

MINUTES
RETIREMENT ADMINISTRATION COMMITTEE
THURSDAY, SEPTEMBER 21, 1989 -- 10:00 A.M.
COMMISSIONER'S COMMITTEE ROOM

Present: Bill Bacon, Commissioners Lockwood and Dusseau, Sheriff Germond and Jack Welsh

Also Present: Marilyn Whitman; Sandra Rodwan and Laurie Quinn of Gabriel, Roder, Smith and Co.; Dick Langley, Steve Oman and Ham Wilson of Massachusetts Mutual; and Roger Myers

I. Approval of Minutes of August 19, 1988 Meeting

Motion by Dusseau, supported by Lockwood to approve the minutes of the August 19, 1988 meeting. Motion carried.

II. Review of 1988 Actuarial Report

Sandra Rodwan and Laurie Quinn of Gabriel, Roeder, Smith and Company reviewed the actuarial report covering 1988 and containing the retirement plan's current valuation and the plan valuation projections. At present, the plan is 99.5% funded. Weighted average cost as a percent of payroll is 4.48%. Currently, the amount contributed to the plan and earned by the investments is greater than the payout to retirees. That trend will diminish in the future as our retirement liability increases.

III. Review 1988 Financial Report

Ham Wilson of Massachusetts Mutual reviewed the financial report current as of December 31, 1988. The two separate portfolios were reviewed with the General Investment account showing \$4.8 million and the Special Investment account (stocks) showing a \$1.6 million balance. With the holding account of 363 thousand, the total amount in the retirement plan at of the end of December, 1988 is \$6.8 million. Generally our investment performed well with a combined weighted earning of 11.7%. Updated to September, 1989, the current total of the combined funds is \$7,569,000.

Discussion was held regarding the designation of this year's contribution of \$435,749 to the fund. The limit set by this committee for investing in the Special Investment fund is 20% of total assets. Our current ratio has reached 32%, exceeding the limit largely because of the relatively high earnings experienced by this fund.

Moved by Lockwood, supported by Dusseau to allocate 20% of the \$435,749 retirement contribution to the Special Investment account and 80% to the General Investment account with the provision that the Special Investment account allocation will be deposited in a holding account to be transferred to the Special Investment account in six (6) equal monthly payments, and to increase the stipulated limit of the Special Investment fund from 20% to 35% of total retirement fund assets. Motion carried.

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IV. Review Status of Qualified Plan Under Internal Revenue Code

Our request of the I.R.S. to approve our retirement plan as "qualified" has been granted. Becoming qualified allows the County to "pick-up" the F.O.P. members' retirement contribution which will make the employee's portion a pre-tax contribution.

Moved by Lockwood, supported by Dusseau to request Sandra Rodwan of Gabriel, Roeder, Smith and Co., to draft the necessary "pick-up" language for submission to the I.R.S. and to survey the F.O.P. membership to see if there is interest on the part of the membership. Motion carried.

V. Other Business

Roger Myers addressed the committee concerning his participation in the retirement plan and the status of his relationship with the County and with the CMH Board. As he is an employee of the CMH board, Myers is considering other options other than the County's retirement plan for a retirement investment, including a contribution to a separate annuity equivalent to the amount currently attributed to him as the County's retirement investment. Considerable discussion was held concerning Roger Myer's employment status and whether he should be excluded from the retirement plan due to that employment relationship.

Moved by Lockwood, supported by Germond to refer Roger Myer's request to Nate Fairchild for an opinion. Motion carried.

VI. Adjournment

Moved by Dusseau, supported by Lockwood to adjourn. The meeting was adjourned at 11:53 A.M.

MW/tjm