

GENERAL EMPLOYEES' PENSION PLAN
BOARD OF TRUSTEES
CALLED MEETING
August 12, 2009

Board Members Present:

Ray Dielman, Citizen
Jim Freeman, City Clerk
Gracie Johnson, Employee Representative
Ellen Leonard, Citizen
Jim Terry, Citizen
Allen Tusing, Citizen

Staff and Others Present:

Scott Christiansen, Christiansen and Dehner
Diane Ponder, Deputy Clerk-Administration

Vice Chair Jim Freeman called the meeting to order at 4:12 p.m.

1. DISCUSSION: MANAGEMENT OF THE PLAN'S PORTFOLIO

James Terry discussed his concern with the management of the Plan, citing his belief the manager is not making any advisable choices concerning the individual managers and the investments being chosen. He opined neither the manager nor the Trustees are doing anything "wrong", but he felt the lack of communication between the manager and the Trustees of the Board is leaving the Plan and Trustees vulnerable. He opined the Board should do more management of the Plan, or it should be actively managed by a firm that is closer in proximity to the City, which would provide easier access to the Trustees and employees. Several members did not agree with the Trustees being actively involved in the management of the Plan.

Attorney Christiansen corrected the term manager vs. consultant, stating Citi Group is the consultant of the Plan, who helps select the investment managers. The managers are approved by the Board, and must adhere to the Plan's Investment Policy. The consultant reviews the performance of the managers with the Board, making recommendations when he feels action concerning any particular manager should be taken. He confirmed that Citi Group is a wrap type of investment management, selecting managers that are a part of its group.

The Board discussed Mr. Terry's suggestion that he feels it is time to do an RFP for consulting services. Mr. Freeman confirmed that the City is trying to provide preference to local businesses, provided that they can provide the same level of service. Discussion also ensued on requesting Mr. Mulfinger to benchmark his firm's performance against similar sized municipal plans, comparing investment fees and the return over the last year.

Referencing comments concerning the lack of communication, Mr. Freeman will work to implement the online service provided by Citi Group so the Trustees may access to review current information on the Plan.

MOTION: Mr. Terry moved, Mr. Dielman seconded to investigate a new consultant, which would be issuing a request for proposal (RFP).

Discussion: The Trustees decided that gathering comparative data for the August 31, 2009 meeting should be done before approving the issuance of an RFP. **Mr. Terry withdrew his motion and Mr. Dielman withdrew his second.**

MOTION: Mr. Terry moved, Mr. Dielman seconded and motion carried 5-0 to acquire comparative data for the August 31, 2009 meeting on like-size plans, and then make the decision on whether or not to issue an RFP.

The Board concurred that if the data is not gathered in a timely manner, a called meeting will be appropriate.

The August 31, 2009 agenda will contain an item to elect a secretary, as the position has been vacated with Tanya Lukowiak's terminated employment. The position will remain vacant until the November general election. The agenda will also contain an item to revisit the decision concerning the investment of cash contributions.

Mr. Mulfinger will be alerted that the Board is gathering benchmarking data for Plans of similar size, as part of an evaluation of the Plan's total investment practices.

MOTION: Mr. Tusing moved, Ms. Johnson seconded and motion carried 5-0 to adjourn the meeting at 5:30 pm.



James R. Freeman
City Clerk