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MINUTES
RETIREMENT BOARD MEETING
Friday, May 16,1997

I. CALL TO ORDER

The meeting of the Retirement Board of Trustees was called to order by Chairman Harvey at 9:07 A.M. on Friday, May 16, 1997 in the Town Hall Council Chambers. Attending were: Chairman Robert Harvey, Trustees George Frick, John DeIorio, Karen Lane, Charlie Boggs, Town Manager Robert J. Doney, and Council President Lesly Smith. Also in attendance were Personnel Director William C. Crouse, Personnel Analyst Carla S. Kneipp, Finance Director James H. Demming, and Attorney John McCracken. Vice-Chairman James McCartney Wearn was absent due to a previous engagement.

II. APPROVAL OF AGENDA

Mr. Harvey asked for any additions or deletions to the Agenda. He explained that as Mr. Wearn had informed him that he would like to be involved in the discussion of the revised Statement of Investment Policy, Mr. Harvey recommended to continue item VIII from this meeting to the August 15, 1997 meeting. It was so moved by Capt. DeIorio and seconded by Mr. Frick. All voting aye, the motion carried.

III. APPROVAL OF MINUTES OF REGULAR MEETING OF FEBRUARY 21, 1997

Mr. Frick moved to accept the minutes for the Regular Meeting of February 21, 1997. Mr. Boggs seconded the motion. Mr. Harvey asked for changes and/or corrections to the minutes.

Mr. Crouse noted that there was a typographical error on page 14, third paragraph, concerning the proposed employee retirement eligibility of age 55. He explained that the amount of .74% should be .72%. Mr. Boggs noted that in the same paragraph the total cost of the payroll should be 1.435% instead of 1.47%.

As there were no other corrections, Mr. Harvey took the vote and the minutes were accepted as changed.

IV. ANNUAL ACTUARIAL VALUATION

Mr. Harvey introduced Ken Alberts of Gabriel, Roeder, Smith & Company, who was substituting for Denise Jones for this meeting. Mr. Alberts presented the results of the 50th Annual Actuarial Valuation. Mr. Alberts explained that the Town's plan was financed by three sources of income: member contributions, employer contributions, and investment income. He

explained that the employer contributions were made up from Town contributions from tax levees. He further explained that this pre-funding mechanism allowed the Town to stabilize its contribution at a level contribution over generations of tax payers and at a level as per cent of payroll, which would ultimately be less than the benefits coming out of the system. He explained that the Town was getting very close to that point. Mr. Alberts explained that the benefit payments at this time were just in excess of three million dollars, and the income from employer and member contributions was around the four million dollar mark. Mr. Alberts stated that the Town was reaching the point where there would be no need for concern for when the benefit payments started to exceed the contributions coming into the system. He explained that the Town would not have to increase contributions when this happened because of the prefunding mechanisms that had been put into place for the last fifty years.

Mr. Alberts pointed out that the system was very well funded, as shown by the funding progress indicator. He explained that this year the funded percent stood at 102% as compared with 97% last year. Mr. Alberts gave the reasons for this adjustment by discussing turnovers, retirements, and terminations and how they affected the fund. He went on to say that the gains overcame the losses, with the gain being $3.7 million, which was a bit less than last year's gain, but was continuing with the trend set up for the last ten to fifteen years. Mr. Alberts explained that employer contributions were a bit less than last year, but some portions were unchanged as they were fixed by the plan. Mr. Alberts explained that dollar amounts for payoffs for retirements would vary, but the percentage of the payroll would level off eventually.

Mr. Alberts continued with discussion of the recommendations for reserve transfers required by state statute from the employer reserve fund to the retirement reserve fund for each of the divisions. He explained that for the General members, the recommended transfer was $2.6 million; for Police $911, 000; for Fire/Rescue $3 million; and for Lifeguards $57, 000. He stated that these transfers were done in the normal course of the modeling that was done to restore the balance between the actuarial value of assets in the entire reserve fund and the liability associated with the retired lives. He explained that it was assumed the transfers would be made on September 30, 1996. Mr. Alberts then explained that there were some adjustments to the required contribution rate, which were mostly credits resulting from the Florida Statute 112.64, Section 5, that required the financing to be over payroll growth, assuming the payroll growth would exceed what it had historically over the last ten years.

Mr. Alberts then reported on contribution rates. He stated that for the employee group

General, the normal costs equaled 18.28%; for Police, the normal costs equaled 34.04%; for Fire/Rescue, 33.51%; and for Lifeguards, 26.52%. Mr. Alberts defined "normal cost" as a component of the contribution associated with the costs of benefits accrued during the course of the year.

Mr. Alberts asked if anyone was able to give him the dollar amount that the Town was trying to get to. Mr. Doney answered that a precise dollar amount was difficult to determine but the percentage of the payroll should be at least 100%. Mr. Alberts agreed and explained that the target amount for the current group of employees, retirees, and beneficiaries was $110 million. He explained that this did not account for those hired in the future. He stated that it had been determined that if there was $110 million in pocket at present, that there would be enough money for the benefits that have already accrued and the benefits that were expected to accrue in the future for the current group of employees. He explained that part of the $110 million had already been accrued, the accrued liability, and part of it would be accrued in the future. Mr. Alberts stated that the future liability would be taken care of by future contributions because of the way the plan was set up. Ms. Lane asked what was the time line for the future. Mr. Alberts replied that it differed by group, as the model was for each individual person throughout their career, so each career and each group would be different. He explained that the average percent was 25%. He explained that it was difficult to predict changes. Mr. Alberts explained that a person who comes into the system in the future would have no contribution for accrued liability, just for normal costs. Mr. Alberts discussed a theoretical scenario to help clarify the future normal costs, the assets, and the accrued liability.

Mr. Doney asked that if the Town's assets were $80 million and the Town were to give back $110 million, would the Town have enough to make up the $30 million difference over a period of time? Mr. Alberts responded that was almost correct. He explained that the $110 million were the present value benefits, which was the total. He explained that the $110 million must be broken into accrued liabilities, which was almost $42 million for active members and just under $40 million for retired members, and the $30 million was set up to be accrued in the future. Mr. Boggs stated that it was like a mortgage, and Mr. Alberts agreed. Mr. Alberts stated that all of these figures demonstrated why the contributions were going down, and explained that contributions were going down each year because accrued liability did not grow as fast as anticipated. Mr. Alberts then explained that the total contribution requirement ranged from 19% for General employees to a high of 40% for Fire/Rescue employees, with some additional adjustments for "full funding credit", which was defined as assets that are in excess of accrued liabilities, or, money in the plan ahead of schedule.

Mr. Alberts then reviewed the Town's revenues and expenditures. He explained that contributions for this year were $4.2 million, while expenditures were $3.4 million. He explained that the Town was only $800,000 away from the cross-over point. He stated that the normal cost was always the long term cost of the plan.

Mr. Albert then opened the floor to questions. Capt. DeIorio asked a question about Page B-1, Public Safety Pension Amount, Letter "b", concerning the language. Mr. Albert answered that this was a typographical error, and that it should read "after 9/30/92 and prior to 10/1/95", instead of prior to 1992. Mr. Crouse asked what percentage would be used when someone came into the system, and whether time could be “made up”. Mr. Alberts answered that based on the wording, time could not be made up, and the person must stay at the percentage that was in effect at the time he entered the system. Mr. Doney said that it was put in this way by design and implemented prospectively. Mr. Crouse agreed that this was the intention of the Board when it was put in. Mr. Albert offered to give a written confirmation concerning the ordinance after he had time to peruse it. Mr. Crouse requested that he do so.

Mr. Harvey asked if there were any other questions. There were not. Mr. Harvey thanked Mr. Alberts for the fine presentation. Capt. DeIorio moved to accept the Actuarial Valuation Report. Mr. Frick seconded the motion. As no further discussion was indicated, the vote was taken, and the motion passed.

V. APPROVAL OF ACTUARY’S FEE FOR 1998

Mr. Crouse reported that the estimated fee for 1998 from Gabriel, Roeder, Smith & Company would be $10,720 ($2680 per quarter), which was an increase of $480.00 from the 1997 fee, or a 4.7% increase. Mr. Boggs moved to accept the fee. Capt. DeIorio seconded the motion. There was no more discussion regarding the motion. The motion passed.

VI. REPORT ON PROPOSED CHANGES TO THE RETIREMENT PLAN

A. Increased Non-Duty Disability Pension Amount from 25% to 30%

Mr. Alberts reported on the request to increase the minimum disability pension amount from 25% to 30%, explaining that there were not very many people who hit the present 25% minimum, and there would not be very many people who would hit the new minimum. He explained that the Town’s experience with disability claims was limited and the benefit amount was low. Mr. Alberts stated that the cost for this benefit was de minimis.

Mr. Frick stated that he would like to see this benefit approved and put in place, as the costs were de minimis, and it would provide security for those individuals who were affected. Mr. Crouse stated that with the approval of the 3% accrual, the increase to the duty disability pension to 30% was automatic because under non-duty disability, ten years of service was required, which translated to a 30% disability pension. Capt. DeIorio stated that he had brought this to the Board because of the semantics. Mr. Crouse explained that this increase was for Public Safety members only.

Mr. Frick moved that the recommendation to increase the non-duty disability pension for Public Safety members from 25% to 30% be approved and forwarded to the proper committee of the Town Council for their consideration. Capt. DeIorio seconded the motion, and all voting aye, the motion carried.

B. General Employees’ Retirement Eligibility at Age 55 with 10 or More Years of Credited Service

Charlie Boggs, General Employee Representative, reported that a vote of the General Employees was conducted on the issue to reduce the minimum retirement age to age 55. He explained that the employees voted on whether or not they were willing to pay an additional .72%, which was roughly half the cost of the improvement, if the Town was willing to pay for the other half. Mr. Boggs reported that the vote was 128 people in favor of this, with 58 voting no, which was 69% versus 31%. Mr. Boggs stated that a large majority voted to approve this amendment. He explained that the General Employees were now asking that the Retirement Board recommend that the Finance and Taxation Committee consider this request.

Karen Lane, General Employee Representative, explained that there were many General Employees who were very interested in seeing this go through. She stated that she and Mr. Boggs were asking that the Retirement Board submit this request to the Finance and Taxation Committee. Mr. Doney explained that the Finance and Taxation Committee was meeting on May 29th and 30th, and at this time, the appropriate item for consideration was whether or not the Retirement Board recommended the proposal as advanced by the General Employee Group. He stated that because this would result in an additional cost to the Town, the Board needed to determine the reasonableness of this motion, and to advance it to the Finance and Taxation Committee. Mr. Doney stated that this would subsequently be advanced to the Town Council because the change would have to be funded. He further stated that there would have to be an Ordinance amendment to implement the change. Mr. Doney asked Mr. Crouse if there was anything else that should be considered regarding this change. Mr. Crouse suggested discussing how this request would be presented to the Finance and Taxation Committee.

Mr. Boggs moved approval of the Retirement Board recommending to the Finance and Taxation Committee that the minimum retirement age for General Employees be reduced to age 55; that the Ordinance be amended to reflect this change; that the employee portion of .72% be assumed by the General Employees; and that the Town pay the other approximately .72% cost of the benefit. Ms. Lane seconded the motion. Mr. Harvey asked if there was any discussion.

Mr. Doney asked that the motion be clarified in actual dollars for the record. He further asked that, as this was being advanced to the Finance and Taxation Committee meeting, Ms. Kneipp prepare excerpts of this meeting in the event there were questions. He further suggested that it may be necessary to have the two General Employee Representatives present at the Finance and Taxation Committee meeting.

Mr. Boggs explained that the dollar amount for the change was estimated in the Actuarial Report dated June 10, 1996, and the total cost was estimated at $97,355. He explained that the employees would pay approximately $48,000 of the cost, and the Town would pay approximately $48,000 of the cost. He explained that this change would reduce the minimum retirement age to 55 for the General Employee Group as opposed to age 60. Mr. Doney asked what time period this cost applied to, asking if this was an annual cost. Mr. Boggs indicated that this was an annual cost.

Mr. Alberts explained that this was the first year's annual cost because the cost was determined as a percent of payroll. He further explained that the payroll was expected to go up, so in terms of cost, that was the constant dollar of the cost, and that it was expected to increase in real dollars for inflation.

Mrs. Smith asked to discuss the memorandum from the Public Works employee who was objecting to this change. Mr. Boggs stated that he had spoken to Ms. Kelsey on several occasions, and she had expressed her dissatisfaction with even voting on this because she had been under 25 when she was hired, so this plan would not help her; however, all the General Employees would have to contribute the same amount, and Ms. Kelsey understood that a majority would rule. Mr. Boggs explained that even after the vote she was still upset, and apparently as a result of this, she wrote her memorandum. Mrs. Smith asked if there were other employees who were also upset, stating that she was wondering whether or not a challenge might be presented regarding this. Mr. Boggs replied that there were a few employees who had been upset. Ms. Lane explained that out of the 58 employees who voted no, there was a minuscule number of those who were disgruntled and supported Ms. Kelsey's letter. Mr. Doney explained that certain employees would not benefit by the change, and therefore, they saw no benefit in voting for it. Mr. Boggs agreed, and explained that in the presentations to the employees, he and Ms. Lane had emphasized that if this did not help individuals, they should not vote for it because it would cost them if it was approved. Mr. Boggs stated that he and Ms. Lane had been very up front regarding this, and even though some people were not helped by the plan change, they still voted for it because it helped their friends, or they were looking at the long term, and it was an improved benefit for the General Employees, and they still voted for it even though it cost them some money and it would not help them. Mrs. Smith stated that she felt these were important points to bring up before the Finance and Taxation Committee as to why the vote went the way it did. Mr. Doney stated that it was also important to understand that there were instances where no benefit would be received because of the particular circumstances of certain individuals. Mr. Doney asked Mr. Boggs to clarify under what circumstances an individual would not benefit by the proposed change. Mr. Boggs explained that if individuals were under age 25 when hired, they would have 30 years of service by the time they reached age 55, so this change would not help them. He explained that if individuals were over 50 years of age when hired, by the time they had ten years of service, they would be age 60, so this change would not help them. Mrs. Smith stated that if all of this could be put into a memorandum, it would clarify to the Finance and Taxation Committee the objections to the change. Mr. Boggs indicated that he would do this.

Mr. Alberts then explained that employees who quit before reaching minimum retirement qualifications may actually experience a benefit to this change, because they would be contributing at a higher rate. He stated that these increased contributions were tax deferred, so these individuals would tax defer more money, and that money would earn more investment return, which was also tax deferred. Mr. Alberts stated that those who would not benefit from this change were those employees who were hired under the conditions previously stated by Mr. Boggs, and who stayed and actually retired at the indicated ages.

Mr. Harvey asked how many of the current population of General Employees had been hired at age 25 or earlier. Mr. Boggs explained that prior to the vote, he had prepared a list of employees to be posted on the bulletin boards. He stated that this list indicated those people this change could benefit and those people who would not be helped by this change. Ms. Lane explained the number of people this change would benefit was 164, and that two of these individuals had retired, so it brought it down to 162. Mr. Boggs explained that the numbers were close to the results of the vote. He further stated that there had been people who would not be helped by the change who had voted in favor of it, and there had been people that it would help who voted against it. Ms. Lane stated that when the proposed change had been presented to the employees, it had been done with integrity, and it had been emphasized that if this change did not benefit someone, they should not vote for it. Ms. Lane explained that it had been made very clear that this was an individual decision, because everyone's situation varies individually, and that it would impact each and every individual differently. Mr. Doney stated that the bottom line of all of this was that the majority of the vote was the determination of what would be advanced, similar to any other change that had ever been advanced. Mr. Boggs stated that this was a fairly strong majority, with 69% voting for it. Ms. Lane stated that there was a wide margin. Mr. Doney stated that he had heard from several other individuals who, because of their age circumstances and their hire dates, would not benefit from this change and saw no reason to vote for it and didn't. Mr. Boggs stated that some of these individuals did vote for it. Mr. Doney stated that people realized that in the democratic process, this would be the outcome. Mr. Doney further stated that he had spoken with Ms. Kelsey, and she understood that the majority process was how the system was run. Mr. Doney stated that Mrs. Smith's point was well-taken, and if Mr. Boggs could detail all the particulars in a memorandum, this would greatly assist the Finance and Taxation Committee and the Mayor and Town Council. Mr. Boggs indicated that he and Ms. Lane would prepare this information.

There being no further discussion, all voted aye, and the motion carried.

VII. REPORT ON PROPOSED DROP PLAN

A. Increased accrual rate (continued from 2/21/97 meeting pending development of a DROP Plan)

Capt. DeIorio gave the background on the research of establishing a DROP Plan, the major goal of which was to be a "cost neutral" plan. He felt that they had accomplished that but that it still needed to be looked at by the attorney and be given to the Board for approval. Mr. Doney asked for the plan to be explained with particulars. Capt. DeIorio deferred to Mr. Crouse. Mr. Crouse explained that the Drop Plan had been in the market place for some time, and it permitted the employees to retire from the retirement system when they reached retirement age, but to continue employment. He explained that this particular plan was the most common as it was limited to five years. He explained that some differences in the Town's proposed plan were re-employment and some modifications to the benefit plan, primarily in the area of leaves. Mr. Crouse explained that the other issue had to do with employment-at-will, which affected Public Safety employees as there were State provisions that could prohibit this. Mr. Crouse stated that the proposed DROP plan would be at no cost to the Retirement System. He further stated that there was also a question regarding the cost the employees would have to pay for administration of the plan. Mr. Boggs asked if it would be pro rata share. Mr. Alberts explained that it would be based on the value of the assets in the fund. Mr. Alberts went on to say that there had not been a formal study on the DROP Plan, but they would go through a formal analysis to determine if the plan was in effect cost neutral. Mr. Doney asked if adoption procedures didn't automatically require actuarial impact statements. Mr. Boggs answered that the State does require it. Mr. Doney then said that the matter should be directed to Gabriel, Roeder, Smith & Company and then reported back to the Board before being subsequently advanced.

Mr. Frick stated that Police employees questioned the employment-at-will clause and felt that it was important to get their feelings on record, and proceeded to read from a prepared statement regarding their concerns about this clause, which included seniority issues, the possibility of the retirement policy setting up terms of termination, and the Retirement Board's liability Mr. Frick stated that this particular clause was not in the other plans that had been studied, and that the Police Department would not use this option as it stood. Mr. Frick ended by asking the Board to drop the employment-at-will clause from the DROP Plan.

Ms. Lane asked Mr. Frick if the other DROP plans did not have that "at will clause". Mr. Frick stated that they did not. He went on to say that the proposed plan stated that the employee was a rehired retiree, but the other plans say the employee is still an employee but no longer in the retirement plan.

Mrs. Smith asked where the paragraph came from if it was not in other plans. Mr. Crouse answered that under the current policy of re-employment of retirees, the contract is a contract of employment "at will", and that a two week notice was all that was needed for an employee to leave. He explained that this was not set up as a means to terminate employees, but as an assurance of performance satisfaction. Mrs. Smith asked whether the present retirees who were working for the Town were covered by the Pension Benefits Plan. After discussion, it was clarified that those retirees were on a contract basis, which was different in that they received a salary and also their pension. Mr. Crouse clarified that under the DROP, the pension monies would be put into a tax-deferred savings account that would earn interest and be held for the employee until the employee terminated the DROP. He explained that at that time, they would start collecting their retirement and the monies being held in the DROP account.

Mr. Boggs asked if under the DROP Plan, the employees would sign a contract. Mr. Crouse indicated that there would be some form of contract that would change the status which would then be contracted employment, not a continuation of employment. Mr. Frick pointed out that this was making an option for policy for a contract on an individual basis. Mr. Doney questioned whether this was not actually an administrative procedure that required an amendment to the Ordinance. Mr. Doney stated that he wanted to discuss the proposed DROP Policy with the Department Heads at staff meeting to ascertain that they all understand it.

Mr. Harvey stated that there was an issue on the table, and there was a need for further understanding and clarification on this issue. Mr. Harvey asked permission to set this issue aside and go back to the DROP Plan. He asked if in general, DROP plans were beneficial. Mr. Boggs answered that the benefit to the employees was good as they would continue to draw their salary while their retirement check went directly to the retirement fund completely tax exempt, which greatly exceeded anything that was available now. Mr. Harvey stated that the issue was no longer the DROP Plan per se, but the language. Mr. Harvey wondered if that was something this Board should deal with, as it was tied up on personnel policies. Mr. Harvey went on to say that it would not be resolved at this meeting, but the next step, which was how to resolve this issue, needed to be put in motion. He entertained thoughts concerning resolving this issue. Mr. Doney asked for some practical examples of how this might work. Capt. DeIorio said that in each department, the individual would first reach normal retirement conditions, which differed from department to department. He went on to say that the employees overall were very happy with the DROP Plan option, although there were concerns over the legality and liability of the "at will" clause, but the DROP was an option, not a mandate, and they did not have to use it. He stated that the advantage of the DROP Plan was the financial advantage. After general discussion, with some clarification from Mr. Alberts concerning the plan and the different groups targeted by the plan, it was decided that all the issues were on the table, that there were two distinct markets being targeted, and that the Retirement Board should implement a financial package, not determine a policy issue that belonged to Personnel. Mr. Harvey asked where this issue should be sent to determine what the policy should be so the plan could be brought back to the Retirement Board.

Mr. Doney felt that this was a Retirement Board issue in the context that the Retirement Board had always acted on any issue that was going to result in a change to the Ordinance, and that the Mayor and Town Council looked to this Board to give the pros and cons of any proposed change and recommendations as to the advisability of said change. More discussion ensued involving the policy, how this policy would affect the actuarial cost of the Plan, who would give guidance as to evaluation of this policy, and who should determine the policy. Mr. Harvey stated that he wished to present the DROP Plan as a complete package to the Town Council after all the studies and recommendations had been completed, and the Retirement Board had an opportunity to evaluate the whole plan at a future meeting.

After further discussion, Capt. DeIorio presented a three-part motion: first, that the Board set a dollar amount under $2,500 for the actuarial impact study for the DROP Plan with and without the "at will" clause; second, that the Plan in its present form be sent to the attorney for a written opinion on any legalities; and third, that the Town Manager advance the Plan to staff for review and recommendations. Mr. Doney seconded the motion with the change that Mr. McCracken's review be the first step, rather than the second, as a review of the legality might affect the cost impact of the study. Capt. DeIorio amended the motion in said manner.

Discussion ensued concerning the reason why the "at will" clause was included, with said discussion including diminishing work productivity and quality, and the mandatory retirement age set by law at age 55 for law enforcement and the possibility of "age discrimination" being advanced if fired before that age with the "at will" clause.

There being no further discussion, the vote was called, and the motion as amended was passed.

Capt. DeIorio then reported on the increased accrual rate, and discussed the multiplier rate and the need for a consistent multiplier rate throughout employees' careers. There was some discussion concerning how to go about achieving a consistent multiplier rate, the impact this would have on the DROP Plan, the impact of the limitations set up by IRS Code, Section 415 with its mandated 415 testing, and the incurred administrative expenses. Mr. Alberts tried to clarify some of the concerns by discussing the differences between the different targeted groups and said that some things to keep in mind were, one, the benefits to the employees and their utilization of the Plan; two, the cost to the employer; and, three, the incentive given to the employee to remain with the Town. Mr. Alberts went on to state that the most common maximum is 80% with a range from 70% to 90% but, even with the maximum multiplier rate of 80%, there could be problems with the limitations set by Social Security and IRS Code, Section 415 when the employee retires. Mr. Doney stated that two or three years previously, the Board made the decision that in cases where the IRS limitations might come into play, the tests would be applied, and if the test were positive, the results would be sent to Gabriel, Roeder, Smith & Company

Capt. DeIorio moved that, in addition to the actuarial study being done in reference to the DROP Plan, a study be done regarding the effect a 3% multiplier after 25 years of service for Public Safety Employees would have on the DROP Plan, and that the study include recommendations for an alternative maximum multiplier rate. Mr. Frick seconded the motion. The motion passed unanimously.

VIII. APPROVAL OF REVISED STATEMENT OF INVESTMENT POLICY

Mr. Harvey reminded the Board that Item VIII would be on the agenda for the next meeting.

IX. REPORT ON QUARTERLY EXPENDITURES BY JAMES DEMMING, FINANCE DIRECTOR

Mr. Demming reviewed the Town of Palm Beach Employees' Retirement System Benefit Payment Account Projection for the period from May, 1997 to July, 1997. He stated that at the end of quarter, there would be about $30,000 left over in the account, which was usually recommended to be transferred. Mr. Demming recommended that the funds not be transferred. Mr. Demming then asked for any suggestions for a different format that might be useful for the Board. Mr. Demming ascertained that the Board's quarterly reports were set up to go along with the scheduled meetings of the Retirement Board. Mr. Demming noted that this was a report on just the cash flow and asked if the Board wished a report on general expenses. There was general agreement that a more detailed report would be most helpful, and Mr. Demming was directed to look into the different formats and entertain any that would seem to be helpful. Mr. Harvey asked for a motion to not transfer any funds, as that was Mr. Demming's recommendation.

Capt. DeIorio moved that zero funds be transferred, as recommended by Mr. Demming. Mr. Doney seconded the motion. All were in favor, and the motion passed.

X. REPORT ON 18TH ANNUAL POLICE OFFICERS' AND FIREFIGHTERS' PENSION TRUSTEES SCHOOL BY JOHN DEIORIO

Capt. DeIorio reported on the conference he had attended and stated that it had been excellent. He explained that at that time, the legislature had been in session, and there had been much talk regarding a rewrite of Chapters 175 and 185, which was an attempt to work out problems with the Fire Pension and the Police Pension and whether the local law plans actually had the authority to override the State Chapter plans. He explained that also discussed were performance monitoring, insurance concerns, and disability and retirement concerns. In response to Mrs. Smith's question, Capt. DeIorio stated that the Town's plan, with its changes, was better across the board than the other plans he studied, although it was hard to compare the different plans and their many components. Capt. DeIorio stated that he found many plans whose multipliers are going higher initially and then stopping earlier. He explained that the multipliers were 4%, but they stopped after 15 years. Capt. DeIorio thanked the Board for the opportunity to attend the trustees school.

XI. ANY OTHER MATTERS

There were no other matters.

XII. ADJOURNMENT

Mr. Harvey asked for a motion for adjournment. Mr. Frick so moved, and Capt. DeIorio seconded. All voted aye, and the meeting was adjourned at 11:25 AM.

Approved:________________________

FUTURE RETIREMENT BOARD MEETINGS:
November 21, 1997
February 20, 1998
May 15, 1998

John DeIorio, Secretary