Council Chambers of City Hall, 100 East First Street.

Members present were: Danny Dubbs, Kelly Mossman, Janet Mead, Mike Nelson, Dick Rabe and Mary Lou Brown

Also present: Bruce Remington, Greg Anderson from Wells Fargo.
Tami Herald called the meeting to order at 10:00 a.m..

DISCUSSION ITEMS

Bruce Remington began the meeting with an annual review of the fund in the plan.

- There is a recovery in the economy. This is more positive
- Unemployment is still up
- Not seeing a lot of activity within the funds
- Aston/Optimum is the shining star in the fund line up
- Target Date funds are lagging but that is due to them being conservative.
- Funds came through well. No change recommendations at this time

Greg Anderson covered some Administrative issues:

- Meeting with new officers is still going well
- No distributions out of the fund in 2009. No retirements.
- Not a lot of fund transactions
- Automatic rebalancing is not being utilized. Maybe this should be a topic of discussion in the educational meetings with the Police Officers.
- Hueler Income Solutions was added to our plan. There is no cost to the City or to the employees. Mary Lou reminded the committee that the participants shouldn't have the expectation that the City is endorsing it- we have not researched it thoroughly yet. The committee wants to leave it there. The retiring officers will have the option to use it. It is currently on the Wells Fargo website.
- There are new Federal regulations- more disclosure.
- Gallup Survey will be conducted soon. They will contact Tami Herald.

Mary Lou spoke on the actuarial study. She spoke with Milliman who conducted the last study. She shared the cost of \$1700.00 for the study and \$750.00 for the meeting with the committee. They decided not to do it at this time and will wait for the next regular cycle to conduct one.

Meeting adjourned at 11:35 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

August 25, 2010

A meeting of the Fire Pension Committees was conducted on Wednesday, August 25, 2010 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were- John Mayer, Todd Morgan, Tom Cox, Dick Rabe, Mary Lou Brown.

Also in attendance: From Wells Fargo was Greg Anderson and Bruce Remington.

Absent: Scott Kuehl

Tami Herald called the meeting to order at 2:00 p.m.

DISCUSSION ITEMS

Mary Lou opened the meeting by giving the committee a financial update of their funds. She will e-mail the account information to each of them after the meeting.

She also shared with the committee that the disability/life insurance they had inquired about is not something that can be done. She will e-mail them each a copy of the letters from The State of Nebraska, Department of Insurance showing that it is prohibited by law to purchase this type of insurance.

Bruce Remington began the meeting with the Quarterly Review for the 2nd Quarter of 2010.

- Unemployment is still high- should improve in 2011
- Inflation is low- below 1.5%
- There was a significant correction in the market- slow economy
- Funds are in good shape. No recommendations for fund changes in the regular funds
- Suggested the money in the Strategic funds be moved to the Target Date funds. This will better serve the participants. The City will need to decide if they will do that with the City directed funds also. John Mayer made a motion, seconded by Tom Cox to move the money. All were in favorite. Notifications will be sent to Tami for distribution to the participants.

Greg Anderson covered some administrative topics:

- Meetings with new hires are going well. Good process.
- Spoke about the new recordkeeping accounting system Wells Fargo is using. It is be implemented with this plan in 2-2011. Brochures will be sent to their homes.

The next meeting will be scheduled in Early December.

Meeting adjourned at 3:20 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

August 25, 2010

A meeting of the Police Pension Committee was conducted on Wednesday, August 25, 2010 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Janet Mead, Mike Nelson, and Dick Rabe.

Also present: Bruce Remington, Greg Anderson from Wells Fargo.

Absent: Danny Dubbs and Mary Lou Brown

Tami Herald called the meeting to order at 10:25 a.m..

Minutes are approved. Motion made by Kelly Mossman seconded by Mike Nelson. Kelly Mossman requested a form that is used during the Annuity Bid process for the Pre-84 participants. Tami Herald will supply his with that.

DISCUSSION ITEMS

Bruce Remington began the meeting with an annual review of the fund in the plan.

- There is a slow recovery in the economy. We are in better shape than other world markets right now.
- Unemployment is at 9.5% and inflation at 1 to 1.5%
- Not seeing a lot of activity within the funds
- Suggests a fund change. Remove Wells Fargo Advantage Capital Growth Adm Fund and replace it with Mainstay Large Cap Growth R1
- Suggest closing Allocation fund and map the money over to Target Date Funds.
- The City needs to decide what to do with their portion of the money in those funds also.
- Kelly wants to make sure the committee should make the decisions for the members. Greg to him yes- that is your role on this committee.
- Kelly made the motion to close the allocation funds and map the money over to the Target Date funds and also to remove Wells Fargo Adv. Growth and replace it with Mainstay Large Cap Growth. This was seconded by Janet Mead. All in favor- unanimous.
- Notifications will be sent out to the participants by Wells Fargo.

Greg Anderson covered some Administrative issues:

- Meeting with new officers is still going well
- They have made several attempts to talk to Sergeant Rathman about arranging a group meeting and/or individual meetings at the Police Department. Rathman has

not responded. The committee suggested they contact Pete Kortum or Robert Falldorf and they will get it arranged for them.

- Not a lot of fund transactions
- Covered an overview of the new reporting accounting system they will have in place
- This change will happen in 02/2011 for this plan. Notifications will be sent out. Not many changes to the website or log in process.

Meeting adjourned at 12:10 a.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

February 17, 2011

A meeting of the Fire Pension Committees was conducted on Thursday, February 17, 2011 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Todd Morgan, Tom Cox, Scott Kuehl, Dick Rabe, and Mary Lou Brown.

Also in attendance: From Wells Fargo was Greg Anderson and Bruce Remington.

Tami Herald called the meeting to order at 1:05 p.m.

DISCUSSION ITEMS

Bruce Remington began the meeting with the Year End Review for 2010.

- Markey has been pretty decent
- Good year in the Equities market.
- Bond Market also was good.
- Unemployment declined slightly
- Retail sales increased by 5%
- Automakers may make money in 2011.
- He is worried about eh stimulus spending. There is a lag of 2 years or so.
- He is concerned about a couple of the funds in the array.
 - American Funds Growth Fund of America R4 and
 - Lord Abbett Small Cap Blend A

America Funds- he brought 3 alternatives:

- Fidelity Advisor New Insights 1
- Mainstay Large Cap Growth 1 (already have this fund)
- T Rowe Price Blue Chip

The committee decided to keep the American Fund for another 6 months and review it at that time. Todd felt that since there are several investor and a lot of dollars in this fund they should keep it another 6 months.

Lord Abbett Small Cap Blend-stock picking issues with this fund- brought 3 alternatives:

- Invesco Small Cap Equity A
- T Rowe Price Small Cap Stock Adv (top recommendation from Bruce)
- Wells Fargo Russell 2000 Index Fund

A motion was made by Tom Cox to replace Lord Abbett with T, Rowe Price. This was seconded by Todd Morgan. All in favor. Motion carried. Assets will be mapped over and participants will be notified.

Gregg Anderson presented the Advice Track program offered by Wells Fargo. This program replaces the Managed Accounts previously in the plan. This is a target mix for the participants that give them a custom blended portfolio.

- No cost to the city or the plan
- Participants would pay a fee of .65 up to 1.12% to use this fund.
- Participants will receive a retirement income projection mailer even if they don't want to participant in this program.

The committee was in favor of adding it for their participants. They asked that Wells Fargo go to the Fire Stations and educate the employees. There could be a series of 6 meetings in May.

Gregg will contact Tim Hiemer to set up meetings at the Fire Stations.

Mary Lou ended the meeting by giving the committee a financial update of their funds.

Meeting adjourned at 3:00 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

POLICE PENSION MEETING

February 17, 2011

A meeting of the Police Pension Committee was conducted on Thursday, February 17, 2011 in the Council Chambers of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Janet Lubrano, Mike Nelson, Danny Dubbs, Mary Lou Brown and Dick Rabe.

Also present: Bruce Remington, Greg Anderson from Wells Fargo.

Tami Herald called the meeting to order at 10:05 a.m.

DISCUSSION ITEMS

Bruce Remington began the meeting with an annual review of the funds in the plan.

- The Market is decent this year
 - All sectors in the Equity market have positive numbers
 - Unemployment is declining slightly
 - Retail sales are increasing
 - Since 1-1-11 the DOW is Up 6 and the S & P is up 6.25
 - He is concerned about a couple of the funds in the array.
 - American Funds Growth Fund of America R4 and
 - Lord Abbett Small Cap Blend A
- America Funds- he brought 3 alternatives:
- Fidelity Advisor New Insights 1
 - Mainstay Large Cap Growth 1 (already have this fund)
 - T Rowe Price Blue Chip

Mike Nelson asked if we could keep it and add an additional fund. Yes, we can but we already have over 20 funds and it would be more complicated for the participants.

The committee decided to keep the American Fund for another 6 months and review it at that time.

Lord Abbett Small Cap Blend-stock picking issues with this fund- brought 2 alternatives:

- Invesco Small Cap Equity A
- T Rowe Price Small Cap Stock Adv (top recommendation from Bruce)

Kelly Mossman made a motion to close Lord Abbett and add T Rowe Price. The motion was seconded by Janet Lubrano. All in favor. The change will be made, money will be mapped over and participants will be notified.

Gregg Anderson presented the Advice Track program offered by Wells Fargo. This program replaces the Managed Accounts previously in the plan. This is a target mix for the participants that give them a custom blended portfolio.

- No cost to the city or the plan
- Participants would pay a fee of .65 up to 1.12% to use this fund.

Danny Dubbs made a motion to adopt the Advice Track program and it was seconded by Kelly Mossman. Danny, Janet and Kelly agreed that it was another good option for the participants. Mike Nelson disagreed. He felt people would be investing without having to manage their own money. He felt it would encourage bad investment behavior with a cost.

3 in favor, 1 apposed. Motion carried.

Gregg Anderson spoke on the success of the meetings that were conducted at the Police Department. They had several employees at the meetings and several that spoke to them afterwards and some who set up meetings with Mike Schuster. He felt they were extremely productive and will be doing them again this year.

Meeting adjourned at 12:00 noon.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

August 10, 2011

A meeting of the Fire Pension Committees was conducted on Wednesday, August 10, 2011 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Dick Rabe, and Jaye Monter.

Absent: Mary Lou Brown, Tom Cox and Todd Morgan

Also in attendance: Gregg Rueschhoff from Milliman.

John Mayer called the meeting to order at 1:30 p.m.

DISCUSSION ITEMS

John requested minutes from the previous meeting. Those are being distributed.

Gregg Rueschhoff from Milliman was in attendance to present the Actuarial Valuation Report and explain to the members what it says. He covered:

- Pre-84 process and the State Statutes
- Actuarial reports need to be done every 4 years
- Assume 7% per day growth in the accounts
- They project growth plus projected earnings
- Death benefits cannot be planned for in this actuarial report.

Questions were asked about the Fire Reserve Fund History Spreadsheet presented by Jaye Monter.

- 2007-08 transfer out- used for what? John will research timetable for use of these funds.
- Committee requested basic information on how disability pension was handled for Jerry Tillemans. Gregg Anderson explained how Wells Fargo handled payments.
- Put process in place for future disability situations
- Could an annuity have been purchased- Gregg said that can happen after his account balance is exhausted. Not a good idea since the employee could come back to work within a three year period and then the City is out their money.

Gregg Anderson spoke about Administrative issues.

- Morningstar Manager Advice
- Investment advisor- free of charge
- New to Wells Fargo but was used by Wachovia
- Still meet with Mike Schuster for advice also.

Need the committee's approval to add it to the plan. Dick Rabe made the motion to add it and Scott Kuehl seconded it. All in favor.

Mailers will be sent out via e-mail.

Meeting adjourned at 2:45 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

August 10, 2011

A meeting of the Police Pension Committee was conducted on Wednesday, August 10, 2011 in the Council Chambers of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Janet Lubrano, Danny Dubbs, Jaye Monter and Dick Rabe. Also present: Greg Anderson from Wells Fargo and Gregg Rueschhoff from Milliman.

Absent: Mike Nelson and Mary Lou Brown

Tami Herald called the meeting to order at 3:00 p.m.

DISCUSSION ITEMS

Gregg Rueschhoff from Milliman was in attendance to present the Actuarial Valuation Report and explain to the members what it says. He covered:

- 8 Pre-84 participants left in the plan.
- Defined benefit plan
- Actuarial assumptions
- Interest rates at an all time low
- Annuity bids at an all time high 3- 31.2%- so the cost is up 20-20%.
- The report is a snap shot of account balances as of March 2011.

Gregg Anderson spoke about Administrative issues.

- Morningstar Manager Advice
- Investment advisor- free of charge
- New to Wells Fargo but was used by Wachovia
- Still meet with Mike Schuster for advice also.

Need the committee's approval to add it to the plan. Kelly Mossman made the motion to add it and Danny Dubbs seconded it. All in favor.

Mailers will be going out to all participants.

Meeting adjourned at 3:45 p.m..

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

August 22, 2011

A meeting of the Fire Pension Committees was conducted on Monday, August 22, 2011 in the Council Chambers of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Tom Cox and Todd Morgan

Absent: Mary Lou Brown and Dick Rabe.

Also in attendance: Greg Anderson and Bruce Remington from Wells Fargo

John Mayer called the meeting to order at 1:30 p.m.

DISCUSSION ITEMS

Bruce Remington began the meeting with a review of the funds in the plan.

- Overview of the market
- 2nd quarter correction after a good 1st quarter
- 2nd quarter growth rate at 1.3%
- Unemployment rate in Nebraska is below 4%
- Stock market is beat up
- Businesses are still showing a profit
- Bonds- returns lower than the rate of inflation
- Not a lot of activity in and out of the participants accounts.

Funds Bruce discussed:

- Davis NY Venture A- Has a D rating- Bruce still thinks they should hang in there with it but brought some options.
- Wells Fargo Advantage Small Cap Growth- dramatic fall in the last quarter. Bruce doesn't see too much problem there though.

Options for Davis NY Venture:

- Dreyfus Appreciation (#1 choice) conservative approach
- Lord Abbett Classic Stock A (#2 choice)- aggressive approach
- American Century Equity Growth (#3 choice)- cheapest expense ratio-more volatile

Todd thinks they have a lot of funds to choose from now. John is confident in Bruce's recommendations.

Motion to drop Davis and map over to Dreyfus was made by Todd Morgan and seconded by Scott Kuehl. All in favor.

Options for Growth Fund of America

- Fidelity Advisor New Insights A- non US exposure
- Mainstay Large Cap- already have this one
- T. Rowe Price Blue Chip- good n the short term-volatile fund

Growth Fund has moved up to a C- could give it some more time. There is no clear better fund. Bruce recommends hanging in there for now and keep it on a short leash. Look at it again by the end of the year.

Meeting adjourned at 2:50 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

August 22, 2011

A meeting of the Police Pension Committee was conducted on Monday, August 22, 2011 in the Council Chambers of City Hall, 100 East First Street.

Members present were: Kelly Mossman and Danny Dubbs. Also present: Greg Anderson and Bruce Remington from Wells Fargo.

Absent: Mike Nelson, Mary Lou Brown, Janet Lubrano and Dick Rabe.

Tami Herald called the meeting to order at 3:00 p.m.

DISCUSSION ITEMS

Bruce Remington began the meeting with a review of the funds in the plan.

- S & P down today 10.6
- Weak economy
- Less than 2% growth in 2011
- 3.5% unemployment for educated and 20% unemployment for uneducated
- May be a decent rally in the future if we don't go into a recession.
- Bond Market is risky right now
- Large Cap Growth- tough sector right now.
- Volatile market will lead to fund discussion in the future.
-

Funds to discuss:

- Growth Fund of America- keep an eye on it- discuss in December again.
- RS Value- keep an eye on this one

Bruce is not suggesting any funds changes at this time.

Meeting adjourned at 3:45 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

December 19, 2011

A meeting of the Fire Pension Committees was conducted on Monday, December 19, 2011 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were- John Mayer, Scott Kuehl, Tom Cox, Todd Morgan, Jaye Monter and Dick Rabe.

Also in attendance: Greg Anderson from Wells Fargo

John Mayer called the meeting to order at 10:05 a.m.

DISCUSSION ITEMS

Jaye Monter opened the meeting with a Financial Report of the Fire Reserve Fund.

- Spoke on 2007-08 Transfers Out funds that John and Scott asked her about.

-

Greg Anderson began with a review of the Summary Plan Description Materials Modifications.

- Updated document to comply with Federal Tax Laws
- Updated Rollover Rules
- Updated After Tax Contributions
- Updated Roth IRA rules
- Military Service Rules
- Distribute new SPD to all participants
- Should the committee been informed of the updates earlier.

- Discussed the No installment payment options within the plan
- Retirement- do they have to take their money out of the plan?

Greg Anderson did a review of the funds in the plan.

- Slow growth in the economy
- Consumer Spending is down
- American Fund Growth Fund of America R4 is not performing well. Will bring options to the next meeting if they would like to replace it.
- Diversified Equity Fund- normal- has some international exposure
- Overall array is doing well.

The next meeting will be in late February or early March

Meeting adjourned at 11:05 a.m.

Respectfully submitted by:

Tami Herald

Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

December 19, 2011

A meeting of the Police Pension Committee was conducted on Monday, December 19, 2011 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Janet Lubrano, Michael Nelson, Danny Dubbs and Dick Rabe. Also present: Greg Anderson Wells Fargo.

Absent: Jaye Monte.

Tami Herald called the meeting to order at 2:00 p.m.

DISCUSSION ITEMS

Greg Anderson began the meeting with a review of the Summary Plan Description Materials Modifications.

- Updated document to comply with Federal Tax Laws
- Updated Rollover Rules
- Updated After Tax Contributions
- Updated Roth IRA rules
- Military Service Rules
- Distribute new SPD to all participants

Talked about distribution rules and the Annuity process.
Discussed the 457 Plan and the options available there.

Greg next covered a review of the funds in the plan.

- Slow growth in the economy
- Consumer Spending is down
- American Fund Growth Fund of America R4 is not performing well. May replace it with Fidelity New Insights or Mainstay Large Cap Growth Fund. The committee will have a special meeting in January when Bruce Remington can come back and review it with them.
- RS Value is coming back- watch it for a while.

Meeting adjourned at 3:00 p.m.

Respectfully submitted by:

Tami Herald
Recording Secretary

CITY OF GRAND ISLAND, NEBRASKA OFFICIAL PROCEEDINGS

FIRE PENSION MEETING

May 30, 2012

A meeting of the Fire Pension Committees was conducted on Wednesday, May 30, 2012 at Fire Station #1, Fonner Park Road.

Members present were- John Mayer, Scott Kuehl, Tom Cox, Todd Morgan, Jaye Monter and Dick Rabe.

Also in attendance: Greg Anderson and Bruce Remington from Wells Fargo
John Mayer called the meeting to order at 10:05 a.m.

DISCUSSION ITEMS

Jaye Monter opened the meeting with a Financial Report of the Fire Reserve Fund.

Greg Anderson spoke next:

- Craig Falmlen retirement status- he is considered fully vested because of his age
- Term dates are to be given to Greg and Tracey- they do customized reports for our plan
- Explained funds fees. Gave the committee a spreadsheet that illustrated where the fund fees are and how Wells Fargo gets paid
- No sales charge for in and out or moving within the funds
- Annual operating expenses are charged
- Admin fees are indirect costs and built into the plan.
- Funds pay WF fund servicing fees.
- RFP process. Last one was 2004. No timeline as to when we need to do it again.
- Social Security benefits along with Pension payments. Greg suggested employees discuss that with the Social Security Administration.
- Participant website has been updated.
- Small Personalization program on the website has an On-track/Off-track Retirement Tool.

Bruce Remington did a review of the funds in the plan.

- S & P up 1% this afternoon
- Bond market is performing positively
- Manufacturing sector is seeing a rise in hiring
- Unemployment is down
- Gains of \$923,000 in the funds in the first quarter
- American Fund Growth Fund of America- continues to underperform. Suggests rolling out of it and into Mainstay. Committee all voted in favor on the move. It will take 75 days for this to take place.
- Wells Fargo Advantage Small Cap Value- suggests hang on to it.

- Target Date Funds- soft over the last year because they are conservative.
- Funds overall are in good shape.

Participant meeting will be held at the Fire Stations 1 and 2 on June 6, 7, and 8.
They will discuss the website updates.

Meeting adjourned at 11:40 a.m.

Respectfully submitted by:

Tami Herald

Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

May 30, 2012

A meeting of the Police Pension Committee was conducted on Wednesday, May 30, 2012 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Michael Nelson, Jaye Monter, Danny Dubbs and Dick Rabe. Also present: Greg Anderson and Bruce Remington from Wells Fargo.

Absent: Janet Lubrano

Tami Herald called the meeting to order at 1:00 p.m.

DISCUSSION ITEMS

Greg Anderson began the meeting with plan status information.

- Growth Fund of America was eliminated by the committee at the last meeting
- Fund array looks good
- Disability withdrawals will be done without penalty

Bruce next covered a review of the market and funds in the plan.

- S& P is up 5% today
- We have the healthiest market in the world right now
- Bonds are at 1.72%
- Unemployment is down to 8.2%
- Job growth in the manufacturing sector is up
- Consumer spending is up
- Gains in the plan were \$895,826 in the first quarter
- Hartford Capital Appreciation hit a slow patch but it is a good fund with a good track record.
- Rolled out of American Fund Growth Fund and into JP Morgan-this is up!
- RS Value A- D rating because it is an aggressive fund- hang on for a couple more quarters
- WF Advantage Small Cap Value- has a C rating. It is a good performer overall- no change now.
- No fund change suggests- Good Shape!
- Website has been upgraded- using Smart Personalization. Has an On Track- Off Track Retirement Planning Tool.

Meeting adjourned at 3:00 p.m.

Respectfully submitted by: Tami Herald Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

FIRE PENSION MEETING

October 19, 2012

A meeting of the Fire Pension Committees was conducted on Friday, October 19, 2012 at City Hall.

Members present were- John Mayer, Scott Kuehl, Todd Morgan, and Jaye Monter.

Absent: Tom Cox and Dick Rabe

Also in attendance: Greg Anderson from Wells Fargo

John Mayer called the meeting to order at 10:05 a.m.

DISCUSSION ITEMS

Jaye Monter opened the meeting with a Financial Report of the Fire Reserve Fund.

Items for discussion:

- Meeting Quarterly meeting requirement
- No funds closing or needing to be replaced.
- Fire Reserve Fund balance decisions to be made in the next few years.
- Can Pension reimbursements to the City be handled differently?
- How is the money in the Fire Reserve Fund invested? Jaye will get that information to the committee members.
- Committee discussed sending out letters to employees at the time of separation to ask if they have questions or need help with their Pension account.
- Investment Review Meeting to be in Mid-February to Mid- March with Bruce Remington.
- Greg spoke about changes of Distribution Form
- Payroll will update Wells Fargo files to reflect Termination dates of employees.

Meeting adjourned at 10:40 a.m.

Respectfully submitted by:

Tami Herald

Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

October 19, 2012

A meeting of the Police Pension Committee was conducted on Friday, October 19, 2012 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Janet Lubrano, Michael Nelson, Jaye Monter and Danny Dubbs . Also present: Greg Anderson and Michael Schuster from Wells Fargo.

Absent: Dick Rabe

Tami Herald called the meeting to order at 11:05 a.m.

DISCUSSION ITEMS

Greg Anderson began the meeting with plan status information.

- Meeting Quarterly meeting requirements.
- New vesting schedule according to State Law effective 7-1-12. 7 year vesting schedule.
- Next Investment Review meeting will be Late February to Mid- March with Bruce Remington
- Any feedback from the officer on the meeting they held at the Police department earlier in the year? Officer liked them and appreciated them.
- Annuity process for retirement of Kerry Cole. Process discussed.

Meeting adjourned at 11:30 p.m.

Respectfully submitted by: Tami Herald Recording Secretary

**CITY OF GRAND ISLAND, NEBRASKA
OFFICIAL PROCEEDINGS**

POLICE PENSION MEETING

November 27, 2012

A meeting of the Police Pension Committee was conducted on Tuesday, November 27, 2012 in the Community Meeting Room of City Hall, 100 East First Street.

Members present were: Kelly Mossman, Michael Nelson, Janet Lubrano, Jaye Monter, Danny Dubbs and Dick Rabe. Also present: Brenda Sutherland, Robert Sivick, Michael Kezeor, Jaye Monter, Mary Lou Brown, and Wendy Meyer-Jerke.

Open Meeting Notice was read.

Jaye Monter called the meeting to order at 10:00 a.m.

DISCUSSION ITEMS

Jaye began the meeting by letting the committee know that there was a question about the last annuity process and the way the payment to the retiree was calculated. The question centered around the use of the joint life for the quotes versus a straight life annuity as outlined in State Statute. State Statute sets the minimum but we can do more.

Jaye's concern was the proper funding of the unallocated account. There was an actuary report done in January 2011 that said the account was fully funded. The large payout to the last retiree drew the account down to a level that she is concerned will not handle the next retiree. There are still 7 pre-84's actively employed.

Jaye stated she researched the process and it appears that the process changed in late 2004 with the fire pension and early 2005 with the police pension. The committee questioned the change. There was no record of it in past committee minutes during that time.

The committee discussed and questioned whether they could go back and ask for reimbursement or if they even should.

This topic will be going to a Council study session on December 11, with the possibility of proposed Council action the following Tuesday.

It doesn't appear that the change in process was taken to the Council for formal approval. The difference in the calculation of a straight life annuity verses the joint life resulted in a higher pay out to employees who used the joint life method. This is due to women having a longer life expectancy and sometimes an age difference will also influence the quotes. The actuarial report used an assumption of a straight life annuity and higher

interest rates. Interest rates have dropped and the City and the committee have used a joint life annuity proposal process.

The last retiree is aware that this is being questioned and discussed and has been kept in the loop.

Meeting adjourned at 11:00 a.m.

Respectfully submitted by: Tami Herald Recording Secretary

From: **Council Nickerson**
Sent: Friday, December 21, 2012 4:45 PM
To: Mary Lou Brown
Subject: RE: January 15 study session

1. Has this situation occurred before with other cities regarding over/under funded pensions. What was the outcome?
2. If we should try to remedy those within the statute of limitations, how would the process work with so many years behind us? (I'm personally opposed to this but am sure inquiring minds will want to know).

Other questions for US internally:

Do we have an established process for Pre-84 Retirement in writing other than the state statutes?

If not, can we get one drafted with specific duties and timelines for each responsible party as well as specific details such as NOT having two of the annuity bids from the same company?

I would also like to ensure the sitting Council at the time of the next retirements will have the info we didn't get concerning what the bids were, average of the three, and appropriate adjustment to meet the retirement payout. This would include minutes of the Retirement Committee Meeting.

Do we have a PROCESS AUDIT in place to review these types of activities?

If so, how often is the audit conducted and who does it?

If not, can we draft the audit procedures and who/when they would be conducted?

As you know, it's way too late when a former finance director with a good memory catches something that is not correct.

I'm sure your goal (as well as all of us) is to ensure this can never recur.

And...are there any other "processes" that we may have compromised over the past several years?

From: Jaye Monter
Sent: Wednesday, December 26, 2012 10:18 AM
To: CouncilNickerson
Cc: Robert Sivick; Mary Lou Brown
Subject: RE: January 15 study session

Hi Mitch,

Clarification on your question number 1 below. Are you referring to an over/under payment of a retiree claim with other cities or the over/under pension liability within the fund with other cities? Thank you.

From: **Council Nickerson**
Sent: Wednesday, December 26, 2012 7:29 PM
To: Jaye Monter
Cc: Robert Sivick; Mary Lou Brown
Subject: RE: January 15 study session

It would be specific examples (if they exist) involving any instances where a city had to remedy an "over payment" situation with a retiree.

I think the question several folks are wondering is if the statute has been used to "correct" an amount due to a municipality in Nebraska...and what the outcome was---did the city prevail?

Probably a question for our legal folks as they peruse case law history in law enforcement pensions.

We may be breaking new territory on this issue, but it would be nice to know if it's occurred before our situation.

From: **Council Dugan**

Sent: Sunday, December 23, 2012 7:52 AM

To: Mary Lou Brown; Electeds

Subject: RE: January 15 study session

Here are the items I am interested in knowing:

1. Have there been any cases in Nebraska when a city asked for a refund of an overpayment to a pre-84 pensioner?
2. Was there a legal challenge in a court regarding such overpayment?
3. Is there any case law related to pre-84 public safety pension recipients and the city they served? If so, was it related to calculations? Payments?
4. If we ask for repayment from Sgt Cole and not the other officers within the window of limitations are we exposing ourselves to liability should Sgt Cole file suit for unfair treatment?
5. If we do not ask for repayment are we then saying that they calculations based on joint life annuity were valid practice?
6. If the council passes an ordinance stating that single life annuity is the method of calculation are we validating that the joint life annuity was the accepted previous practice?

The final item I would like to ask about is a bit more complex. I would be happy to discuss more if I am unable to make my questions clear:

I believe the City has Errors & Omissions insurance that is designed to cover problems and errors made by employees that violate practice and cause harm to the City. The facts make it clear to me that at some point in 2004 or 2005 a senior official in the city gave instruction that violated the policy of how calculations for pension were to be made. Can we file a claim with our insurance carrier to recover the losses the City has sustained as a result of this employee action? It appears to me this may be possibility of resolving this with all parties fairly. We would not have to chase after the retirees, we could recover our losses, and we can move forward properly.

From: **Council Paulick**
Sent: Wednesday, December 26, 2012 3:05 PM
To: Mary Lou Brown
Cc: Electeds; Robert Sivick
Subject: RE: January 15 study session

Mary Lou,

1. What is going to be the tax implication for either the retiree or the City and is it possible for there to be penalties for withdrawing any monies from an annuity account?
2. There is going to be possible litigation no matter which way the City approaches this, so what would be the preferred way to handle the pensions, ask Cole to return his portion that was possibly over paid, ask the last four retirees to return their possible overpayments, change the final pre84's back to single if that is accepted, or change the remaining pre84's to joint and try to work out and plan with the 4 pre84's on the top side of this chart on an equitable plan.
3. I would like to see the difference between the joint and single figures for all the pre84's on our list, from the four singles on top, the ones we paid joint to, and a estimate on the last pre84's yet to retire.

From: **Council Paulick**
Sent: Wednesday, December 26, 2012 3:21 PM
To: Jaye Monter
Cc: Mary Lou Brown
Subject: Pre84 Police Pension

Jaye could you possibly tell me where to find what the Pre84 Police Pension was transferred to, or a copy of the spread sheet?

From: **Council Paulick**
Sent: Friday, December 28, 2012 3:12 PM
To: Mary Lou Brown
Cc: Electeds; Robert Sivick
Subject: RE: January 15 study session

Mary Lou,

One more question! The pension committee was lead to believe that as of 2004 (per City Administrator) that retirees pensions were to be figured jointly. We the City Council have had three different Finance Directors on the pension committee watching out for EVERYONE'S best interest and yet none would come forward and tell at least the council president what was going on. They were getting bids for single annuities yet the officers were getting joint payments made to them. If Brenda was the only one that was aware of this over the last 8+ years what kind of checks and balances do we have in place? If none as it seems to be now, we need to do more. If Dick Rabe was suppose to be an oversight, it didn't work. This looks like at least a half a million dollar mistake. If this had happened anywhere else in the city what would the directors and administration done?

From: **Council Paulick**
Sent: Tuesday, January 01, 2013 8:41 AM
To: Robert Sivick
Cc: Mary Lou Brown
Subject: Pension Payments

Robert, after reading state statutes, I find no statute that directs any Class One city to have the council decide if the police pensions or fire pensions for that matter be paid joint or single. That is left to the pension committee in Chapter 16. If you have any City Ordinance that says otherwise I would be elated to see it. I will call or stop by your office before next Tuesday.

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From: **Council Paulick**
Sent: Sunday, January 06, 2013 3:38 PM
To: Mary Lou Brown
Cc: Electeds; Jaye Monter; Robert Sivick
Subject: One more question

Is there an ordinance that gave the firefighters a joint annuity instead of single? Their language is the same as the police as far as letting the pension committee change to another payment type if given direction from the governing body. If not' why was theirs always joint and police single. For your information only I learned that Sgt. Cole questioned the amount of his pension and was told that it was figured like they had been since 2004!

From: **Council Paulick**
Sent: Wednesday, January 9, 2013 12:00 PM
To: Mary Lou Brown
Cc: Jaye Monter
Subject: Police Pension

Mary Lou, I talked to Jaye at last nights council meeting about getting a spread sheet on the police pension fund, if possible this would answer some questions I have. It doesnt have to go clear back to 84, but back to the changes in pensions in 97 would be good.

From: **Council Donaldson**
Sent: Thursday, December 27, 2012 9:58 AM
To: Mary Lou Brown; Electeds
Subject: RE: January 15 study session

I like Scott's suggestion of investigating the availability of errors and omissions insurance to help cover the overpayments that have been made over the years. I believe that those involved in the decision to change from single to joint annuity--including city staff, police officers, and representatives of the police union--knew this decision would "hit the fan". They just had no way of knowing how long it would take before the change was discovered; the longer it took, the stronger the argument for precedent having been set. Question: Since Brenda seems to be the only staff member still employed from that time, was/is she covered by E and O insurance?

Question: Am I understanding correctly that only a portion of Mr. Cole's retirement was paid before we approved the payment and the rest was paid after our approval? If so, why was it paid that way? What steps are being taken by administration to assure that payment of claims, with the exception of the few such as bond payments, etc , are NOT paid until after approved?

Question: What is being done by administration to insure that the pension committee is taking its job seriously, meeting in open session, publishing thorough minutes, receiving three separate annuity bids? I believe a council member should be appointed to this committee to be jointly responsible with city staff member to report retirement results to full council.

I believe we must expect Mr. Cole to repay whatever can be determined as overpayment due to using the joint calculation. I think it is unrealistic to expect the other three officers to repay anything; I have to believe they have made important decisions about the use of that money that would make it extremely difficult, if not impossible, for them to return any overpayment. I have the same concern as Scott; does this opinion place the city at greater risk for litigation?

I believe that this issue has got to include discussion and remedy for all facets of the problem: a culture that allows city staff to go along with edicts like changing the form of annuity payment--responding to a form of bullying and not reporting it; failure of the pension committee to meet as statutes direct and to provide appropriate oversight for the pension process; payment of bills without approval; and finally a decision about the overpayment of individuals involved.

From: **Council Donaldson**
Sent: Friday, January 04, 2013 5:37 PM
To: Mary Lou Brown
Cc: Electeds
Subject: one more question

I have one more question that will not require an expert opinion, only documentation. It has been stated throughout the discussion of the pension problem that the annuity quote the city receives is always much lower than the other two quotes. My question is what type of quote is the city seeking--do they get a single or a joint annuity bid? I would like to see documentation of the quote Mr. Cole received and a complete explanation of the who requested the city quote, an explanation of the type of annuity it represents, and what company/individual gave the bid. Thank you.

From: **Haase, Chuck D** [Chuck.Haase@chartercom.com]
Sent: Friday, December 28, 2012 1:09 PM
To: Mary Lou Brown
Cc: Council C Haase; chaase@charter.net
Subject: Public Safety Pension Information Request

Mary Lou,

Requesting the following information prior to the January 15th meeting on the public safety pension study session.

For the 800 Police & Fire Pension fund

- Jaye Monter stated there are 25 pension recipients in this fund – requesting for each pensioner -->
 - o The Monthly Pension Amount
 - o The Year of their Birth
 - o The Year they were placed on the Pension Role
 - o Police or Fire Pensioner

I don't see the need for any name ... but the preceding information would be helpful for the meeting.

Let me know if you have any questions regarding this request.

From: **Council Gilbert**
Sent: Thursday, December 27, 2012 10:15 AM
To: Mary Lou Brown
Cc: Electeds
Subject: SS questions

Can Mr. Cole's be a legitimate claim when it was not processed meeting the state statutes? Specifically there was not a pension committee meeting, the city representative was not notified, there are no minutes, and there were only 2 legitimate bids.

In addition the members of the pension committee are to serve only 4 year terms and approved through council. Is there documentation that Mr. Rabe was approved after 4 years by the council? Was Jaye Monter approved by the council as the second city committee representative? (This item may relate to the legitimacy of the previous claims if Mr. Rabe's term was expired and was Mary Lou Brown officially appointed to the committee when serving at Finance Director.) I would like to see any documents outlining the policy/procedure of the pension committee – do they any guidance outside of the state statute that allows them to function differently than what the minimum the state demands?

Since there does not seem to be documentation of changing from single to joint annuity what is our risk of the attorney general claiming overspending of city funds, risk of prior pensioners that received single annuities suing for unfair treatment. Where is the documentation that verifies Mr. Siviks opinion on a 4 year statutes of limitations?

If we do legitimize the joint annuity would this include partners now that we have a nondiscriminatory LGBT policy? What is the policy of other first class cities on single versus joint?

I have heard city staff say this is the way fire pensions are to be handled but also do not see any written council approved policy for this. Is there such documentation?

Can the prior pensioners that were calculated using joint be refigured closely to interest rates at the time of retirement for 3 new bids? Can we get this information and then the council decides if the amount is worth pursuing and if not it could be noted that this is a write off and not a joint distribution?

Are there funds to cover disability if the fire pension fund is used for police pensions? Are we changing one crisis for another down the road by moving those funds?

Please outline what is currently being taken out of those funds and the amount as this will impact the budget when this is gone. What is our liability of all these disabled and is there a mechanism for periodic review of their status? Who is administering this program and trying to get them off the list? (This may be an issue we need to address separately however I was not aware of this new growing liability).