

PENSION INVESTMENT COMMITTEE

MINUTES

August 22, 2014

2:00PM

Participants: City Manager, City Treasurer, Director Community Services, Police Chief, Police Captain, City Clerk, Councilman Sowell

The purpose of today's meeting was to determine if the City should terminate the relationship with Principal in its entirety by authorizing the transfer of all funds, including those held within the Guaranteed Interest Fund Account. By design, funds placed into this account mature after 5 years. The early withdrawal fee to terminate the relationship with Principal is \$16,234.00. These funds would be deducted from each employee account before liquidation by Principal. The attached spreadsheet outlines the individual deduction amounts.

It was noted that the Guaranteed Interest Fund Account represents the 5% city funded contribution toward each employee's individual account.

After a long discussion it was revealed that the employees electing to purchase their past service would need additional funds and as such these monies would be necessary to accommodate that purchase.

The committee members voted unanimously to transfer the funds from Principal to July Business Services as soon as possible with a communications being prepared by the Trustee to each employee describing the decision and why it was necessary while outlining all the reasons for the city's disapproval of the services provided by Principal for well over 15 years in duration.

The City Manager will ask its pension legal council to construct a document which gives the Pension Investment Committee its authority to make administrative decisions in the implementation of the Defined Pension Plan together with a set of by-laws.

The meeting ended at 3:30P.