



MINUTES FROM MEETING ON AUGUST 10, 2017

Chairman Smith called the meeting to order on Thursday, August 10, 2017 in the Sustainability Conference Room, 2nd floor, City Hall at 9:34 AM. There was a quorum. Chairman Smith called into the conference line and Mr. Kaufman and Mr. Stronkowsky joined the meeting by telephone.

Board Members

Jay L. Smith, Chairman
 Jose Vicente, Vice-Chairman
 Laurie Botts, Secretary
 Mathew Fleury, Trustee
 Christopher McCullion, Trustee

Others Present

Katrina Laudeman, Executive Director
 Michelle McCrimmon, Deputy CFO
 Matt Dickey, Deputy Executive Director
 Randy Thames, FOP
 Robert Klausner, Board Attorney (via phone)
 Keith Stronkowsky, NEPC (via phone)
 Shannon Hetz, Police Advocate
 Dolores Bracero, Police Officer
 Cheryl Middleton, Police Officer
 Michele Keane, Pension Coordinator

1. **PUBLIC COMMENT**

Chairman Smith asked if there was any public comment. There was none.

2. **APPROVAL OF MINUTES OF JULY 13, 2017**

A MOTION TO APPROVE THE MINUTES OF JULY 13, 2017 was made by Mr. Vicente and seconded by Mr. Fleury; **MOTION CARRIED UNANIMOUSLY.**

3. **APPROVAL OF CONSENT AGENDA**

A MOTION TO APPROVE THE CONSENT AGENDA was made by Ms. Botts and seconded by Mr. Vicente; **MOTION CARRIED UNANIMOUSLY.**

4. **PENDING / OLD BUSINESS**

a. **Asset Liability / Asset Allocation Discussion**

Mr. Stronkowsky reviewed the asset allocation study and some discussion ensued. The Board requested Mr. Stronkowsky put together a mix "C" that would increase the private debt allocation from 3% to 5%, keep hedge funds at 8%, increase core bonds by 1% and removing an allocation to bank loans. Once complete, the mix will be sent to Ms. Laudeman for review and then brought before the Board.

There was some discussion regarding the differences between the numbers previously presented by Segal, the Police Pension Board actuary, and the recommended contribution percentages NEPC is using. Mr. Stronkowsky left the meeting at 10:10 AM.

b. Disability Update

Chairman Smith stated Officer Derek Briscoe's hearing may be postponed from the September 14, 2017 meeting. Officer Briscoe's attorney, Mr. Brown, is conferring with the family about consulting with another doctor or two.

Chairman Smith spoke about the subpoenas being served to Worker's Compensation Drs. McBride and Christensen regarding Cheryl Middleton's case. He extended the date for Officer Middleton to complete her notebook indefinitely. Mr. McCullion asked for additional information to which Chairman Smith responded.

Mr. Thames stated Officer Kenneth Brown's application is still delayed while waiting for his widow to be appointed as his personal representative.

Mr. McCullion asked for clarification on Officer Briscoe's hearing. Any new information will need to be reviewed as part of the Independent Medical Examination.

c. Securities Litigation Update

Ms. Laudeman noted the securities litigation class action suits do not have any accounts assigned to them. She will be contacting the Bank of New York to verify the accuracy of the report.

Chairman Smith asked Mr. Klausner if he has reviewed the Volkswagen litigation information sent to him. Mr. Klausner plans to review further and will send a memo to the Board with his advice. Chairman Smith will provide a copy of the original email to Ms. Laudeman and the matter will be addressed at the next meeting.

d. Final Review of Policies & Procedures 6 – 10

Policy 6 – No changes needed.

Policy 7 – DROP Election Form - Mr. Klausner suggested bolding the "60 calendar days" in the third paragraph. BackDROP Administrative Policy Form – Ms. Botts asked if this information should be part of the policy instead of a form. Mr. McCullion stated these are procedures. The name of the form will be revised to have "Policy" changed to "Procedures". Chairman Smith further suggested making the forms uniform by having the term "DROP" replaced with "BackDROP". Verification by Accounting - Ms. McCrimmon noted that the calculations are no longer being verified by financial reporting. "Financial Reporting" will be removed and "will be verified" will be inserted after account balance calculation.

Policy 8 – Objectives - Ms. Botts asked to have "recently" and "new" removed from the first sentence. Mr. McCullion suggested striking the first sentence completely and inserting "consistent with the requirements of State law" after HIPAA Compliant Medical Release.

Forms - Retiree's Medical Release form has been replaced and will be removed from the list of forms. Concern was raised about verifying the form is the most up to date. Mr. Klausner stated that his firm will be reviewing all forms by September 30th of each year and will advise if any changes are necessary. Method of Operation - Mr. McCullion asked to have the policy amended to include "The Executive Director will direct the Board Attorney to review the HIPAA form on an annual basis for accuracy."

Policy 9 – There were several questions regarding Qualified Domestic Relations Orders (QDROs). Mr. Klausner will send a copy of a model order for QDROs to Ms. Laudeman (Mr. McCullion left the meeting at 10:56 AM.) Ms. Botts asked for Policy 9 to be reviewed at the September meeting. Chairman Smith expanded upon this and suggested looking at policies 6 through 10 again at the next meeting.

Policy 10 –Method of Operation - Ms. Botts asked if there should be a specific amount of time stated for repayment. After some discussion, it was decided to not state a specific time frame. Objective – Line 4 - Mr. Klausner asked if there is a policy that dictates what the simple interest rate is. Ms. Laudeman will look at the Plan documents and report her findings at the next meeting. Method of Operation - Ms. Hetz suggested adding "prior to expiration of the six (6) months" to the end of the last sentence.

5. **NEW BUSINESS**

There was none.

6. **ADJOURNMENT**

A MOTION TO ADJOURN was made by Mr. Vicente and seconded by Mr. Fleury. The meeting adjourned at 11:03 AM.

Respectfully submitted,

Michele Keane

Michele Keane
Pension Coordinator