

**Police Pension Fund
Board Minutes
Of
May 8, 2008**

PRESENT: David M. Cituk, Ryan Hottenstein, William Heim, Michael A. Fizz, Steven E. Houpp, Toyia Reed (HR Coordinator/Pension)

ABSENT: Thomas McMahon, Louis R. Rizzuto (Solicitor)

AUDIENCE: Craig Christman, Mark Stump, Edward Kosmerl, David Soja

ORDER: Meeting was called to order by David M. Cituk @ 10:06 A.M.

The members of the Police Pension Board would like to express their condolences to the Rizzuto family.

PRESENTER: **1. Roger Barilani – Wachovia Securities**
 Nick Yaniello – Wachovia Securities
Re: 1st Quarter Portfolio Performance Review
Decision on Systematic Financial Mgmt (Mid Cap Value)
Decision on Fred Alger & Co (Small & Mid Cap Growth)
 Wachovia Securities would like to express their condolences to the Rizzuto family. Mr. Barilani informed the members of the board that the current portfolio value is \$76.6 million as of yesterday. Mr. Barilani presented the managers performance review for the first quarter. Neuberger Berman beat the Index by 1.9% for the quarter. Navellier was beaten by the Index. NWQ was beaten by the Index by 2.1% for the quarter. Sovereign managed to beat the Index. Wentworth, International manager, beat the Index by 5.5% for the quarter. All of the Fixed Income managers beat the Index for the quarter. Mr. Barilani asked if the Board has made a decision on the small and mid cap managers as presented at the January meeting where Mr. Yaniello presented the Board with information on small and mid cap managers. Mr. Barilani recommends Fred Alger as a small/mid cap manager. He also recommends Systematic as a mid cap value manager.
MOTION by Fizz/Heim to utilize Fred Alger as the small/mid cap manager...**MOTION PASSED UNANIMOUSLY**
MOTION by Fizz/Hottenstein to utilize Systematic as the mid cap value manager...**MOTION PASSED UNANIMOUSLY**

MINUTES: **MOTION** by Houpp/Heim to approve the minutes dated April 10, 2008.....**MOTION PASSED UNANIMOUSLY**

**FINANCIAL
REPORTS:**

MOTION by Heim/Houp to approve the following financial Reports ...**MOTION PASSED UNANIMOUSLY.**

| | |
|---------------------------|------------|
| Financial Report | April 2008 |
| Statement of Transactions | April 2008 |

BILLS:

MOTION by Fizz/Hottenstein to pay the following bills....
MOTION PASSED UNANIMOUSLY.

| | |
|-----------------------------|-------------|
| 1. Lou Rizzuto – Legal Fees | \$ 791.25 |
| 2. Invesco - Quarterly Fees | \$10,630.80 |

APPLICATIONS:

The deceased, James H. Cooper IV, was employed less than one (1) year by the City of Reading Police Department. The members of the Board would like to obtain input from the board solicitor due to the unusual circumstance. **MOTION** by Hottenstein/Houp to Table the following application for surviving spouse retirement benefits...**MOTION PASSED UNANIMOUSLY**

Name: Chasity Cooper
Type: Surviving Spouse
DOH: July 2, 2007
DOD: April 25, 2008
Amount: \$_____/Month

D.R.O.P.

APPLICATIONS: None.

REFUNDS:

None.

**CORRES-
PONDENCE:**

1. MOTION by Heim/Fizz to accept the following correspondence as presented...**MOTION PASSED 4 to 1**

Engle-Hambright & Davies, Inc.

Re: Fiduciary Liability Insurance - Renewal

EHD has submitted the renewal application to the Board for the Fiduciary Liability Insurance policy which renews on July 1, 2008.

2. MOTION by Houp/Hottenstein to accept the following correspondence as presented...**MOTION PASSED UNANIMOUSLY**

Officer Christopher Jenkins

Re: Civilian Buyback

Officer Jenkins submitted a letter of intent to buyback (5) years of service via payroll deduction of \$5 per pay.

Officer Israel Gonzalez

Re: Civilian Buyback

Officer Gonzalez submitted a letter of intent to buyback 5 years of service via payroll deduction of \$20 per pay.

Criminal Investigator Christopher A. Mayer

Re: Civilian Buyback

C.I. Mayer submitted a letter of intent to buyback (5) years of service via payroll deduction of \$20 per pay.

Officer Brian Thumm

Re: Civilian Buyback

Officer Thumm submitted a letter of intent to buyback (5) years of service via payroll deduction of \$25 per pay.

OLD
BUSINESS:

1. Calendar Year Update – Split Year

There has been a claim from Captain Edward Kosmerl that his adjusted pension calculation is incorrect because the salary used was as of January 2005 and he entered the D.R.O.P Program in July 2005. Therefore, his salary as of July 2005 should have been used to calculate his adjusted pension. **MOTION** by Fizz/Houp to approve the use of the salary from the second half of the year...**MOTION PASSED UNANIMOUSLY**

2. D.R.O.P. Exit Dates

Officer Dobrosky has been notified that his corrected DROP has been amended to June 24, 2009 in accordance with the new CBA.

3. Interest on Missing D.R.O.P Payments

The Police Pension Fund Board must pay interest on missed D.R.O.P. payments must be calculated and reimbursed to the affected D.R.O.P. participants. **MOTION** by Hottenstein/Fizz to research previous pension board meeting minutes to find out if the members of the board agreed on an interest rate. If not, interest rate calculations will be based on 5%...**MOTION PASSED UNANIMOUSLY**

NEW
BUSINESS:

1. D.R.O.P. Manual Corrections

Upon the distribution of the most recent copy of the D.R.O.P. manual; some discrepancies have been brought up. Most of these discrepancies were healthcare related. Sergeant Fizz will compose a list of discrepancies to be forwarded to board solicitor Rizzuto.

2. Pension Issue

Re: Bobby Moser

The deceased, Bobby Moser, was employed by the City of Reading Police Department for eighteen (18) years of service including the purchase of military buyback. He did not submit an application to retire or vest before he was terminated on October 6, 2007. The members of the board would like to obtain the solicitor's opinion due to the unusual circumstance.

3. Toyia Reed

Re: Resignation

Toyia has submitted her official letter of resignation from the City of Reading as Human Resources Coordinator/Pension effective May 16, 2008.

4. Sergeant Mark Stump

Re: Appeal

Sergeant Mark Stump submitted a letter to the members of the Board informing them of his intent to appeal the change of his D.R.O.P Exit Date.

ADJOURNMENT: **MOTION** by Hottenstein/Heim to adjourn @ 11:15 A.M.

Respectfully submitted: _____
 HR Coordinator/Pension