MINUTES
PENSION TRUST COMMISSION
SECOND FLOOR CONFERENCE ROOM
NEW CITY HALL
FEBRUARY 8, 2018 – 9:00 A.M.

Bart Hadley called the meeting to order at 9:00 a.m. in the New City Hall Second Floor Conference Room. Notice of meeting and agenda was posted on the City Hall notice board as required by law.

ROLL CALL
PRESENT: Bayones, Teri; Dentler, Carl; Ellwanger, Paul; Hadley, Bart; Kindt, Bill; Livingston, Steve.
ABSENT: Hill, Andy.
ALSO PRESENT: Denise Ezell, City Clerk's Office; J.I. Johnson, Finance Director; Perry Warren and Chad Rother, Morgan Stanley.

II. Introduction of Visitors

Hadley stated before we begin let's introduce ourselves. I'm Bart Hadley, Assistant City Manager and Chairman of the Board.

Warren Wick, Director of Human Resources.

Teri Bayones, Board Member.

Carl Dentler, Board Member.

Tim Wilson, City Attorney's Office

Chad Rother, Morgan Stanley

Perry Warren, Morgan Stanley

Bill Kindt, Board Member. I would like to let everyone know that today will be my last meeting. I have served on the board since June 11, 1996 and have truly enjoyed my time.

Hadley stated I appreciate the long service. You have been very committed to a very important board.

Paul Ellwanger, Board Member.

Steve Livingston, Board Member.

Dan Bledsoe, Finley & Cook.

Denise Ezell, City Clerk's Office

JI Johnson, Financial Services Director.

Hadley stated Wick is the new Human Resources Director. He comes from LaCrosse, Wisconsin with a great deal of HR experience. We are very fortunate to have him join the community.

III. New Business

A. Receive quarterly financial report from Morgan Stanley and take action if necessary – Perry Warren, Morgan Stanley.

Warren stated good morning. We would like to thank the Board for allowing us to be here each quarter to provide an update. Page 4 is the summary of the calendar year return. You see for calendar year 2017 we began the year with $48,743,741.31, net withdrawals of $1,500,000, investment earnings of $7,251,769.60, leaving us with an ending balance of $54,225,510.91 resulting in a 15.22% dollar weighted return. This was our highest return since we were awarded the account in 2007. Page 5 is the investment summary page. In the upper left hand corner under Performance Since Inception you see we started with $34,679,131.46, net withdrawals of $5,694,874.34, investment earnings of $25,241,253.79, leaving us with an ending balance of $54,225.510.91. To the left you see Net Invested Return. For the year we have earned 15.19% time weighted return for the year ending 12/31. You see below we outperformed our benchmark which we created of 12.43%. We earned 7.37% for the last 5 years outpacing our actuarial assumption of 6.75%. Our benchmark was created after the allocation change. The Board approved from 35% equities to 50% with the range from 30 to 70. Since inception we have earned 5.6%. With the meeting being held in February this allowed us to add page 6. This information reflects through last Friday. The last 12 months return was 16.09, last 5 years 7.25 and since inception 5.63. We wanted to give you a peek of the current position since we are a third of the way through the current quarter. As of this morning our 5 year return was 6.94 and we are still positive for 2018. The next page is the Asset Scan. This report drills down into all the holdings of the account. We are currently within the ranges having equity allocation at 68.23%. We have the portfolio positioned for rates to rise and for growth to outperform. This is reflected in the Investment Style section in the 2 style boxes. One is for bonds and the other for equities. We look at the chart on page 12 each quarter so we are always mindful of the volatility of the market. Last year was a low volatility year with only a small decline reflected on the chart where you see the negative 3. You see the median intra year decline at the bottom is negative 10. This is timely since recently we had to pull back from the high of a negative 8 on the S&P 500. Our objective is to achieve the 6.75% over time within our allowed allocation. On page 22 I want to point out a few things that are occurring. When we asked the Board to change the allocation we believed it would not be possible to earn the 6.75% with only 35% in equities. This was primarily because the bond yields had fallen and we expected bond returns to underperform their past results. Please reference the Barclay Aggregate in the chart by the green square. The Barclay Aggregate represents the bond mark. Notice that since 11/15/2007 the return has been 4.11%, last 5 years 2.1% and the last 3 years 2.24%. The returns have been approximately half since inception. As we stated we believe rates will rise. We hope at some point as rates rise to adjust the allocation down. We have currently outperformed the benchmark and actuarial number since our allocation change. The 5 year return is currently above the 6.75%. We believe the current allocation gives us the opportunity to achieve the 6.75% over time. Again we thank the Board for allowing us to provide an update and we will be glad to answer any questions.

Wick stated going back to the last few days. Where are we sitting?

Warren stated on page 6 you see the 5 year number is now 6.94% instead of 7.25%. The year to date number is still positive at .33%. We went up quite a bit in January and gave it back. We are basically about $300,000 or $400,000 more than where we finished in 2017.

Hadley stated all the volatility is going to happen in the long range. You have done a good job of educating us to not worry about those issues. Thank you.

B. Receive Quarterly Employees Refunds Made From Retirement System and Receive Quarterly Statement of Receipts and Disbursement and take action if necessary – Finance.

Johnson stated starting with the balance sheet at the end of December your total assets were $56,225,449.29. Just over a million was in cash and money market. The remainder of the assets was in investments to the tune of $54,000,000 or $55,000,000. Employee refunds that were payable were $307,072.53. The fund equity as of December 31st was $55,918,376.76. On the revenue and expense statement you see how it rolls into the fund equity of $55,918,376.76. Total revenue in the second quarter is $2,858,815.13 with approximately $760,000 being contributions from either the city or the employees. I'm not certain what the $50 in miscellaneous revenue was but the rest is investment income of either realized gain/loss, dividends or unrealized gain/loss. The expenditures of $930,224.99 were either benefits paid out to retirees or refunds to those who have left the plan. The second quarter refund of $88,172.19 with details on the third page. For the quarter we made a net increase of $1,928,590.14 and this brings the year to date to $3,107,949.72. Are there any questions.

Hadley stated this is the city's fiscal year that begins July 1st.

Motion by Ellwanger, **Second** by Kindt, to accept the financial report. **Aye**: Dentler; Ellwanger; Hadley; Kindt; Livingston; Bayones. **Nay**: None. **Motion Passed**.

C. Receive Actuarial Report from Chuck Dean and take action if necessary – Chuck Dean.

Dean stated we have a lot to cover today. First is a 1 page benefit briefing. It shows the new IRS limits that apply to retirement plans of all types. There is information about social security, Medicare Part D and the 7 new tax rates. The second item is to keep track of what is going on with public retirement plans. There is so much going on so we look at various articles to find what we think are the most interesting or significant and give you a summary of each article. It is usually an article, survey, study or a piece published by a university/newspaper.

They vary all over the map in where they came from. Some of the states you will see information on are Oregon, Michigan, California, Puerto Rico, and Maryland. You will find arguments pro and con from advocate type groups. If you want to see the whole article let me know and I can get that for you. Another topic I'll mention is the actual evaluation of the pension plan involves projections and various things. Anything that enters into the long term cost of the plan. One is mortality. The purpose of a pension plan is to pay someone for their life. It is really hard to provide a lifetime income in a defined contribution plan. That means the plan sponsor is taking the mortality risk. If you have 1 person there is definitely a mortality risk. You don't know how long you will live or the financial consequences. If you have a group of people you know much better what the pattern of mortality would be. Mortality changes and in general has improved. The mortality assumption used in our evaluation is a table that was developed starting with the year 2000. It is called RP2000. It is a widely recognized table and includes a scale/system of mortality improvements that are projected along with it. Essentially it says the changes of death of a 70 year old 10 years from now is less than probably death of a 70 year old this year. The idea is this would be a mortality table that wouldn't go out of date. A very good idea and we have used it. Recently the Society of Actuaries came out with a new table they call RP2014 and it was prepared on data based in 2014. It included its own scale of mortality improvement and was much more complicated. This table has been adopted starting the year 2018 by the IRS and ARISA. They have to use it for paying out lump sums and for various purposes. There is a 1 year grace period for certain things. It doesn't have to apply to public plans at all and there are no mandates. When the RP2014 table was built there were quite a few actuaries who had problems with the methodology and data that was used. The biggest problem was they intended to include public retirement mortality. After looking at it they found some things wanting in some of the date and excluded it entirely. It has no mortality experience from public retirement systems. All the public retirement actuaries were unhappy or disappointed about this. We thought it might be too conservative for public retirement systems so they did 2 things. First they adjusted the project scale in 2015, 16, 17 and probably 18 and they walked it back a little bit. It produces smaller liabilities and is tracking real experience.

Hadley asked did you mean it was too conservative from a liability standpoint.

Dean stated yes, from a high liability standpoint for the purpose of an annuity mortality. If you are a life insurance company it is the other direction. From the standpoint of the plan sponsor it was too conservative at the beginning. They have walked it back a little. The society is developing and studying the mortality of public retirement systems. The last we heard sometime in 2019 they will publish results. We won't be using it in 2019. We might be using it in 2020. In the RP2014 table there is an across the board version and a blue collar version. There is also a version that is equality weighted by people and one by benefit.

Hadley asked when you say weighted by people are you talking about the type of person.

Dean stated each person counts 1. You count how many deaths there were at the age of 70, how many people you have in our exposure who were 70 and you divide those by 2. That is your death rate. For pension purposes people with bigger benefits have bigger liabilities and count more.

Hadley stated and I bet tend to live longer because they have more income.

Dean stated yes. Information from the National Center On Disease Control and Prevention shows that mortality improvements have slowed down and actually reversed at certain ages. Life expectancy went down for 2 years and this is a big issue. We don't know for sure why but one reason is opioids. Some doctors have found it is profitable to prescribe pain killers. They are addictive and can be really tough on your body. This has hurt us and needs to be fixed. They say they are going to fix it. I hope they are because this is important. Mortality improvement has been negative from 2010 to 2016 up through age 45 and then it has been positive after that. We wanted to forewarn you on the mortality issue. The bond report is the funding report. There was a time this was the only report anyone needed for a public pension plan. The purpose was to calculate what you should contribute. It also included a measurement of what the funding status of the plan was. With a brand new plan the employer knows it has zero assets and employees cost of 10% of pay the employer is putting in. The funded ratio is zero on a plan that has been around for years. Funded ratio might not look as good on plans that are not paying their full cost. The biggest issue to the actuary is are you paying for the plan. The funded ratio isn't meaningless. Rule of thumb would be you are in good shape if you have about 80% funded ratio. GASB has complicated things by having a uniform way for different plan sponsors to calculate expenses. They want everyone to use the same actuarial cost method. They don't tell you what assumption to use but they do say you have to disclose and describe where you got your discount rate in some detail. If your plan isn't being funded you have to lower the discount rate. One of the GASB requirements is GASB 67 and I think it is a function of the trustees. We have given you a GASB 67 report as well as the funding report. GASB 68 is the pension expense and it primarily has the interest of city management and the finance officer. We hope to go over this report with finance. This report derives the funding requirements for fiscal year 2018. In some sense this is a theoretical number because you haven't been making these contributions. This shows what it takes for a 30 year funding program and measures funding levels at various approaches. You had your investment performance review and it sounded like you had a good year. The year that matters here, since it is training, is the year that ended June 30, 2017. This is not as up to date to what you were looking at earlier. You had a return of over 12% and net expenses 12.77%. You exceed the long term actuarial assumption of 6.75%. This is a good thing. We show some historical rates of return going back to 2005. You haven't been making the contributions that were required and the solution the city choose to the problem was the Tier II approach that started in 2011. More recently you went to the defined contribution with city contributions to continue funding the pension plan. This is crucial to the plan. This has to happen or the results are negative. Overall the Tier II solution was working. Page 2 shows a graph of the total number of participates and how many Tier II participants. The graph shows that Tier II is making up about half the employees. At the top of Page 1 are 3 ways you can determine a funded plan. One is Accumulated Benefit Obligations, another is Projected Benefit Obligation and the last is Actuarial Liability. In each of these cases we divide the market value of assets by this measurement of the plan. The Accumulated Benefit Obligation would be the present value of the benefits you are going to pay when they walk out the door. The Projected Benefit Obligation was what GASB originally wanted disclosed. It was a calculation using a method called Projected Unit Credit. This is a respectful cost method. The Accrued Actuarial Liability is the same thing except using a different cost method called Entry Age Normal. This is used by most public retirement plans. This is the most common and makes sense. It asks what is the level of percentage of pay that will support these benefits we are going to pay. When a person is hired you figure the level of percentage of pay that will fund everything that might happen to that person. This is more than the accrued benefit liability for years and as they get close to retirement and their value builds it catches up quicker. If you always put in that entry age normal cost percentage you would have assets that would equal that liability. It is a theoretical asset you would have if you always have the same plan and you funded it from the very first day. Usually that isn't possible and you don't have it. If you look at these numbers you will see they all have improved from 2016 to 2017. You are 70% funded on the Accumulated Benefit Obligation. This is the benefit people have actually earned. The Projected Benefit is 65% and Entry Age Normal is 61%. Your funded ratio is one of these 3 numbers assuming we are using market value and using the actuarial assumptions that were used. You would probably use the 61% but remember 80% is the magic number.

Hadley stated we are closer than we were last year.

Dean stated you are. Page 3 is a summary of the plans provisions. This shows what we assumed and what we valued. We intend to put down what we did and our attempts to match the plan. We are trying to say these are all the significant consequential issues. The normal retirement age, when somebody can retire, what is early age, how it works, what was the formula, what is done with employee contributions, and what interest rate was credited. Everything that is of consequence is in this summary. We have a lot of information on assets. On page 10 we get to the root of the matter in the traditional actuarial funding report. What contribution should the city and the employee be making. What the city would contribute if you were on a 30 funding schedule. Page 12 shows the contribution rate would be 16.74%. That is a nice improvement over last year. The city is putting in 10%. This is low so we are counting on the Tier II people to continue to help and keep us on track. It is helping but more money would always be good. The Tier II people are a cost saver and they are helping to pay for the plan. We have some disclosure information under the old GASB rules and it has been replaced by GASB 67 and 68. On page 19 is GASB 27 and we will probably drop this next year. The concept under the old GASB rules was you needed to tell them if what you should have funded or not. If you weren't funded that was an obligation and it is accumulative with interest. It is a measurement of the funding standard and your GASB 27 obligation will be zero. On page 20 is the Net Pension Obligation. It is not a requirement you publish this anymore. This is for you to keep track. We have a lot of census data, a data base of your employee and everything you have done with us. Right now you have 507 active participants and 234 retirees/survivors/disabled people. If you have any need for any kind of analysis we can do the data queries. Next we showed the actuarial assumptions. Everyone knows the interest rate if 6.75% and it looks good because it is less than the average. The average has been coming down for public retirement plans. At one time it was close to 8%. Now it is probably 7.5% or less overall. Actuarially that is not the only important assumption. They all matter. Turnover pattern matters and we have looked at the turnover in Oklahoma. We have studied it in a lot of detail. Pay increase assumption on the grandfather people is very important. We are assuming a 3% average future equation scenario. Overtime people will probably get an increase more than that. The second report is the new accounting information that is required by the plan. The companion report is the GASB 68 and it is for the city's annual financial statement. For GASB 67 the key destinations are we are going to measure the pension liability. Pension liability is the actuarial liability the accountants choose to use pension liability. The net pension liability is your actuarial liability calculated using entry age normal cost and calculated using a certain discount rate. This might be different than what you use for funding. Then compare that with market value assets and show that number. You are using market value so these number match in the 2 reports. Something important is the long term rate of return. GASB says you have to explain how you calculate this return. You also have to make an adjustment in the rate of return before administrative expenses where as historically the rate of return has always been the net rate of return. We looked at your administrative expenses and because they are deminimis we included it at zero. We are using the same discount rate in these 2 places and the expected rate of returned is slightly over the 6.75%. Next GASB asked you to show the effect of a higher or lower discount. They want to see what difference it makes. If you were 1% lower you would add $10 million to the unfunded liability and if you were 1% higher you would have an $8 or 9,000,000 favorable reduction. GASB also wants to see a year by year side by side comparison of the funded liability and the changes. How it goes from the beginning of the year number to the end number. Page 9 there is something significant. GASB rules say you have a long term assumption of 6.75% rounded in and we may or may not let you use that. If your plan doesn't have enough assets to cover everybody then you can use the 6.75% until the day you are projected to run out. After that you are to use a municipal bond rate of 3.5% and using those 2 different rates we want you to reverse backwards for a single rate. GASB requires that you do a projection for the current group of participants and you are not allowed to add any future hires. You can't project their benefits, service cost or normal cost. You are starting with the current group and you see if you run out of money and if you do that is called a Depletion Date. That is the day you are projected to run out of money. It is not a realistic projection especially with new hires. We projected all the benefits to be paid to the current group and with your DC plan this is closer to realism. Page 11 there is a graph of the number of active participants. People leave every year and if you are not adding it will do nothing but go down. You can see in 2042 there are still a few people left. On pages 12 and 13 we show the contributions of the employer, the defined contribution people and the total. On page 13 we actually project the assets. We have your assets now, the contributions, the benefits going out, and investment earnings that will start at 6.75%. If the assets go to zero that is the depletion date. In your case you have the money from the defined contribution plan so it doesn't go to zero so we use the 6.75% discount rate. If you didn't have the money from the DC plan it would require you to be more conservative on the interest rate. GASB 68 is really for finance. It starts with the same number and derives what expenses should show on the books. This will never match what you fund. It is what the city is required to disclose as the expense. This concludes the report and I'll be happy to answer any questions.

Hadley asked the Employee Advisory Committee is interested in knowing what effect it would have if we brought back the pension plan. I don't know if you could enter someone that is on the DC plan into this plan or if you start with a new plan.

Dean stated there are different ways this could be done. In concept the DC plan isn't saving anything. The Tier II was our solution and it looks like it was on schedule. We hope the DC plan didn't screw that up. You could switch back and continue with your Tier II solution. It is very doable and there would be different ways and reasonable things you could do. You could add another plan or just bring them back as Tier II on a specified date. You don't get your past service because you had the DC plan and would come out a little short. A pension plan does the great thing of paying a lifetime income. That is the very best. The mortality and investment risk is not on the employee. Those who benefit the most from a DC plan are your short term people. In a pension plan short term service gets only their money plus interest. In the DC plan you vest much quicker and get your money, interest and the city's money. You vest much faster with a DC plan than with a pension plan.

Hadley stated thank you for being with us today.

Motion by Kindt, **Second** by Bayones, to accept the actuarial report. **Aye**: Ellwanger; Hadley; Kindt; Livingston; Bayones; Dentler. **Nay**: None. **Motion Passed**.

D. Receive Audit Report from Finley and Cook and take action if necessary – Finley & Cook Representative.

Bledsoe stated I'm Dan Bledsoe with Finley and Cook. Nate retired in December and that is the reason I'm here. I handed out 3 different documents I'll be going through. The bound document is your confidential financial statements. The audit is for the year ending June 2017. The opinion begins on page 1. We entered an opinion as to whether the year ended in accordance with the accounting rules. We found there were no issues and it appears everything has been applied correctly. After the auditor's report there are 5 or 6 pages of the Management's Discussion and Analysis. I'll not go over this in detail but you will find some good information here. We don't issue an opinion on any of this because it is a theory of management. Pages 3 and 4 are the actual financial statements. Page 3 is the Statement of Fiduciary Net Position or balance sheet as of June 30th. This tells you what your assets and liabilities are and what your fiduciary net position is. The next page is the income statement. This is a reflection of your actual return on your investments for the year. You will notice about three fourth of the way down is your net income for the year. You had a $4.2 million increase in your fiduciary net position. The bulk of that was due to an excellent year on the return of your investments. Page 5 starts with your footnote disclosures. A lot of this stuff is historical and I won't go into much detail here. One of the big things that didn't get implemented again this year and will affect future years is the define contribution. We did add some language about it and new hires going forward will be eligible for the defined contribution plan. You will probably want to discuss how we are to present this information next year. We have other pension plans that will include a second set of financials within this one document. All of the OPRERS plans have a separate set of financials. This is something to consider and discuss. The footnotes on page 14 show right now. At the bottom of page 15 and for the next 3 pages is information on the net pension liability. The net pension liability is for the City of Lawton and not for the plan. We have to include it as a part of the financials. A lot of this information is taken from Dean's GASB 67 report. The very last page starts with 2017 and goes back to 2013. Typically this would be 10 years worth of data but we don't have that history at this point. This shows you had an excellent year in 2017. Those are the main points on the financial statements. Look now at the Auditors' Communication With Those Charged with Governance. The last paragraph on the first page is communicated GASB issues and new accounting analysis. On the top of page 4 talks about accounting estimates as a part of the financial statements. The last paragraph on the first page states we are communicating GASB issues and new account analysis. The top section talks about accounting estimates being a part of the financial statements. Management's estimates of fair value of investments are based on the investment custodian. We evaluated the key factors and assumptions used to develop the estimate of the fair value in determining they are reasonable in relation to the financial statements. We state in the second item there was no disclosed information in regards to the actual calculation. We received Dean's report and looked through the information and had no issues. Under Difficulties Encountered in Performing the Audit there were no significant difficulties with management in performing and completing our audit. Under Corrected and Uncorrected Misstatements we do not have anything that needs to be adjusted in the financial statements and under Disagreements with Management we have no disagreements with management as far as financial statements and auditing standards. On the next page under Management Consultations with Other Independent Accountants to our knowledge there were no such consultations. Under Audit Findings or Issues generally we discuss a variety of matters. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Page 6 Other Required Communications as an independent auditor we are required to: A. Communicate significant deficiencies and material weaknesses. We have done this in a separate letter dated February 2, 2018; B. Any fraud that causes a material misstatement of financial statements and fraud involving senior manager and lower-level employees; and C. To report illegal acts that comes to our attention. We have nothing to report in regards to B or C and A will be discussed in the letter dated February 2, 2018 on page 2. During our test work we noted that an incorrect reduction factor was used in calculating the retiree benefit payment for 1 retiree. That benefit was not increased for the cost-of-living adjustments for 2 retirees. Upon further investigation it appears that benefits for all retirees receiving a Joint and 100% payment or Joint and 2/3 payment are not being properly calculated. They were not using the combined mortality age as directed by the actuary table instructions and it resulted in an under/over-payment of retirees' monthly benefits.

Dean asked was this an interpretation issue.

Bledsoe stated yes. We recommended that the City consult with its legal counsel and actuary to determine the impact of the miscalculations. We don't want this to snowball into a bigger issue. On the next page we made a note on outstanding checks that have been outstanding for over a year. We noted that the system does not have a formal process of escheating such checks to the State. There isn't a large number of them but there are some. We recommend you draft a policy and make certain moving forward you are following the policy.

Dean stated if the check is outstanding due to death that does not belong to the State. It belongs to the pension plan.

Bledsoe stated correct and we suggest you build that into the policy. Overall the audit went well and this might be the first time we have made a February meeting instead of later in the year. I'll be glad to answer any questions.

Hadley stated we don't know what the potential problem is. It appears we may have some additional liabilities to some of the participants. For decades we have calculated this the same way. This only affects the retirees who have selected joint survivorship. It appears they were all slightly overpaid. The overpayment is from a couple of dollars to about $8 per month. We have corrected our calculation moving forward. We will bring this back at the next meeting to get your recommendation on whether to go back to try and recoup any of the overpayment. We are talking about a relatively small amount in any given month for any given person. Over a period of years it could be significant. I'm not sure how to address this. We will definitely be looking at our options. Thank you for bringing this to my attention.

Bayones stated I'm curious as to why this is just now showing up in our audit.

Bledsoe stated part of the issue is we sample test. It is just a matter of whether one of those types fall within our samples. Since this is my first year I can't say whether or not one of these was audited before.

Hadley stated prior to fully understanding the issue I felt there were a couple different ways to potentially handle it. One was to change the policy to match the current practice and the other is fix the practice. I'm not sure what the appropriate option is. We will bring this back for your recommendation.

Bayones stated thanks for catching it.

Motion by Dentler, **Second** by Bayones, to accept the audit. **Aye**: Hadley; Kindt; Bayones; Dentler; Livingston. **Nay**: None. **Motion Passed**.

IV. Old Business

None

V. Consent Agenda

FOR THE BENEFIT OF THE AUDIENCE, ALL MATTERS LISTED UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE BY THE PENSION COMMISSION AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS. IF DISCUSSION IS DESIRED, THAT ITEM WILL BE REMOVED FROM THE CONSENT AGENDA PRIOR TO ROLL CALL AND WILL BE CONSIDERED SEPARATELY.

A. Consider application for retirement from John Adams.
B. Consider Memo of Information regarding the death of retiree Geneva Glenn.
C. Consider Memo of Information regarding the death of retiree Connie Givan.
D. Consider approval for the paid-in-full judgments to be released from the record.
E. Consider Memo of Information regarding the death of Irmgard R Hughes.

Bayones stated I would like to pull item A.

Hadley asked are there any others? I would entertain a motion to approve the consent agenda except for item A.

Motion by Kindt, **Second** by Livingston, to approve the consent agenda except for item A. **Aye**: Kindt; Livingston; Bayones; Dentler; Hadley. **Nay**: None. **Motion Passed**.

Bayones stated there appears to be a typo in the memo. When you break it down by the number of days of retirement the actual total amount for the prorated should have been $1171.26. On the second line where is shows 27 x 43.38 the total is $1173.26. I mention this to Ezell and she made contact with Georgia. Georgia agreed she believed it to be a typo but we haven't received anything correcting the typo. I wanted to bring it to your attention that I believe there was an error in the memo that was sent to finance.

Hadley asked is it your understanding the actual amount is correct.

Bayones stated yes. The email correspondence I received from George states it probably was and she thought she had talked to finance about it. Ezell indicated to me she had not received a corrected version so I wanted to mention it. We are talking about a couple of dollars and I think it is probably a typo.

Hadley asked would you like to make a motion with that correction.

Motion by Bayones, **Second** by Dentler, to approve item A with the correction showing that the total amount for November should have been $1171.26. **Aye**: Kindt; Livingston; Bayones; Dentler; Hadley. **Nay**: None. **Motion Passed**.

VI. Comments

Ezell stated when the board granted the medical retirement for Steven Bowen it was approved with the stipulation he bring proof every January stating he is still disabled. I did receive this information in January. He has also asked since this documentation states he will always be disabled if he could discontinue providing proof. I believe the code says that proof is to be provided until he reaches retirement age.

VII. Audience Participation

VIII. Adjournment

There being no further business the meeting adjourned at 10:50 a.m.

Motion by Bayones, **Second** by Kindt; to adjourn. **Aye**: Livingston; Bayones; Dentler; Hadley; Kindt. **Nay**: None.