

# Transcript of the Testimony of **Police and Fire Pension Board**

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CITY OF JOPLIN  
STATE OF MISSOURI

POLICE AND FIRE PENSION BOARD

MEETING HELD ON JUNE 13, 2019

Transcribed by Holliday Reporting Service, Inc. from audio  
provided by the City of Joplin.

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5 ATTENDANCE REPORT

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7 JOHN ALFORD

8 JARED DELZELL

9 ADAM GRIMES

10 MARSHALL HOGUE

11 MIKE McGAVRAN (VIA TELEPHONE)

12 LARRY SWINEHART

13 MAYOR GARY SHAW (CHAIR)

14 LESLIE HAASE, FINANCE DIRECTOR

15 PETER EDWARDS, CITY ATTORNEY

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S T I P U L A T I O N

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office.

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I N D E X

MAYOR GARY SHAW OPENS MEETING AT 9:30 . . . 5

MEETING ADJOURNED AT 11:13. . . . 97

E X H I B I T S

(NONE)

(sic) - typed as spoken

(ph.) - phonetic

1 (MEETING HELD)

2 BY MAYOR SHAW: It's 9:30 according  
3 to US Cellular. I call to order the special  
4 meeting of the Police and Fire Pension Board  
5 for Thursday, June the 13th, 2019. We've  
6 already done the roll call. We have the  
7 sheet there. Who is going to take charge  
8 here? Are you going to --

9 BY PETER EDWARDS: I'll take charge.  
10 The purpose of today's special meeting is  
11 really just a follow-up meeting to what we  
12 discussed about three weeks ago. Just to  
13 give you some very brief general background,  
14 the City administrative staff, along with  
15 Chief Furgerson, Chief Stewart, and members  
16 of both the fire and police departments have  
17 been meeting now for about seven months to  
18 try to work on various things to improve  
19 recruitment and retention in both the police  
20 and fire departments. And we've met, we've  
21 gone through a lot of different scenarios,  
22 and this is kind of where we have ended up as  
23 a workgroup, collaborative effort, and I  
24 believe based on what's been said to me over  
25 the last several months that from our

1 workgroup what we have talked about and  
2 discussed has been funneled down through both  
3 departments, and I can't sit here and tell  
4 you that every single officer has gotten full  
5 disclosure, but based on what we understand,  
6 they have tried to keep everybody in the loop  
7 as to kind of the progress that's been made.  
8 And I know last week there was an FLP meeting  
9 where some issues were discussed, and the  
10 feeling that I have gotten in the workgroup  
11 meetings is that a lot of what we're doing  
12 has been very positive, positively viewed  
13 throughout both departments. But, again, I  
14 can't say that speaks for every single  
15 member.

16           So the plan that we have come up with  
17 to move forward is basically to take a tax  
18 ballot question to the City of Joplin voters  
19 in November, and the primary purpose of that  
20 tax is to fund the closing of the pension  
21 plan to new members. It won't have any  
22 effect on Tier One employees, won't have any  
23 effect on retirees. And, Leslie, certainly  
24 correct me if I misspeak.

25           The idea is that the tax will fund

1 the pension plan to 120 percent. That is the  
2 recommended rate that our actuary said that  
3 he feels comfortable with. I think at the  
4 very first we thought 100 percent, then we  
5 thought 105, 110, but after reviewing it with  
6 him, he thinks 120 percent is where we need  
7 to be to close the plan, and that - that's  
8 why that number is contained in the ballot.

9 So I'm happy to answer any questions.  
10 We have contacted Alan Kandel, who normally  
11 does the pension plan amendments for the  
12 Pension Board, and he has done the amendment  
13 to the pension plan that memorializes  
14 everything. He has prepared the ballot. And  
15 the most recent version is what I sent out to  
16 you several days ago, and I'm hoping  
17 everybody had a chance to look at that and  
18 review it ahead of today's meeting.  
19 Certainly happy to answer any questions or  
20 kind of start a discussion. That's just kind  
21 of brief overview.

22 BY JARED DELZELL: So I was wondering  
23 how you - how the 12 years - it expires in  
24 either 12 years or when it's 120 percent  
25 funded, whichever one comes earlier. How did



1 12 years come about?

2 BY PETER EDWARDS: Twelve years is  
3 based on the calculations of what we expect  
4 the sales tax to be over that period of time  
5 to come up with 120 percent funding of the  
6 plan, as well as the Loggers prior service  
7 credit that the City will pay, as well as  
8 another 2 million dollar buy-down for  
9 Loggers. Those three components together,  
10 when the numbers were ran, basically put us  
11 at just shy of about 12 years to get to that  
12 point.

13 BY JARED DELZELL: So when the - did  
14 they use numbers like the market over the  
15 last couple years, or - so assuming 2008  
16 occurs again, is 12 years enough? Is there  
17 some fluff built in there?

18 BY LESLIE HAASE: There is.

19 BY JARED DELZELL: Like significant  
20 fluff?

21 BY LESLIE HAASE: There is --

22 BY JARED DELZELL: I don't want to  
23 say - I guess that was worded wrong, but --

24 BY PETER EDWARDS: I think there's  
25 fluff built in, Jared, but I think the one

1 thing that's different about what's happening  
2 now is that with retirees and with Tier One  
3 employees, once we had that fixed number of  
4 employees then the plan goes to less risky  
5 investments, and all of that has kind of been  
6 factored in so that - and Leslie can probably  
7 explain that a little bit better.

8 BY JARED DELZELL: So when you talk  
9 to the actuary about the 120, where they came  
10 up with 120 percent, I guess they were using  
11 that 12 year assumption as well?

12 BY LESLIE HAASE: No. So he came up  
13 with 120 percent, and then he doesn't know  
14 anything about our sales tax. That's my job.  
15 So, you know, what I looked at - so I built  
16 in some - what would the right word be.

17 BY JARED DELZELL: Conservative?

18 BY LESLIE HAASE: Yes. So the  
19 estimates are conservative, and I also - you  
20 know, we have - the sales tax is reduced by  
21 the TIF payments that we make. You know, I  
22 came out at whatever point and said, you  
23 know, that I've made projections, and our  
24 largest TIF is going to pay off, and so I've  
25 taken those projections. But I can tell you

1 that it would be my belief with the  
2 information that I have today that we would  
3 reach the 120 percent before we reach the 12  
4 years. Now, with that said, that doesn't  
5 mean if internet sales becomes 50 percent of  
6 our sales versus in town, I cannot project  
7 for that. But the answer that I will also  
8 give is, at the end of 12 years, if this  
9 moves forward as planned, the plan will be  
10 better funded than the 63 percent that it is  
11 right now. And the City would have a  
12 decision at that point if, you know, if the  
13 12 years comes before the 120 percent.

14 BY JARED DELZELL: And I think that's  
15 the concern, is you've got people that - Tier  
16 One folks specifically, that would be - let's  
17 say they're 80 years old at that point in  
18 time, and now we're having to go back to the  
19 voters to say, hey, this wasn't quite enough.  
20 Just trying to avoid the Springfield thing.  
21 You're comfortable with --

22 BY LESLIE HAASE: I am comfortable.  
23 I would not have recommended that number if I  
24 was not comfortable. And furthermore, I  
25 mean, the other piece that you have to weigh

1 in to that is voters want to see an end.  
2 Even if - like Springfield had to go back and  
3 ask. So trying to avoid that, but also  
4 trying to not make it so long that the voters  
5 won't support it. There's a line in there.  
6 I don't know what that line is, but I'm  
7 telling you that I'm comfortable at 12 years.

8 BY JARED DELZELL: I used the word  
9 fluff. I didn't --

10 BY LESLIE HAASE: Yeah.

11 BY JARED DELZELL: -- necessarily  
12 mean the word fluff.

13 BY LESLIE HAASE: No, I understand.

14 BY JARED DELZELL: Investment  
15 activity.

16 BY JOHN ALFORD: So to go along with  
17 his question - I'm sorry. To go along his  
18 question, though, when rewriting that Section  
19 6.2, which has to do with -

20 BY LESLIE HAASE: The contributions.

21 BY JOHN ALFORD: The contribution  
22 rates.

23 BY LESLIE HAASE: Yes.

24 BY JOHN ALFORD: I think that needs  
25 to also be added in there that if there is a

1 shortfall that the City will have to cover  
2 that shortfall. Because at some point in  
3 time there's still going to have to be an  
4 actuary report done.

5 BY LESLIE HAASE: No. Actuary  
6 reports will continue every year.

7 BY JOHN ALFORD: Yeah. Can we word  
8 it to where like the City has to be  
9 responsible for --

10 BY LESLIE HAASE: The City is --

11 BY JOHN ALFORD: -- the actuary,  
12 whatever the number he comes up with?

13 BY LESLIE HAASE: Right. So, first  
14 of all, the actuary reports still have to  
15 continue because of accounting standards. So  
16 those will never - those will not stop until  
17 this plan is gone.

18 BY JOHN ALFORD: Right.

19 BY LESLIE HAASE: And then second,  
20 the City already has a commitment to funding  
21 this plan.

22 BY MEMBER: They have a liability - I  
23 mean, not only commitment, but there's also  
24 liability.

25 BY PETER EDWARDS: Statutory

1 obligations.

2 BY MEMBER: Statutory obligations.

3 BY JOHN ALFORD: Which is fine, so  
4 why can't we put that in wording, I guess, is  
5 what I'm saying, into the ordinance, which  
6 would alleviate the concerns that Jared is  
7 hearing. And all it has to really say is the  
8 City will be responsible for the amount the  
9 actuary deems necessary to finish that last  
10 dollar.

11 BY MEMBER: Then the funding source  
12 would be --

13 BY JOHN ALFORD: The last person.

14 BY MEMBER: -- up to the City to  
15 approach the voters or -

16 BY LESLIE HAASE: Well, I mean, I  
17 guess I don't - I'm not an attorney, but I  
18 don't - when it's a statutory requirement  
19 that that -

20 BY PETER EDWARDS: I mean, it's state  
21 law.

22 BY LESLIE HAASE: Right. That trumps  
23 this.

24 BY PETER EDWARDS: If you want - if  
25 you want to include the provision of the

1 state statute -

2 BY JOHN ALFORD: Yes, please. That's  
3 what I'm saying. Because right now we have  
4 state statute included into 6.2 saying that -  
5 let me find it.

6 BY JARED DELZELL: And regardless of  
7 what -I mean, to your point -

8 BY JOHN ALFORD: This is what -

9 BY JARED DELZELL: I'm sorry. Go  
10 ahead. Go ahead. I'm sorry.

11 BY JOHN ALFORD: It says if the City  
12 fails to catch up fully within the 60 days  
13 the City shall pay the past due obligation,  
14 plus interest, per state statute 408.020. So  
15 I guess I don't understand what the issue is  
16 of not including that language of the state  
17 statute that you're responsible if there is a  
18 shortfall.

19 BY PETER EDWARDS: That's up - it's  
20 up to you guys.

21 BY MEMBER: But why are we striking  
22 this? I mean, it seems simple to leave that.

23 BY PETER EDWARDS: And this was done  
24 by Alan Kandel, so --

25 BY MEMBER: Right. And that was my

1 question. To me, the delinquency and all  
2 that stuff, should it ever occur, why would  
3 you strike that? Is there --

4 BY JOHN ALFORD: I just want language  
5 added to 6.2 that says that if there is a  
6 shortfall, according to the actuary, that the  
7 City will be responsible. And if that is  
8 state statute, then you can quote the state  
9 statute, I guess, is all.

10 BY MEMBER: And, really, all of that  
11 that's been struck says --

12 BY JOHN ALFORD: Wouldn't that  
13 appease some of your people?

14 BY MEMBER: I see it both ways. You  
15 could add it in there. I don't see that it  
16 would hurt, it would hurt to add it in there.

17 BY MEMBER: Well, it's already there.  
18 Just been struck --

19 BY JOHN ALFORD: It's already there.

20 BY PETER EDWARDS: Do you want to see  
21 if we can get Alan on the phone?

22 BY LESLIE HAASE: Sure.

23 BY MEMBER: I mean, I guess, if it's  
24 a liability to the City already, and it's  
25 spoken in state statute, I'm good - I'm good



1 with whatever.

2 BY MEMBER: I mean, regard - I mean,  
3 the City - the sales tax is the City's  
4 obligation, is how - City is trying to figure  
5 out how to pay - the City being the citizens  
6 of the -

7 BY MEMBER: Yeah. I'll go with that.  
8 So --

9 BY MEMBER: Well, but there's more  
10 into that than just the statute. You're  
11 talking about --

12 BY JOHN ALFORD: Yeah, because the  
13 sales tax will end. What happens if there is  
14 an '08 after the sales tax ends?

15 BY MEMBER: The City still has the  
16 obligation to pay the - pay in as per - they  
17 still have the obligation to make payments to  
18 the pension plan.

19 BY LESLIE HAASE: So you're --

20 BY JOHN ALFORD: I just want that in  
21 writing.

22 BY LESLIE HAASE: So you want the  
23 4.0802 back in there?

24 BY JOHN ALFORD: Yes, please.

25 BY LESLIE HAASE: Okay. That should

1 not be a problem.

2 BY JOHN ALFORD: Or whatever.

3 BY MEMBER: Well, that whole --

4 BY LESLIE HAASE: I may --

5 BY JOHN ALFORD: The attorney  
6 decides, yeah.

7 BY MEMBER: Should it come up short  
8 after that 12 years, is it incumbent upon the  
9 City to make up the shortages above the Tier  
10 One employees 18.08 percent, or after 12  
11 years do the Tier One - are the Tier One  
12 going to have to come back and come to an  
13 agreement with the City that, hey, it's going  
14 to cost this percent, and we're going to have  
15 to raise your contribution rates?

16 BY LESLIE HAASE: Well, in 12 years  
17 --

18 BY MEMBER: Tier One will be gone.

19 BY LESLIE HAASE: Not necessarily  
20 gone, but there would be lots less. I mean,  
21 -

22 BY PETER EDWARDS: In 12 years there  
23 shouldn't be any Tier One employees.

24 BY JOHN ALFORD: Yeah. Tier One will  
25 be gone.

1 BY LESLIE HAASE: And there could  
2 still be Tier Two on the plan. I mean,  
3 everything is based on assumptions, and none  
4 of us have a crystal ball. So I would  
5 suppose, and this is just me, in like - if  
6 this is successful in moving forward - you  
7 know, we'll always be getting the actuary  
8 reports, but at year 9, 10, we'll be getting  
9 really serious and probably asking for some  
10 projections. And at that point, you know,  
11 there will be some decisions - I mean, let's  
12 say that - well, let's - you guys are only  
13 talking about if there's a shortfall. It  
14 could go the other way also.

15 BY MEMBER: Uh-huh. Yep.

16 BY LESLIE HAASE: And so there will  
17 be decisions to be made no matter what,  
18 because it's not going to come out exact.  
19 There is no way. So, you know, if - in those  
20 windows we will be - I would assume the City  
21 will be looking, and the Pension Board will  
22 be looking and saying, okay, here is where we  
23 think it's going to come out in order - and  
24 then decisions will have to be made. If  
25 there's a significant shortfall, which I

1 don't believe there will be, but if there is,  
2 you know, then it can be, okay, well, maybe  
3 we have to renew it one more time. And  
4 renewals are, you know, - they're easier  
5 because it's not a new tax, although there is  
6 no guarantee. Or the City, you know,  
7 depending - I don't know what the City's  
8 finances will be at that point, but there be  
9 decisions to be made. What I'm telling you  
10 is if the plan is 110 percent funded, that's  
11 going to be good, really good. If it's 115  
12 percent funded, that's also going to be  
13 really good. So at that window there will be  
14 decision points. And then 50 years down the  
15 road, as the plan has continued to pay the  
16 beneficiaries and the retirees, I have no  
17 doubt there will be more decision points to  
18 make. Because it could be that the plan has  
19 money left, and it could be that the plan  
20 needs some more money at that point. Because  
21 everything is based on how long people live.

22 BY MEMBER: It could end up being --

23 BY JOHN ALFORD: I know, but --

24 BY MEMBER: There could be a surplus  
25 of cash in the plan at some point --

1 BY LESLIE HAASE: Yes.

2 BY MEMBER: -- and it would have to  
3 go - I don't what statutory happens with  
4 that, but there could - hopefully there is  
5 money left over and the City is not making  
6 payments directly to the beneficiaries, but -

7 BY JOHN ALFORD: I would like to see  
8 it say somewhere that the last dollar would -  
9 the last person will be taken care of.

10 BY PETER EDWARDS: Yeah. And I think  
11 we're -

12 BY JOHN ALFORD: And if there is  
13 excess of funds, I mean, that has to be -  
14 that's another question that I've got. What  
15 - where does that money go, I guess would be  
16 the question.

17 BY MEMBER: That's a question for --

18 BY JOHN ALFORD: Do we give it back  
19 to the City?

20 BY LESLIE HAASE: Well, that will  
21 literally be 50 or so years down the road,  
22 and we will all be gone.

23 BY MEMBER: But it's based on state  
24 statute?

25 BY MEMBER: It will be what the state

1 says.

2 BY JOHN ALFORD: What's the state say  
3 about it, though?

4 BY MEMBER: Well, I do know that  
5 there is a state statute that talks about  
6 these trust funds and where the money goes,  
7 but the other aspect - I remember in one of  
8 the pension conferences they talked about  
9 there's adjustments being made all along the  
10 way. So the goal is to get to zero dollars  
11 when they're down to the last guy. Rarely  
12 does that happen. It's -

13 BY JOHN ALFORD: Yeah, because it's  
14 all a guessing game until then. I mean, I  
15 agree that the actuary will be ongoing up  
16 until the last person is done. It just needs  
17 to be written down somewhere. We need to  
18 have a plan and not just say, well, we'll  
19 take care of it when 50 years comes up.

20 BY MEMBER: Considering what - I  
21 mean, the assumed rate of - assumed interest  
22 rates, our - which is what they use a lot in  
23 some of this planning, with what it takes to  
24 get somebody retired, those adjust every -  
25 all the time as well. But the reason I

1 mention that is that at some point along the  
2 way, look at it, especially once the last  
3 employee has retired, end of the plan, now  
4 you have a fixed number of participants and a  
5 fixed number of dollars, you can actually  
6 start looking at insurance companies to  
7 provide annuities for folks, and then you can  
8 cash out the whole thing and dissolve the  
9 plan. You could do that. In 20 years you  
10 may dissolve the plan by making an insurance  
11 company responsible for making those  
12 payments. Now, the City still has the  
13 responsibility if the insurance company  
14 fails, but the liability of the insurance  
15 company, it's not likely that, you know,  
16 protective or, you know, one of these  
17 companies is going to go under. The City  
18 still has the responsibility to make that  
19 payment, but there's the - there are other  
20 funding mechanisms when you have a fixed  
21 dollar and you have a fixed number of folk in  
22 how to do that. But to be able to sit down  
23 today and say this is what we're going to do,  
24 would tie the hands of those sitting down  
25 here 20 years from now trying to figure out

1 what they need to do specifically at that  
2 time.

3 BY JOHN ALFORD: Yeah, and that's all  
4 I'm asking. I'm not asking how we pay the  
5 money. I don't care. I just want to know  
6 who is responsible.

7 BY MEMBER: Well, the City is  
8 responsible. That's the state statute.

9 BY JOHN ALFORD: Yeah, but it needs  
10 to be written down, is all I'm saying.

11 BY PETER EDWARDS: And I think we're  
12 - I think --

13 BY JOHN ALFORD: I think we're there.

14 BY PETER EDWARDS -- we had kind of  
15 agreed that we'll get with Alan and see if we  
16 can include the language from 4.8020.

17 BY LESLIE HAASE: I'm sure it won't  
18 be a problem.

19 BY PETER EDWARDS: If that would take  
20 care of the concern.

21 BY MEMBER: I think so.

22 BY MEMBER: Well, but all this other  
23 stuff that's being struck, I guess where I'm  
24 struggling here, gives checks and balances --

25



1 BY PETER EDWARDS: I tell you what.  
2 Let's take a break. Can we get Alan Kandel  
3 on the phone? He's the one that did the  
4 revision.

5 BY MEMBER: I think that's --

6 BY PETER EDWARDS: I can't speak to  
7 every single detail on why he did what he  
8 did.

9 BY MEMBER: Yeah, and I'm just -

10 BY PETER EDWARDS: Right. But let's  
11 see if we can get him on the phone and he can  
12 hopefully explain why he struck certain  
13 language and why he added language.

14 BY LESLIE HAASE: Mike, we'll call  
15 you back, okay?

16 BY MIKE MCGAVRAN: Okay. Sure.

17 BY LESLIE HAASE: All right.

18 (OFF THE RECORD)

19 (SHORT BREAK TAKEN)

20 (BACK ON THE RECORD)

21 BY MEMBER: We're back in session?

22 BY LESLIE HAASE: Yeah. And I've -  
23 do you want to call Mike?

24 BY PETER EDWARDS: Yeah.

25 BY JOHN ALFORD: I can call Mike if -

1 BY MEMBER: 623-8430, I think.

2 BY LESLIE HAASE: You got it?

3 BY PETER EDWARDS: Yeah.

4 (phone call initiated)

5 BY LESLIE HAASE: Hello, Alan. Okay.

6 I'm going to put you on speakerphone in the

7 Pension Board Meeting, okay? Thank you.

8 (phone call answered)

9 BY STEVE: McGavran Financial Group.

10 BY PETER EDWARDS: Hey, Mike?

11 BY UNIDENTIFIED: Steve.

12 BY PETER EDWARDS: I'm calling for

13 Mike. It's Peter Edwards.

14 BY LESLIE HAASE: Hang on, Alan.

15 (ALAN KANDEL NOW PRESENT VIA

16 TELEPHONE)

17 BY ALAN KANDEL: Hi. Good morning,

18 everybody.

19 BY JOHN ALFORD: Good morning, Alan.

20 BY LESLIE HAASE: All right. We're

21 ready, Alan.

22 BY MIKE MCGAVRAN: McGavran Financial

23 Group.

24 BY PETER EDWARDS: Hey, Mike?

25 BY MIKE MCGAVRAN: Yes.

1 (MIKE MCGAVRAN NOW PRESENT VIA  
2 TELEPHONE)

3 BY PETER EDWARDS: Hey, we're back.

4 BY MIKE MCGAVRAN: Okay. I'm here.

5 BY LESLIE HAASE: All right. I  
6 generally told him that, you know, we're -  
7 you guys are looking for the assurance that  
8 if there is a shortfall at the end of the 12  
9 years, you're looking for an assurance that  
10 the City will fund it. So if you guys want  
11 to say anything else.

12 BY ADAM GRIMES: Alan, this is Adam  
13 Grimes.

14 BY ALAN KANDEL: Hi.

15 BY ADAM GRIMES: A Board Member. And  
16 in 6.2 there is a section that's in blue, and  
17 then the last part has all been struck. My  
18 concern was that those are the safeguards  
19 that we have to ensure that the City is  
20 meeting their obligations to the plan over  
21 the course of the plan's existence.

22 BY ALAN KANDEL: Uh-huh.

23 BY ADAM GRIMES: And so my question  
24 is why did we strike that, and is there  
25 another way to either restate it or to leave

1 it in the plan, for legal purposes, along  
2 with the assurance that the City, regardless  
3 of who is operating the plan, that they have  
4 some - a framework to go forward with.

5 BY ALAN KANDEL: Well, the reason  
6 that it was struck was that my understanding  
7 was that the half cent sales tax would fully  
8 fund the plan and that additional funding  
9 wouldn't be necessary. However, I hear the  
10 concern, and I think that we could restore  
11 some of that language so that it's clear that  
12 the City will be responsible for funding the  
13 plan if there is a shortfall when the tax  
14 expires.

15 BY ADAM GRIMES: Correct.

16 BY ALAN KANDEL: That's what you're  
17 looking for, right?

18 BY ADAM GRIMES: Yes.

19 BY ALAN KANDEL: Yeah.

20 BY ADAM GRIMES: We're not  
21 anticipating a shortfall. We want to - we  
22 want to be able to present the voters with a  
23 plan that says we're going to ask you once,  
24 our goal is to only ask you once, and the 120  
25 percent 12 year plan we believe would do

1 that.

2 BY ALAN KANDEL: Uh-huh.

3 BY ADAM GRIMES: But should something  
4 occur, we would like to have that protection.

5 BY ALAN KANDEL: Yes. That's fine.

6 And, you know, if you get to the end of 12  
7 years and either - if it's not necessary,  
8 then that language wouldn't be - it just  
9 wouldn't be, wouldn't be relevant. You know,  
10 it's also possible, I suppose, that if the  
11 sales tax is not sufficient, the City could  
12 look at another alternative such as passing  
13 another sales tax, and if that happens, then  
14 this could be amended at that time. But I  
15 hear the concern that should make clear that  
16 the City will be responsible for funding the  
17 plan if the tax is not sufficient, and if  
18 some other - if another tax is not enacted,  
19 or, you know, some other funding source isn't  
20 found. So, yeah. I can add that in.

21 BY MARSHALL HOGUE: Alan, it's  
22 Marshall Hogue, another Board Member. Just,  
23 you know, I think the intent is we want to  
24 make sure that the pension is not a revenue -  
25 isn't revenue sensitive, but still a general

1 obligation to the City.

2 BY ALAN KANDEL: I'm sorry. I didn't  
3 - I didn't catch what you said.

4 BY MARSHALL HOGUE: I said, I just -  
5 I think we want to make sure the pension is  
6 not revenue sensitive to the City, but it is  
7 still a general obligation to the City.

8 BY ALAN KANDEL: Uh-huh.

9 BY LESLIE HAASE: You guys have  
10 anything else for Alan? Is that the only  
11 issue?

12 BY JOHN ALFORD: I've got another  
13 issue, but -

14 BY LESLIE HAASE: With the plan?

15 BY JOHN ALFORD: With the ballot and  
16 the plan, because they both state the same  
17 thing.

18 BY LESLIE HAASE: Okay.

19 BY PETER EDWARDS: Real quick, John.  
20 So, Alan, the language that you just  
21 mentioned, the City will be responsible if  
22 there is a shortfall. Do you foresee the  
23 language that you craft being as simple as  
24 that or more wordy?

25 BY ALAN KANDEL: Oh, it might be a

1 little wordier than that. I don't want to  
2 make it wordier than necessary, but I think  
3 we would want to have language in here that  
4 would be effective and, you know, would  
5 clearly bind the City. So I would have to  
6 give it a little thought about - you know,  
7 what I said was just kind of off the cuff,  
8 the concept, but I think that I want to make  
9 sure that the language would work.

10 BY JOHN ALFORD: Okay.

11 BY ADAM GRIMES: Could it be  
12 something as simple as we just leave that  
13 section in there, adding the top part, and  
14 just leave the other part in?

15 BY LESLIE HAASE: Well, here - here  
16 is my only comment about that. That whole  
17 section was relative to the City paying in  
18 the actuary recommended amount. None of that  
19 will be happening, because it will be more -  
20 it will just be all the tax money. So, I  
21 don't know, to me, -

22 BY ADAM GRIMES: Right. So the  
23 actuary would come back and say you've  
24 exceeded the actuarial amount. You're  
25 allowed to exceed it, but if you go

1 delinquent -

2 BY PETER EDWARDS: Alan - I think  
3 Alan's - or Adam's question is the two  
4 paragraphs that were struck in 6.02 - or 6.2.  
5 Can those be left in this redraft?

6 BY ALAN KANDEL: Yes. I mean, I  
7 think they would be effective upon the  
8 expiration of the sales tax. In other words,  
9 I don't - they shouldn't be - I don't think  
10 they would be effective while the sales tax  
11 is still in effect.

12 BY PETER EDWARDS: Well, and I mean,  
13 the sales tax will be in effect, the plan  
14 will get to 100 percent - 120 percent funded,  
15 but in my mind we're not going to know of a  
16 shortfall for 30-40 years.

17 BY MEMBER: Well, being a half glass  
18 empty kind of guy, if the sales tax is still  
19 in effect, and all of a sudden the sales tax  
20 revenue that comes in is not covering what  
21 the actuary says needs to be covered, the  
22 City still has an obligation to cover that,  
23 even if the sales tax is in effect.

24 BY MEMBER: And that's what the --

25 BY JOHN ALFORD: Yeah. We don't care



1 about the funding source, just the aspect  
2 that whoever is responsible for it.

3 BY ALAN KANDEL: In other words, the  
4 - for the next 12 years, assuming the tax  
5 passes, the actuary will still be examining  
6 the plan and determining what the required  
7 funding amount is, and if there is - if not  
8 enough money is raised by the tax to cover  
9 the amount determined by the actuary that  
10 needs to be contributed, then the City would  
11 be responsible for making up the difference?  
12 Is that what you're saying?

13 BY MEMBER: Yes, sir.

14 BY JOHN ALFORD: Yes.

15 BY ALAN KANDEL: Okay.

16 BY ADAM GRIMES: And obviously we  
17 don't assume - we assume that the tax is  
18 going to be in excess of what the actuary  
19 would recommend.

20 BY ALAN KANDEL: Uh-huh.

21 BY ADAM GRIMES: Because you're  
22 closing the plan and -

23 BY LESLIE HAASE: Well, let's not  
24 forget for - I mean, if everything - the  
25 sales tax continues like it is, the

1 contributions will far exceed the actuary  
2 recommended rate.

3 BY ADAM GRIMES: Yeah, absolutely.

4 BY JOHN ALFORD: Yeah, it will be  
5 irrelevant if it's --

6 BY LESLIE HAASE: Right.

7 BY JOHN ALFORD: -- the way you guys  
8 plan it.

9 BY ADAM GRIMES: That's my point,  
10 this is just in case --

11 BY JOHN ALFORD: But I want it  
12 written down in there in case it does happen.  
13 Just because you've got an actuary report in  
14 '08 that said the plan would be funded by  
15 this point, and that's not happened.

16 BY LESLIE HAASE: No, I know.

17 BY PETER EDWARDS: So to break it  
18 down, what you're asking is if after 12 years  
19 the tax sunsets and it's only funded to 115  
20 percent, are you wanting the City's  
21 obligation to --

22 BY JOHN ALFORD: No, no, no.

23 BY LESLIE HAASE: No.

24 BY ADAM GRIMES: No, just - I think  
25 the - I'm sorry, go ahead.

1           BY JOHN ALFORD: I think it should be  
2 worded based off the actuary, because the  
3 actuary is going to make sure that the last  
4 dollar is paid. That's all I'm worried  
5 about. I don't care about the 120 percent.

6           BY MARSHALL HOGUE: And, John, I  
7 think really there's two things. One, as a  
8 citizen the tax dollars have to be 100  
9 percent allocated to that. So there's - the  
10 actuary can't come in and say we only need to  
11 do this and the City says, well, we've got an  
12 excess of that in sales tax. So all of the  
13 sales tax needs - that is from this needs to  
14 go - I think the statutory --

15           BY LESLIE HAASE: And that's already  
16 - well, that's already in this plan.

17           BY MARSHALL HOGUE: That's already in  
18 there. But I don't want to change it so that  
19 then what's being contributed ends up being  
20 only what the actuary says. It needs to be  
21 the sales tax, the minimum of what the  
22 actuary is saying.

23           BY LESLIE HAASE: Well, wait a  
24 minute. I mean, you guys are getting - there  
25 could be a year - I mean, let's play out a

1 year if a disaster happens, and the sales tax  
2 may dip for one year and come back.

3 BY MARSHALL HOGUE: Right. That's  
4 fair.

5 BY LESLIE HAASE: And the City then  
6 may not - the City may have, through the tax,  
7 for 5 years contributed way more than what  
8 they were supposed to, but then if you get  
9 bogged down in one year, the City then may  
10 not have the resources for one year, but then  
11 it goes right back. And the plan - I mean, -

12 BY MARSHALL HOGUE: How is that any  
13 different than now? Something can happen  
14 tomorrow and you have a general obligation to  
15 fund this plan. There is no - I don't see  
16 how you're changing anything.

17 BY LESLIE HAASE: Except that, here  
18 is the difference. We're not for 5 years  
19 paying more money. Are you -

20 BY MARSHALL HOGUE: No, I - well,  
21 you're paying ahead. We're using this 12  
22 year thing to get going, and at the  
23 conclusion of that the City has an obligation  
24 to fund the plan --

25 BY LESLIE HAASE: Right. At the

1 conclusion.

2 BY MARSHALL HOGUE: Okay. And during  
3 that process --

4 BY LESLIE HAASE: There's a  
5 difference.

6 BY MARSHALL HOGUE: -- you, not  
7 saying you, but the City makes the decision  
8 that we're not going to do this, then there's  
9 some language in there that says if you  
10 become delinquent you're going to make it up  
11 with interest.

12 BY LESLIE HAASE: Well, I mean, this  
13 language says all of that money has to go  
14 except for those two other provisions.

15 BY MARSHALL HOGUE: Correct.

16 BY LESLIE HAASE: So there is no  
17 question about that.

18 BY MARSHALL HOGUE: Okay.

19 BY LESLIE HAASE: So the question is,  
20 at the end of that time period - is the  
21 question at the end of that time period or  
22 during that time period?

23 BY JOHN ALFORD: After.

24 BY MARSHALL HOGUE: After.

25 BY JOHN ALFORD: My question is for

1 after.

2 BY LESLIE HAASE: Right. So to me --

3

4 BY JOHN ALFORD: A few years down the  
5 road.

6 BY LESLIE HAASE: To me, what Alan  
7 said in the beginning, should - because we  
8 should keep it as simple as we can. And at  
9 the end, if the actuary deems that additional  
10 funds are needed, then the City will  
11 contribute them. I mean, --

12 BY JOHN ALFORD: That's all I want it  
13 to say. I want it to say that. If it's even  
14 that simple in here, that would be awesome,  
15 because then everybody would understand it.

16 BY LESLIE HAASE: Right.

17 BY MARSHALL HOGUE: At the conclusion  
18 of the 12 years --

19 BY JOHN ALFORD: I get it. That the  
20 City would be responsible for whatever the  
21 actuary says would pay the last dollar to the  
22 last person on the plan.

23 BY MARSHALL HOGUE: If you're saying  
24 that this language ties your hands to making  
25 the payment, there is no variation to that,

1 --

2 BY LESLIE HAASE: There's no  
3 variation --

4 BY MARSHALL HOGUE: -- I'm fine with  
5 that.

6 BY LESLIE HAASE: -- in this.

7 BY MARSHALL HOGUE: Yeah.

8 BY LESLIE HAASE: Are we clear as  
9 mud, Alan?

10 BY ALAN KANDEL: Well, let me - let  
11 me just say what I think, where I think I  
12 heard everybody end up, and that is that at  
13 the expiration of the sales tax the City will  
14 be responsible for making any contributions  
15 the actuary determines are needed.

16 BY MARSHALL HOGUE: Yes.

17 BY LESLIE HAASE: I think that's  
18 appropriate.

19 BY ALAN KANDEL: But that - while the  
20 sales tax is in effect there's no need to say  
21 that because the sales tax is going to  
22 generate much more than what the annual  
23 contribution would be otherwise.

24 BY MARSHALL HOGUE: Well, that's the  
25 hope. I mean, I --

1 BY LESLIE HAASE: It is.

2 BY MARSHALL HOGUE: And I agree. I  
3 think everything - the moon aligns and the  
4 stars go where they need to go, I think we're  
5 fine, but my only concern is - and not a one  
6 year issue, Leslie, I understand what you're  
7 saying with that, but what happens if we get  
8 into this four years from now and all of a  
9 sudden, you know, we have a major sales tax  
10 crisis. I don't know what will happen. Just  
11 we didn't think an EF5 tornado would hit us  
12 either. But what if, and then all of a  
13 sudden for the next 10 years, so we're going  
14 to be, you know, 3 years into this, and then  
15 for the next 9 years we have 50 percent  
16 funding in that process. We still have - so  
17 now we're going to be 9 years behind on  
18 funding that because we didn't get enough  
19 money in from that. And I think that you've  
20 done the right work to say that most likely  
21 99 percent of this, we're going to get to the  
22 end of this and we're going to be happy about  
23 what happened. My question - and I  
24 understand that if we get to the end of it  
25 and there's still - we're behind the 8 ball,



1 then the City is going to be responsible for  
2 it, but what happens in the meantime?

3 BY LESLIE HAASE: Right. So what I'm  
4 - you know, Marshall, again, the workgroup's  
5 focus was on recruiting and retention, and in  
6 order to be able to fix that issue --

7 BY MARSHALL HOGUE: We've got to be  
8 able --

9 BY LESLIE HAASE: -- this is what we  
10 have to do.

11 BY MARSHALL HOGUE: So you need to  
12 spend the money on recruiting and retention  
13 and not the pension, is what you're telling  
14 me?

15 BY LESLIE HAASE: No. I'm saying we  
16 need to spend this sales tax on this pension  
17 plan.

18 BY MARSHALL HOGUE: The pension.  
19 Right. And then what you're - I'm sorry,  
20 you're right. What you have - what the City  
21 has been paying on the pension needs to go  
22 other places so that the sales tax is  
23 covering what the City is paying.

24 BY MEMBER: Plus, this saves the  
25 citizens money in the long run.

1 BY LESLIE HAASE: Yes.

2 BY MEMBER: Versus our 20 year plan  
3 that we have now.

4 BY LESLIE HAASE: Versus the lifetime  
5 plan we have now.

6 BY MEMBER: The lifetime plan.  
7 Sorry.

8 BY PETER EDWARDS: So the language if  
9 at the end of 12 years the actuary says more  
10 money is due to the plan, City is responsible  
11 for making those further contributions. Does  
12 everybody seem to think that language  
13 satisfies everybody's concerns? I see lots  
14 of head nodding.

15 BY MEMBER: Yes, sir.

16 BY MEMBER: Yes.

17 BY MEMBER: Got a lot of heads  
18 nodding, yeah.

19 BY MEMBER: Yes.

20 BY PETER EDWARDS: Okay.

21 BY MEMBER: I concur.

22 BY LESLIE HAASE: So, Alan, could you  
23 work on that for us today?

24 BY ALAN KANDEL: Yes, I will.

25 BY PETER EDWARDS: Any input from the

1 cheap seats?

2 BY LESLIE HAASE: Don't leave yet,  
3 Alan.

4 BY CHARLA GELLER: I do have a  
5 concern here, and I know a tremendous amount  
6 of work has taken place with your workgroups  
7 and things. Your workgroups have a different  
8 focus than the Pension Board does. The  
9 workgroups have a focus of retaining and  
10 employing and getting more services to our  
11 community. Our Pension Board has a focus of  
12 making certain that the pension plan stays  
13 solvent. So my concern, and I hear what Adam  
14 is saying, I hear what Leslie is saying. As  
15 a - my concern being that if there are 5  
16 years or 10 years, or God forbid, 20 years  
17 from now to have a huge recession, that the  
18 verbiage in there be that it gets funded  
19 every year to the actuary amount, because  
20 just from the past experiences that we've  
21 had, I don't want us to run into a shortfall  
22 again. So there you go. I mean, I get the  
23 work that's been done. I just want to  
24 reiterate the Board's responsibility is to  
25 this plan, not to hiring officers or

1 firefighters, not to retaining firefighters,  
2 not to increasing benefits of firefighters.  
3 The Board's mission is to maintain the  
4 solvency of the plan.

5 BY MEMBER: And we have a fiduciary  
6 responsibility to that. I think that's what  
7 we're doing right now.

8 BY MEMBER: I agree.

9 BY JOHN ALFORD: So, Charla, do you  
10 agree with the language to be added, that the  
11 City is responsible for the actuary?

12 BY CHARLA GELLER: I would leave the  
13 language as it is, but that's just me.

14 BY MEMBER: Because if you have a  
15 short - and I'm not in that - but if you have  
16 a shortfall in sales tax revenue, then the  
17 City is making up the difference to what the  
18 actuarial recommendation would be for that  
19 year, versus just stick the sales tax in  
20 there, because if you cut yourself that  
21 revenue out, you're back behind the 8 ball  
22 again. Am I misunderstanding something?

23 BY CHARLA GELLER: Like Marshall  
24 said, there's a problem of 1 percent, even  
25 less, chance that that's going to happen.

1 BY MEMBER: Absolutely. And if we're  
2 so confident that it's never going to happen,  
3 then why does it matter to have the language  
4 in there?

5 BY MEMBER: If we don't have that  
6 language in there do we end up becoming what  
7 we were in 2001, which is a defined benefit  
8 and a defined contribution plan, which failed  
9 miserably?

10 BY MEMBER: I just feel comfortable  
11 that whatever Peter was talking about, that  
12 there - it ties their hands, what the actuary  
13 recommendations are. Gives us 12 years to  
14 get our funding up where it needs to be.  
15 Obviously as a Board we can come back to the  
16 table and have a discussion should something  
17 happen unforeseeable, or whatever.

18 BY MEMBER: While I'm understanding  
19 what you stated about the language, I have  
20 not read it, but you are untying their hands  
21 for the 12 years you've got the sales tax in  
22 place. They are not actuarially required to  
23 pay it when the sales tax is contributing.  
24 You are saying that the sales tax is enough.

25 BY MEMBER: Well, I would say with 99

1 percent.

2 BY MEMBER: The actuary --

3 BY MEMBER: The amount that they're  
4 going to dump into the pension plan, 12 year  
5 period, and it's going to well exceed what  
6 the actuary will recommend every year.

7 BY MEMBER: I don't disagree.

8 BY MEMBER: Based on those dollars.

9 BY JOHN ALFORD: And the sales tax is  
10 for the pension plan specifically.

11 BY MEMBER: Yes. So that sales tax -  
12 Leslie, you can jump in here. That sales tax  
13 typically generates 6 1/2 to 7, 8 dollars  
14 every year.

15 BY LESLIE HAASE: Yes, sir.

16 BY MEMBER: Half cent sales tax does.  
17 So if they're dumping 5 million dollars, 6  
18 million dollars, or whatever into that plan  
19 every year, and we're - actuary  
20 recommendation right now, 2? One point  
21 something?

22 BY LESLIE HAASE: Right. See, so I  
23 understand what you all are saying, and I  
24 don't disagree, but by the same token, I'm  
25 trying to foresee the worst case scenario

1 that you all are painting. And so the worst  
2 case scenario that you are all painting is  
3 that the sales tax isn't generating what we  
4 anticipated. Say it's generating half, half  
5 of that, which is still more than the actuary  
6 recommended rate today. But if there is a  
7 point - let's just say the sales tax  
8 disappears totally. That's the worst case.  
9 Zero. You know, all of us, the Pension  
10 Board, the Public Safety Departments, the  
11 City, we would all be phased. I mean, if our  
12 sales tax is zero, we're going to have bigger  
13 -

14 BY MEMBER: Lot of problems, yeah.

15 BY LESLIE HAASE: And so in order -  
16 so what I keep trying to wrap my head around,  
17 and I'm struggling with this, is, okay, what  
18 situation would the City be in in that moment  
19 in time. And, okay, so maybe for a moment in  
20 time we wouldn't make the actuary recommended  
21 rate in order to keep everyone employed that  
22 we have employed at that moment, but by the  
23 same token, there will have been a lot of  
24 years where we've paid in much more money  
25 under this tax. So what I'm - so let's say

1 that by then the plan is 80 percent funded,  
2 which is good, everyone would be happy with  
3 80 percent funded, but let's say that's the  
4 year that sales tax tanks. Are you all  
5 really saying that maybe you would rather the  
6 City lay off people in order to - and I  
7 understand a fiduciary responsibility of this  
8 plan, and I also understand the fiduciary  
9 responsibility of the City. And I'm in the  
10 position of trying to take care of both. And  
11 so that's why I'm sitting here struggling to  
12 appease everyone and try to ensure that  
13 everything is taken care of.

14 BY MEMBER: Leslie, - I'm sorry, go  
15 ahead.

16 BY LESLIE HAASE: And so I don't  
17 think anyone's intention would be for us  
18 temporarily to lay off lots of people in  
19 order to fund this. I would have to assume  
20 that it would be a temporary measure, as long  
21 as the language is in there at the end if  
22 there is a shortfall the City is responsible.  
23 I get what you're saying. We do not - and I  
24 agree with what you're saying. I do not want  
25 to get back to that point where we can't dig



1 out of the hole, which is exactly what you're  
2 saying, and I agree with it.

3 BY MEMBER: Well, could I - what does  
4 this do, because back whenever the lawsuit  
5 was filed, whatever, does that - you still  
6 have that obligation to follow that lawsuit,  
7 so even on an annual basis --

8 BY LESLIE HAASE: We didn't lose a  
9 lawsuit.

10 BY MEMBER: Wasn't there some kind of  
11 --

12 BY MEMBER: It was a compromise.

13 BY LESLIE HAASE: There is a state  
14 statute that right now says if stand alone  
15 pension plans are less than 50 percent funded  
16 they will hold our sales tax.

17 BY MEMBER: Okay.

18 BY LESLIE HAASE: So there is already  
19 that state statute.

20 BY MEMBER: So I - in knowing that,  
21 because here is the thing, Leslie. If for  
22 some reason, if for some reason - I'm just,  
23 you know, worst case scenario-ing here. We  
24 have to make sure that we're writing checks  
25 to retirees.

1 BY LESLIE HAASE: Yes.

2 BY MEMBER: I mean, that's - I mean,  
3 I'm not talking --

4 BY LESLIE HAASE: The City has --

5 BY MEMBER: Right.

6 BY LESLIE HAASE: No matter what  
7 anyone says, that is the City's obligation.

8 BY MEMBER: The City has to do that,  
9 regardless as a state statute, the City has to  
10 write checks to retirees regardless of any  
11 other - how we have it languaged - how the  
12 language is in here.

13 BY MEMBER: Once you're vested.

14 BY MEMBER: Huh? Yeah, once - I  
15 mean, whoever is qualified, they have to  
16 receive a payment from that. Even if it's  
17 the fact that essentially they're going back  
18 on payroll and there's no pension. I'm just  
19 saying worst case scenario. There is no  
20 pension dollars to send out. The City would  
21 essentially just have to send those checks  
22 out directly. Is that --

23 BY LESLIE HAASE: Right. But I'm  
24 saying if the pension plan is 80 percent  
25 funded, those checks are going to continue.

1           BY MEMBER: And I agree with that.  
2   And so what - I guess what I'm trying - what  
3   I'm trying to get back to, Leslie, is that if  
4   that's the case, then I think that the  
5   language that says that the City is back on  
6   the hook for it, actuarially back on the hook  
7   for it after 12 years, I think is fine,  
8   because the statute protects the retirees,  
9   fiduciarly protects retirees during that 12  
10   year period of time. Now, if at the end of  
11   the 12 years we're at 40 percent funded and  
12   we've got - you know, what we planned to do  
13   didn't work for some ungodly reason, we don't  
14   know why that would be, the City is back on  
15   the hook for making those payments again. In  
16   the meantime, my concern of making sure that,  
17   you know, the folks that are in here that are  
18   receiving checks still get a check on a  
19   monthly basis is that's a statutory  
20   requirement. So I feel comfortable allowing  
21   the statutory requirement to fulfill that 12  
22   year period of time and allow the tax to do  
23   its work during that period of time, and then  
24   after that, then we have to come back to the  
25   drawing board, then that's what we'll do.

1 Does that - does that make sense or am I out  
2 in left field?

3 BY PETER EDWARDS: The reality of it,  
4 too, is if we get to year 8 or 9 in the tax  
5 and we see a shortfall on the horizon -

6 BY LESLIE HAASE: We're going to be  
7 acting.

8 BY PETER EDWARDS: We're going to  
9 have to make adjustments in the budget for  
10 one - you know, annual contributions to the  
11 plan.

12 BY MEMBER: And this Board still is  
13 going to exist.

14 BY MEMBER: I'm comfortable, I'm  
15 comfortable with the after 12 years language  
16 at this point.

17 BY MEMBER: Yeah, because I - you  
18 know, and I think about what you said  
19 earlier, you know, with sales tax goes  
20 completely away. Well, I mean, that's like  
21 saying Godzilla is going to visit Joplin.  
22 It's just not going to happen. People are  
23 always going to buy stuff. I am comfortable  
24 with this 12 year time. The tax is going to  
25 exceed - or our funding status is going to

1 improve to above 63 percent. We have a joint  
2 commission that's going to - the State is  
3 watching over this stuff. They approve the  
4 stuff. We have actuaries that are watching  
5 over. We have investment advisors. We have  
6 lots of checks and balances to protect us as  
7 plan participants, but we're using our  
8 fiduciary responsibility to make sure that  
9 the plan is being funded appropriately and  
10 it's being - it has some teeth to make sure  
11 that moving forward that we make - us and the  
12 City are making the right decisions to fund  
13 this for every retiree that has put their  
14 life on the line here in the City. So I'm  
15 comfortable with the 12 year, I think the  
16 provision that you were referring to earlier.  
17 And I think Alan can probably draft some  
18 language that's - that would meet that  
19 muster.

20 BY PETER EDWARDS: Okay.

21 BY JOHN ALFORD: Let me ask you this.  
22 The tax is in place, everything is being  
23 funded to reach that 120 percent. What is  
24 the actuary going to be saying is going to be  
25 the assumption rate - not the assumption

1 rate. What is the -

2 BY PETER EDWARDS: Contribution rate.

3 BY JOHN ALFORD: Contribution rate  
4 going to be from the actuary? Will you be  
5 paying that anyways, I guess, with the tax?

6 BY LESLIE HAASE: We'll be paying  
7 more than that.

8 BY MEMBER: Right.

9 BY JOHN ALFORD: So why is it an  
10 issue to write it down then? Because it's  
11 already irrelevant. And wouldn't that make  
12 everybody happy?

13 BY PETER EDWARDS: Well, John, I  
14 think the answer - I don't think the City is  
15 going to be making the contribution rate from  
16 general funds. They're going to be making  
17 the contribution rate from the tax. So it's  
18 not going to be the actuarial contribution  
19 rate plus the tax, it's --

20 BY JOHN ALFORD: So let's write it  
21 down the contribution rate is taken care of.

22 BY PETER EDWARDS: By the tax.

23 BY JOHN ALFORD: By however means.  
24 If it's from the tax or from the City.  
25 Wouldn't that make everybody happy, and

1 wouldn't it be irrelevant if the tax is taken  
2 care of in the first place.

3 BY MEMBER: Well, for this Board it  
4 might, but say that right now we're going to  
5 be exceeding the contribution rate, but what  
6 if it gets to the point where you still need  
7 to make - and then all of a sudden you're -  
8 you still have that tax in place, but now  
9 you're just using minimal dollars for that  
10 tax to fund it instead of trying to get --

11 BY MEMBER: No. You just pay it off  
12 early.

13 BY JOHN ALFORD: The contribution  
14 rate would change, though.

15 BY LESLIE HAASE: Well, --

16 BY JOHN ALFORD: If you're throwing 6  
17 million dollars in it every year, the  
18 contribution rate should lower, correct?

19 BY PETER EDWARDS: Yes.

20 BY LESLIE HAASE: Yes. Well, yes.  
21 Yes.

22 BY JOHN ALFORD: So I think by  
23 writing it down, just saying by however means  
24 the contribution rate is taken care of, that  
25 should make -

1 BY MEMBER: Let's say --

2 BY LESLIE HAASE: So, wait a minute.

3 BY MEMBER: That is what it says  
4 here. All the money goes to the plan.

5 BY LESLIE HAASE: So I have an idea.  
6 So what if the language said something like  
7 this. So we're sitting at 63 percent funded  
8 right now. Payments are being made to  
9 retirees. So what if the language said  
10 something like, you know, if - and this isn't  
11 going to be exactly right, but if in any  
12 given year the tax proceeds, you know, don't  
13 meet what the actuary recommended by some  
14 percentage, then the City will make up the  
15 difference.

16 BY CHARLA GELLER: Absolutely.

17 BY JOHN ALFORD: Or be responsible.

18 BY PETER EDWARDS: But then --

19 BY LESLIE HAASE: But in that year.

20 BY CHARLA GELLER: Absolutely.

21 BY PETER EDWARDS: Then what happens  
22 the next year when the tax brings in 2  
23 million dollars more than what the actuary  
24 recommended.

25 BY JOHN ALFORD: Then that section is



1 irrelevant, because you're reaching your  
2 contribution rate.

3 BY LESLIE HAASE: It's not for that  
4 year, though, John.

5 BY PETER EDWARDS: The City --

6 BY MEMBER: You're talking about  
7 being able to get the money back from general  
8 fund year 2, that you put out in year 1?

9 BY LESLIE HAASE: Okay. So, say,  
10 let's say years 1 through 3 go along like we  
11 anticipate. And we contribute -

12 BY PETER EDWARDS: Eighteen million  
13 dollars.

14 BY LESLIE HAASE: Let's just say 12  
15 million. But the actuary really only called  
16 for, I don't know, 7 1/2. Okay. So, yes,  
17 John, we will have paid in - so what will  
18 happen is the funded status will go up. And  
19 the rate that the actuary - and I'm talking  
20 through this for myself.

21 BY JOHN ALFORD: Uh-huh. No, I get  
22 it, too.

23 BY LESLIE HAASE: So then the actuary  
24 percentage that they would say the City would  
25 owe would come down some. So status and

1 contribution. Then year 4 comes along, and  
2 something happens, and the tax doesn't  
3 generate what we anticipated. So, I mean,  
4 right now the actuary says we contribute 2.6  
5 million and 2.5 million, something like that.  
6 So let's just say that the tax only was 1  
7 million, okay? So we only generate 1  
8 million. So what I'm saying is - and the  
9 funded status would not go up as much that  
10 year. And let's just say at this point  
11 they're saying the City needs to contribute  
12 the 2.5. But then next year - and let's just  
13 say at this point the plan is 70 percent  
14 funded, okay? So there's the case of is this  
15 an isolated year issue. And I suspect if  
16 it's an isolated year issue - well, we're not  
17 going to be in that hole. One year of not  
18 making the contribution, if we're sitting  
19 here, is not going to be a big deal. So then  
20 the question becomes are we going to recover  
21 and come back to what we projected the sales  
22 tax or not. And so we recover, I suspect  
23 this isn't an issue, and yet it could be an  
24 issue to the City if our sales tax is tanked  
25 to here, where are we going to find 1.5

1 million dollars, and did we really need to do  
2 that. Do we really need to take drastic  
3 measures to find 1.5 million dollars if the  
4 plan is 70 percent funded for one year. So  
5 what I'm trying to say - now, you're right,  
6 if that becomes a 10 year problem, it's a  
7 problem.

8 BY MEMBER: What about 3 years or 6  
9 years, where you're looking at the numbers.

10 BY LESLIE HAASE: Right. So what I'm  
11 trying to say is, maybe we can come up with  
12 some sort of a sliding scale --

13 BY JOHN ALFORD: But in the --

14 BY LESLIE HAASE: Or you have the  
15 ability to wait until the end of the period  
16 and see if it's an issue or not.

17 BY CHARLA GELLER: And then you might  
18 have to pay 12 million.

19 BY LESLIE HAASE: You might.

20 BY CHARLA GELLER: Versus 1.2.

21 BY LESLIE HAASE: You might.

22 BY PETER EDWARDS: But then you might  
23 go back to the voters and say we need this  
24 tax for another two years.

25 BY JOHN ALFORD: The contribution

1 rate is based off the amortization of the  
2 plan, not off the tax. So if you're putting  
3 money into the plan, your contribution rate  
4 is going to be coming down --

5 BY LESLIE HAASE: It is.

6 BY JOHN ALFORD: -- because it's  
7 based off the 18 years we had left of our  
8 amortization.

9 BY LESLIE HAASE: No. It's based on  
10 the liabilities and the assets. That's what  
11 it's based off of. And you're --

12 BY JOHN ALFORD: But they're using  
13 the 18 --

14 BY LESLIE HAASE: Those unfunded  
15 liabilities by the 18 years, yes.

16 BY JOHN ALFORD: Right. But at the  
17 end of the 18 years they want it to be 100  
18 percent funded.

19 BY LESLIE HAASE: Yes. That is  
20 correct.

21 BY JOHN ALFORD: That's what the  
22 contribution rate is based off of. The tax  
23 would do nothing but make it better.

24 BY LESLIE HAASE: So if we - if we  
25 put in 12 million dollars over 3 years, the

1 unfunded liability is going to decrease  
2 significantly, which is going to decrease  
3 that - this.

4 BY JOHN ALFORD: Correct.

5 BY LESLIE HAASE: And increase this.

6 BY JOHN ALFORD: Correct.

7 BY LESLIE HAASE: Not - I mean, the  
8 18 years was only one piece of that  
9 mathematical equation. The biggest part of  
10 that mathematical equation are the unfunded  
11 liabilities, which are sitting at 24.1  
12 million dollars right now.

13 BY JOHN ALFORD: Right. But every  
14 year the tax is giving more money to correct  
15 that unfunded liability situation.

16 BY LESLIE HAASE: Right. But your  
17 assumption, the whole reason you're looking  
18 at this language is that you're assuming this  
19 tax isn't going to generate this?

20 BY JOHN ALFORD: No. All I'm doing  
21 is, I don't care about doomsday. I'm not  
22 doomsdaying. I'm here to have a secure --

23 BY LESLIE HAASE: You are  
24 doomsdaying.

25 BY JOHN ALFORD: No, I'm not.

1 Listen. I'm here to have a security blanket  
2 saying to the people that are asking me  
3 questions what happens if doomsday happens.  
4 I'm just asking for a security blanket.

5 BY LESLIE HAASE: Right. And you  
6 asked at the end of 12 years can we put that  
7 language in there that says the City will  
8 fund it, and I think that should be in there.

9 BY JOHN ALFORD: Right. But I also  
10 have some beneficiary behind me that wants  
11 the contribution rates taken care of, and I  
12 have to listen to her because that's my job.

13 BY LESLIE HAASE: Right. So what I'm  
14 trying to ask - so then we become doomsday  
15 because we're looking at worst case scenario.  
16 So I'm not saying - we're trying to look at  
17 worst case scenarios, not -

18 BY LARRY SWINEHART: The 1 year issue  
19 is not the worst case scenario, it's the 10  
20 year --

21 BY LESLIE HAASE: It's this.

22 BY LARRY SWINEHART: It's the 10 year  
23 issue.

24 BY LESLIE HAASE: Yes.

25 BY LARRY SWINEHART: I agree with you

1 if it's a 1 year blip in the road, and we  
2 understand why it happened, and we understand  
3 that it's not going to happen the next year,  
4 that we just allow the process to take care  
5 of itself, --

6 BY LESLIE HAASE: But if you put in  
7 that language you're not going to allow,  
8 you're not going to allow that process.

9 BY LARRY SWINEHART: And I understand  
10 that. And my whole thing is, the City is  
11 liable for the payments regardless of whether  
12 or not the pension gets funded. You're  
13 liable to make payments to the pensioners  
14 regardless of the assets in the pension plan  
15 itself. And so that's why I - I would prefer  
16 it to be at 100 percent, they would rather it  
17 be 100 percent - don't want to see the City  
18 all of a sudden try to bankrupt itself. You  
19 know, it's not going to happen. I'm just - I  
20 mean, those are really strong words. I don't  
21 mean to use that. But my point is, they want  
22 to make sure that there's money in the  
23 lockbox, you know, to be there.

24 BY LESLIE HAASE: Right.

25 BY LARRY SWINEHART: I think that

1 that language can be after the 12 years,  
2 because, you know, they're going to have to  
3 make a payment if - if everything went to  
4 heck in a hand basket, you're going to be  
5 making payments to them regardless of whether  
6 or not there is money in the pension plan.

7 BY LESLIE HAASE: Well, so what I  
8 would propose, I would make a proposal,  
9 because I don't disagree with what Charla is  
10 saying, and I don't disagree with what Larry  
11 is saying. I don't want to - now, do I think  
12 this is going to happen, no, I don't, but I  
13 also don't want to be known as the finance  
14 director that didn't make provisions for the  
15 worst case scenario and us pay for it down  
16 the road. So, you know, so we've all agreed  
17 that we need to add back the language in  
18 there that says at the end of the 12 years  
19 that the City is responsible, and I think  
20 we're all good with that. And, I mean, that  
21 in and of itself - but then I don't want at  
22 the end of the 12 years to owe millions of  
23 dollars either if we haven't collected it on  
24 the sales tax. So could we look at adding  
25 some provision that said so we're sitting at



1 63 percent funded, it should not go - so at  
2 any - could we say at any given year if the  
3 funded status is less than 65 percent, or 60  
4 percent, the City will make the actuary  
5 recommended rate for any year that the funded  
6 status is less than that percentage?

7 BY MEMBER: I think that's --

8 BY LESLIE HAASE: Because then you're  
9 not any worse than you are today.

10 BY MEMBER: Right, right. I would  
11 agree with that.

12 BY JOHN ALFORD: Here is the issue I  
13 have. Right now you have to wear different  
14 hats, and you have the City's hat on, and we  
15 have the Pension Board's hat on. I think  
16 that you need to put in there that the City  
17 is responsible for the contribution rate that  
18 the actuary comes up with.

19 BY LESLIE HAASE: So, John, in this  
20 scenario right here, where the plan is 70  
21 percent funded, you're telling me if there  
22 was a shortfall of a million and a half  
23 dollars you would want the City to come up  
24 with a million and a half when it's funded at  
25 that level?

1 BY JOHN ALFORD: I'm telling you --

2 BY LESLIE HAASE: For one - for a 1  
3 year problem.

4 BY JOHN ALFORD: -- I don't care,  
5 because as a Pension Board all I care about  
6 is making sure the plan is solvent. I can't  
7 worry about what the City does. It's not my  
8 concern. My concern is to make sure the plan  
9 is solvent, end of story.

10 BY LESLIE HAASE: Right. At 70  
11 percent.

12 BY CHARLA GELLER: John, I think she  
13 is giving us an olive branch here, and maybe  
14 70 percent ought to be the number that you  
15 use. Anything less than 70. We're looking  
16 at a 1 percent scenario where you're not  
17 going to have it funded, but then if it's  
18 less than that, then there's an agreement  
19 that the City will pay.

20 BY MEMBER: And I understand what  
21 you're saying, John, but --

22 BY CHARLA GELLER: I whole-heartedly  
23 do, but I'm --

24 BY MEMBER: I think that's  
25 reasonable.

1 BY CHARLA GELLER: I mean, if I know  
2 that it's going to - as a retiree, if I know  
3 that it's going to get paid when we hit a  
4 certain amount - and I don't know the exact  
5 language to use. You're going to need  
6 someone else to do that.

7 BY JOHN ALFORD: Yeah, Alan.

8 BY CHARLA GELLER: Alan will do it.

9 BY MEMBER: And I don't disagree with  
10 what you're saying, John. I understand  
11 exactly where you're at. I agree with where  
12 you're at. I just think that's reasonable.

13 BY CHARLA GELLER: That if we're  
14 going to hit a certain percentage, then  
15 there's an agreement there that the City will  
16 pay it after a certain percentage.

17 BY MEMBER: And that's the blanket.

18 BY LESLIE HAASE: Again, I don't wear  
19 two hats.

20 BY JOHN ALFORD: You said that just  
21 right there. You said it ten seconds ago.

22 BY LESLIE HAASE: I do. But funding  
23 this plan is a part of the City hat. So I  
24 said it poorly.

25 BY JOHN ALFORD: I get it. I just

1 want to make sure --

2 BY LESLIE HAASE: So I said it

3 poorly.

4 BY JOHN ALFORD: -- the plan is good.

5 BY LESLIE HAASE: I do, too.

6 BY JOHN ALFORD: Honestly, I'm okay

7 with this. I'm okay with the 12 years.

8 BY MEMBER: And I would like --

9 BY JOHN ALFORD: But if the  
10 beneficiary is not okay with it, then I can't  
11 be okay with that.

12 BY MEMBER: That provision that we're  
13 not going backwards.

14 BY MEMBER: Because this is highly  
15 unlikely to occur.

16 BY LESLIE HAASE: It is. I also --

17 BY JOHN ALFORD: I agree.

18 BY LESLIE HAASE: I don't want to get  
19 12 years down the road and be in a humongous  
20 hole.

21 BY MEMBER: But if it does occur, on  
22 the slim chance it does occur, my opinion is  
23 that's reasonable.

24 BY LESLIE HAASE: So can we all - I  
25 can live with 70 percent.

1 BY MEMBER: I'm good with 70 percent.

2 BY MEMBER: It's better than we've  
3 been my entire career.

4 BY PETER EDWARDS: At what point?

5 BY LESLIE HAASE: At any given year.  
6 So the language will say something like in  
7 any given year if the funded status is less  
8 than 70 percent, and the actuary recommended  
9 rate was not made, then the City will be  
10 responsible for funding up to that actuary  
11 recommended rate for that year.

12 BY MEMBER: I think you're going to  
13 have to be cautious on that any given year,  
14 because year 1 we might not be at 70.

15 BY MEMBER: But they're going to be -  
16 but they're going to be at the actuarial rate  
17 --

18 BY MEMBER: At year 3 --

19 BY LESLIE HAASE: No, but it  
20 shouldn't apply because we're going to be  
21 putting in this amount of money --

22 BY MEMBER: Oh, I gotcha. I gotcha.

23 BY MEMBER: The revenue is there.

24 BY LESLIE HAASE: I'm comfortable  
25 with that. Only time this is going to come

1 into play is if our sales tax literally tanks  
2 to 1 million - a half cent tanks to a 1  
3 million dollars, at which point I'm telling  
4 you we're going to have bigger problems.

5 BY MEMBER: Big trouble.

6 BY MEMBER: No, I got you. I was  
7 just thinking the first or second year we  
8 wouldn't get 70 percent, but you're meeting  
9 the recommendation of the actuary.

10 BY LESLIE HAASE: Yes.

11 BY MEMBER: So I'm good with that.

12 BY LESLIE HAASE: And if that makes  
13 everyone feel comfortable, and it makes me  
14 feel comfortable - I'm wearing 1 or 2 hats,  
15 John.

16 BY MEMBER: No, we're protecting all  
17 the participants, we're protecting the  
18 citizens, and the plan -

19 BY MEMBER: I think that's a really  
20 good compromise.

21 BY PETER EDWARDS: All right. So,  
22 Alan, are you still there?

23 BY ALAN KANDEL: Yeah, I'm still  
24 here.

25 BY PETER EDWARDS: You having fun?

1 BY ALAN KANDEL: Lots of fun,  
2 although I can't say that I understood  
3 everything that was said. I think some of  
4 the people who were farther away from the  
5 phone didn't - their voices were pretty  
6 muffled.

7 BY PETER EDWARDS: Okay. Well, I  
8 think we maybe have reached some sort of  
9 consensus on what the language needs to sound  
10 like. Do you feel like you know what that is  
11 or do you want us to kind of restate it for  
12 you?

13 BY ALAN KANDEL: Let me say it how I  
14 think I understand it at this point and then  
15 you can correct me if I've got it wrong,  
16 okay?

17 BY LESLIE HAASE: Okay.

18 BY ALAN KANDEL: Prior to the  
19 expiration of the sales tax, if for any plan  
20 year the funded status of the plan is less  
21 than 70 percent, and if the recommended - the  
22 contribution recommended by the actuary is  
23 greater than the proceeds from the sales tax,  
24 then the City will make up the difference.

25 BY LESLIE HAASE: That's perfect.

1 BY MEMBER: Yeah.

2 BY LESLIE HAASE: Plus the language  
3 about at the end of the 12 years.

4 BY ALAN KANDEL: And then at the end  
5 of 12 - upon the expiration of the sales tax,  
6 if the - the City will be responsible for  
7 making any contribution recommended by the  
8 actuary to make sure that the plan is fully  
9 funded.

10 BY MEMBER: Yes.

11 BY MEMBER: Yes.

12 BY PETER EDWARDS: Okay. I think if  
13 you can work on those two revisions, Alan,  
14 and get those to us ASAP, that would be  
15 great, but don't hang up yet, because while  
16 you're still on the phone I think John had  
17 another section of the revision that he had a  
18 question or concern about.

19 BY JOHN ALFORD: Yeah. I just --

20 BY ALAN KANDEL: Okay.

21 BY JOHN ALFORD: Hi, Alan. My name  
22 is John.

23 BY ALAN KANDEL: Hi, John.

24 BY JOHN ALFORD: I have just a  
25 clarification of the official ballot, and it



1 also states it in 6.2 of the plan.

2 BY ALAN KANDEL: Okay.

3 BY JOHN ALFORD: So basically it  
4 states that the net proceeds of the tax will  
5 only fund the plan after the funding source  
6 of the 1 million dollars paid to Loggers per  
7 2 years. So the question is, is the plan  
8 receiving money within that 2 years, or does  
9 it have to wait until after everything is  
10 paid for?

11 BY LESLIE HAASE: No. So I can  
12 explain. I can explain that one, Alan.

13 BY ALAN KANDEL: Okay.

14 BY LESLIE HAASE: So, again, John,  
15 next year the tax will generate 6 1/2 million  
16 dollars, okay?

17 BY JOHN ALFORD: Right.

18 BY LESLIE HAASE: So what this says  
19 is that, so those proceeds will be coming in  
20 monthly, and, you know, we will just probably  
21 - we'll prorate that million dollars over 12  
22 months, and then the amount needed for the  
23 gap, which as this moves forward we will have  
24 --

25 BY JOHN ALFORD: Right. The 2

1 priorities.

2 BY LESLIE HAASE: -- the anticipated  
3 amount for that. And then we would start  
4 prorating that, but all of the rest of the  
5 money monthly would be going to the plan.  
6 So, ideally, the way that it's set up is we  
7 would set aside 1 million for A, 1 million  
8 for B, the B part will be over 5 years  
9 because that's the vesting period, and so 4  
10 1/2 million dollars in year 1 would go to the  
11 plan. That's --

12 BY JOHN ALFORD: Right. And that's  
13 what I thought, it's just it doesn't say  
14 that. It says after the funding of the two  
15 priorities.

16 BY MEMBER: So essentially if the tax  
17 didn't bring in a million dollars, then  
18 Loggers is going to get it. However, the  
19 City is still going to pay the actuary  
20 amount.

21 BY LESLIE HAASE: Right.

22 BY JOHN ALFORD: Yeah. I needed that  
23 clarification.

24 BY MEMBER: If it only brought in a  
25 million dollars in the first 2 years, by the

1 ballot language, the money would go to  
2 Loggers first. However, by the compromise  
3 that we just made, if that happened, the City  
4 would still pay the current actuary amount to  
5 pay off the back.

6 BY JOHN ALFORD: So does the ballot  
7 need to be changed because of the compromise  
8 we just made, I guess?

9 BY PETER EDWARDS: I don't think the  
10 ballot needs to be changed, but I think --

11 BY JOHN ALFORD: The word I have --

12 BY PETER EDWARDS: John's question is  
13 - John's question basically gets to how that  
14 money is going to be divided up, monthly or  
15 yearly, for the first 5 years. And I don't  
16 know that it's appropriate to put that in the  
17 ballot language, but maybe it would be nice  
18 to have a more defined understanding how that  
19 contribution to Loggers and then the prior  
20 service credit, and then the balance to the  
21 plan, how that is going to be paid for those  
22 first 2 and 5 years.

23 BY LESLIE HAASE: Okay.

24 BY JOHN ALFORD: It would just be the  
25 first 2 years.

1 BY ALAN KANDEL: Do you think an  
2 example would help in the plan?

3 BY LESLIE HAASE: Yes.

4 BY ALAN KANDEL: To clarify the  
5 intent?

6 BY LESLIE HAASE: Yes.

7 BY MEMBER: I'm good with that.

8 BY PETER EDWARDS: So do you  
9 understand that, Alan, how Leslie --

10 BY ALAN KANDEL: Yes.

11 BY PETER EDWARDS: -- kind of stated  
12 it?

13 BY ALAN KANDEL: Yes. Yeah, maybe  
14 Leslie and I can get together after the  
15 meeting and talk about this, because I'm not  
16 sure - actually, maybe I have enough. I'll  
17 draft something and I'll send it to Leslie  
18 and then Leslie can tell me where I've got it  
19 wrong, or if it's right, or whatever.

20 BY LESLIE HAASE: Okay. That sounds  
21 good, Alan.

22 BY PETER EDWARDS: Are you good with  
23 that, John?

24 BY JOHN ALFORD: Yeah.

25 BY PETER EDWARDS: Okay. Does

1 anybody else have --

2 BY ALAN KANDEL: Okay.

3 BY PETER EDWARDS: -- any other  
4 questions substantive to the revisions in the  
5 plan while we have Alan on the phone?

6 BY MEMBER: All the striking out of  
7 the 6.1 and putting 6.1, is that just a  
8 formatting -

9 BY ALAN KANDEL: 6.1.

10 BY PETER EDWARDS: I think so.

11 BY LESLIE HAASE: It's just --

12 BY JOHN ALFORD: Yeah, I think it's  
13 just the computer did that.

14 BY PETER EDWARDS: Just renumbering.

15 BY LESLIE HAASE: Yeah.

16 BY PETER EDWARDS: Charla, you have  
17 any other questions right now?

18 BY MIKE McGAVRAN: Well, I have one  
19 question. I heard a lot about the tax  
20 revenue coming in. I didn't hear anything  
21 about what happens if the investment return  
22 is not there.

23 BY LESLIE HAASE: Well, --

24 BY MIKE McGAVRAN: Does that make any

25 --

1 BY LESLIE HAASE: Yes. So, actually,  
2 the actuary, when he ran the numbers, when  
3 you close a plan, and when it reaches a  
4 certain point the investments will, by  
5 nature, move to less risky investments over  
6 time. And so he has made provisions in his -  
7 so the number - the amount of money that we  
8 needed the actuary figured out, and he took  
9 into account that the investment returns  
10 would go down over time as fewer and fewer  
11 people are on the plan. So that has been  
12 taken into account, Mike.

13 BY MIKE MCGAVRAN: Okay. All right.  
14 Thank you.

15 BY PETER EDWARDS: Okay. Everybody  
16 okay to let Alan go at this point?

17 BY JOHN ALFORD: Yes.

18 BY MEMBER: Thank you.

19 BY LESLIE HAASE: Thanks, Alan, for  
20 squeezing us in.

21 BY PETER EDWARDS: Thank you.

22 BY ALAN KANDEL: Okay. Thank you.  
23 Have a good day.

24 BY LESLIE HAASE: Bye.

25 BY ALAN KANDEL: Bye.

1 BY MEMBER: So, Peter, what do we do  
2 from here? Is this - do we have more  
3 discussion or do we need to come back after  
4 we get some new language or -

5 BY PETER EDWARDS: Does anybody else  
6 have any other issues that they want to  
7 address?

8 BY MEMBER: If we could, the issue  
9 that the retired fire and firefighters  
10 propose, retired police officers have also  
11 asked that we use - run this by a second  
12 attorney. However, what I'm hearing, and I  
13 totally agree, they're not interested in  
14 using an attorney that has sued the Board,  
15 and I - I can't argue that one bit. I  
16 whole-heartedly agree with that. And perhaps  
17 we need to meet - or when you talk to Alan  
18 next, perhaps he could recommend some other  
19 attorneys that deal with closed pensions so  
20 that we're not ending up in a 1993 issue  
21 again. I whole-heartedly agree that we  
22 probably need to have someone take a look at  
23 this and say, yes, as your attorney I see no  
24 major issues that will cause you future harm.  
25 However, I'm not - I will speak totally

1 against using Tobin and his bunch.

2 BY PETER EDWARDS: Well, and I'll  
3 tell you, to that end, it would be surprising  
4 to me if they would take on that review just  
5 for conflict of interest issues.

6 BY MEMBER: Whose client is Alan --

7 BY PETER EDWARDS: Alan is who you  
8 guys go to for --

9 BY MEMBER: We're his client? The  
10 Board is his client?

11 BY PETER EDWARDS: Correct.

12 BY MEMBER: I just wasn't sure.

13 BY PETER EDWARDS: And historically,  
14 he has done all the plan revisions for the  
15 Board. So certainly if it's the Board's  
16 desire to have a second attorney review  
17 Alan's revisions to the plan, and if you want  
18 Alan to make a recommendation, it would  
19 probably be good coming from him to have  
20 someone who understands pension plans and  
21 does work on pension plans to do that review,  
22 if that's what I'm hearing.

23 BY MEMBER: Yes. The police retirees  
24 have looked up a Schuchat, Cook & Werner out  
25 of St. Louis area. That's who they would



1 love to see. If you guys are in agreement,  
2 mostly in agreement --

3 BY PETER EDWARDS: Say that again.

4 BY MEMBER: Schuchat, Cook & Werner.  
5 Particularly a James Singer. I guess he has  
6 an expertise in closed plans.

7 BY PETER EDWARDS: Can I just get a  
8 motion and a vote?

9 BY MEMBER: I'll move that we have  
10 James Singer, or we approach James Singer  
11 regarding reviewing our plan through Schuchat  
12 -

13 BY MEMBER: Cook & Werner.

14 BY JOHN ALFORD: I need to do some  
15 research on this guy before I can make a  
16 decision. Can we do like a phone vote later?

17 BY PETER EDWARDS: Yeah. Did you get  
18 a second on your -

19 BY MEMBER: I didn't.

20 BY PETER EDWARDS: Let's talk about  
21 this. Let's talk about timing, okay? At  
22 this point in time in order to get on that  
23 November ballot we are --

24 BY MEMBER: Is it August?

25 BY PETER EDWARDS: We're up against a

1 little bit of a time crunch. And I don't  
2 want anybody to feel rushed, but I want  
3 everybody to understand that we are -

4 BY MEMBER: What is the deadline for  
5 that.

6 BY PETER EDWARDS: I'm assuming Alan  
7 is going to have the revisions done today, or  
8 at the very latest tomorrow morning. He has  
9 been very responsive up to this point. So I  
10 would assume he will have those revisions  
11 done today. At that point if we're in a  
12 position to forward those on to the attorney  
13 that you guys want to review it, we would  
14 need to do that immediately. And I think at  
15 the same time, it comes back to you guys for  
16 further review. And in a perfect world, that  
17 second attorney would have his review done  
18 maybe early next week. Are we supposed to  
19 meet next Thursday regular meeting?

20 BY MEMBER: Yes.

21 BY PETER EDWARDS: To where we're in  
22 a position to take this up next Thursday at  
23 the meeting. But I think if we get beyond  
24 that date of next Thursday of next week we're  
25 starting to kind of get to that point where

1 November ballot could become a little bit  
2 more problematic. I just want to let  
3 everybody know that.

4 BY MEMBER: Can we ask Alan if he  
5 knows anything about this firm or this person  
6 and what his recommendation would be, or --

7 BY PETER EDWARDS: Yeah, and I don't  
8 know, because Alan has all the historical  
9 understanding of this plan, and the  
10 documents, --

11 BY MEMBER: And it's nothing against  
12 Alan.

13 BY PETER EDWARDS: No, no, no. I  
14 just don't know what a new attorney to look  
15 at his revisions, I don't know what that's  
16 going to take.

17 BY MEMBER: What is Alan's history  
18 with closed plans? That would be something -

19 BY PETER EDWARDS: We're also making  
20 kind of making that assumption that Singer is  
21 in town, that he's got time, that --

22 BY MEMBER: Exactly.

23 BY MEMBER: Well, do we need to make  
24 a motion to have that and then we can do what  
25 - or do a search. I don't know how we want

1 to - we've got a recommendation. Do we want  
2 a recommendation from Alan? Maybe we need to  
3 come up with -

4 BY PETER EDWARDS: Do we want to call  
5 Alan back and see if he -

6 BY MAYOR SHAW: Do you all feel that  
7 a second opinion and second attorney is  
8 necessary?

9 BY MEMBER: Well, -

10 BY MAYOR SHAW: I mean, to me, of  
11 course, I'm just kind of an organizer here,  
12 but the truth of the matter is that we're -  
13 you know, this is our attorney, and he's  
14 making a recommendation to us. Are we just  
15 throwing money to the wind. You know, that's  
16 the only thing that I would be concerned  
17 about.

18 BY MEMBER: Having talked to Alan,  
19 I'm more comfortable with Alan's  
20 recommendations than I was prior to this  
21 meeting.

22 BY MEMBER: Alan was - if you guys  
23 remember, I asked when we started this about  
24 getting our own attorney. I never would have  
25 thought that they would have brought it up,

1 but now that they've brought it up, my first  
2 pick would have been Alan. He has dealt with  
3 us for longer than I've been here. He would  
4 be my first pick. However, he is currently  
5 being paid by the City and not by the Pension  
6 Board. And I think that's their concern.

7 BY PETER EDWARDS: I've got no issue  
8 with easing the comfort of retirees and  
9 everybody else with a second review.

10 BY MEMBER: Yeah.

11 BY PETER EDWARDS: What I just want  
12 to make sure is that it's -

13 BY MEMBER: Timely.

14 BY PETER EDWARDS: It's timely, that  
15 the guy is going to be responsive, and he can  
16 get an answer back, or --

17 BY MEMBER: Yeah.

18 BY PETER EDWARDS: -- work out any  
19 differences within the next three, four,  
20 five, six, seven days, so we're in a position  
21 by the end of next week hopefully to move it  
22 forward.

23 BY MEMBER: Yes.

24 BY PETER EDWARDS: That's my only  
25 thing.

1 BY MEMBER: How do we - how do we  
2 make that decision post this meeting, I guess  
3 is the question?

4 BY MEMBERS: We'll take  
5 recommendations from Alan and have - give him  
6 that name.

7 BY LESLIE HAASE: Well, let me call -  
8 let me see if I can call Alan.

9 BY PETER EDWARDS: Call Alan, and if  
10 we can't get him, maybe we just have a little  
11 subcommittee of Larry and Adam decide on  
12 whether Singer or somebody else that can do  
13 it --

14 BY MEMBER: So we can have the  
15 subcommittee make the decision based off of a  
16 vote we do.

17 BY LESLIE HAASE: Well, maybe Alan  
18 will have some --

19 BY PETER EDWARDS: Kind of appoint  
20 them to kind of -

21 BY LESLIE HAASE: Alan, hey, it's  
22 Leslie. We're still in the Pension Board  
23 Meeting, and we have one more question for  
24 you, if that would be all right. Okay. Hang  
25 on. I'm going to put you on speakerphone.

1 Okay.

2 BY PETER EDWARDS: Alan, are you  
3 there?

4 BY ALAN KANDEL: Yes, I'm here.

5 BY PETER EDWARDS: There has been  
6 some discussion about having a second  
7 attorney review all of your revisions, --

8 BY ALAN KANDEL: Uh-huh.

9 BY PETER EDWARDS: -- I think just to  
10 make sure that it eases everybody's concerns  
11 just about moving into kind of the territory  
12 that we're going. A name was - so I think we  
13 may have - the Board may have a second  
14 attorney just look at everything that you've  
15 done and bless it or not.

16 BY ALAN KANDEL: Okay.

17 BY PETER EDWARDS: Are you familiar  
18 with a James Singer up in your area?

19 BY ALAN KANDEL: I am. Yeah, I know  
20 Jim.

21 BY PETER EDWARDS: And what do you  
22 think of Jim?

23 BY ALAN KANDEL: I think he's - he's  
24 a very competent lawyer.

25 BY PETER EDWARDS: Okay.

1 BY ALAN KANDEL: He - and I - I'm  
2 sure that if he has any concern - you could  
3 tell him that if he would like to discuss any  
4 concerns with me he is welcome to call me or  
5 email me.

6 BY PETER EDWARDS: Okay. If there  
7 was anybody else up in your area that was  
8 familiar with pension plans, closed plans,  
9 any other names come to mind just in case he  
10 would not be available on short notice?

11 BY ALAN KANDEL: Yes. There's  
12 another firm. I need to make sure I get the  
13 name right. Rick Shinners.

14 BY PETER EDWARDS: How do you spell  
15 Shinners?

16 BY ALAN KANDEL: S-H-I-N-N-E-R-S.  
17 He's with the firm Hammond Shinners. And  
18 both Rick and Jim are with firms that  
19 generally represent labor, you know, labor  
20 unions, and they also do a lot of work  
21 representing funds of multi-employer pension  
22 plans. But their - I mean, their focus is on  
23 the labor side. You know, my firm's focus is  
24 generally on the employer side, although when  
25 it comes to plan documents that doesn't



1 really make a lot of difference which side  
2 you tend to represent.

3 BY PETER EDWARDS: Okay. Thanks for  
4 your input.

5 BY ALAN KANDEL: You're welcome.

6 BY LESLIE HAASE: Thanks, Alan.

7 BY ALAN KANDEL: Sure. Bye.

8 BY LESLIE HAASE: Bye.

9 BY MEMBER: Are you guys able to do -  
10 be on a subcommittee to make a decision on  
11 who to -

12 BY PETER EDWARDS: I think if we just  
13 vote to - pick one first, call them, see if  
14 they're available in the next week to take  
15 the review on and provide feedback timely,  
16 and if they're not available, move to the  
17 second choice, if you guys are comfortable  
18 with those two choices, that will pare it  
19 down or make it a little more - so if someone  
20 makes a motion, wants to make a motion who is  
21 first choice, who is second choice, and we'll  
22 contact them immediately.

23 BY MEMBER: Do you guys have an  
24 opinion?

25 BY MEMBER: It sounds like to me

1 they're both union side, or labor side.

2 BY MEMBER: Labor side.

3 BY MEMBER: Either one I'm fine with.

4 BY MEMBER: Do you want to start with  
5 Singer? Is everybody okay with that, then go  
6 on to the other guy if there's -

7 BY MEMBER: I'm good.

8 BY JOHN ALFORD: I've kind of got an  
9 issue with - the guy we want to double-check  
10 is the guy who is making the suggestions.  
11 And I don't know anything about Singer. I  
12 don't know if he's - I've never heard of him.  
13 I'm okay with getting a second lawyer, I  
14 really am, I just want to know who this guy  
15 is, is all I'm saying.

16 BY MEMBER: I'll tell you straight  
17 up, and I'm sorry to throw you under the bus.

18 BY CHARLA GELLER: No.

19 BY MEMBER: Charla Geller has been -  
20 ever since this issue came up Charla Geller  
21 has been out there looking, making contacts  
22 with the contacts she had previous when she  
23 was on the Board, and this is who they  
24 recommended.

25 BY MEMBER: And I'll tell you that

1 he's on the Missouri Retirement Pension

2 Attorneys list also, so he's -

3 BY JOHN ALFORD: If you're good with  
4 it I'm just going to -

5 BY MEMBER: Yeah. I'm good with  
6 Singer.

7 BY PETER EDWARDS: I mean, --

8 BY JOHN ALFORD: I've just never  
9 heard of him.

10 BY PETER EDWARDS: Personally, I  
11 think the plan amendment is pretty  
12 straightforward. I don't --

13 BY MEMBER: I agree, --

14 BY PETER EDWARDS: And I think it's  
15 fine to have a second review, but I don't  
16 think it's more than what it is.

17 BY CHARLA GELLER: I'll just step up  
18 and say, look, when you're looking at the  
19 closing the plan, I just thought you ought to  
20 have another set of eyes looking at it.

21 That's -

22 BY PETER EDWARDS: And that's great.

23 BY JOHN ALFORD: And I absolutely  
24 agree. I just want to make sure it's the  
25 right set of eyes, too.

1 BY PETER EDWARDS: Somebody make a  
2 motion.

3 BY MEMBER: I'm going to make a  
4 motion that the Pension Board hire a second  
5 attorney to review the amendments to the plan  
6 starting with Singer as the primary, and if  
7 he is not available, moving to the other  
8 gentleman, who is -

9 BY PETER EDWARDS: Rick Shinners.

10 BY MEMBER: Rick Shinners.

11 BY MEMBER: I'll second.

12 BY PETER EDWARDS: Have motion and a  
13 second. All in favor.

14 BY MULTIPLE MEMBERS: Aye.

15 BY JOHN ALFORD: I would like to  
16 abstain because I don't have any information  
17 to go off of. Not nay or yea or anything,  
18 just -

19 BY PETER EDWARDS: Mike, are you  
20 still there?

21 BY MIKE MCGAVRAN: Yes, I'm here.

22 BY PETER EDWARDS: Do you have a vote  
23 yea or nay?

24 BY MIKE MCGAVRAN: Yea.

25 BY PETER EDWARDS: Okay. So I have

1 six in favor. Is that what I'm hearing?

2 BY MEMBER: I guess.

3 BY PETER EDWARDS: Well, what is your  
4 vote, Mayor?

5 BY MAYOR SHAW: I'm for it.

6 BY PETER EDWARDS: I think I have six  
7 in favor and one abstention. Okay. Any  
8 other business we want to talk about? Okay.  
9 I guess from here we will get the plan  
10 amendment from Alan, we'll immediately get  
11 that out to you guys. From here I will go  
12 down and contact James Singer and see if he  
13 is able and willing to undertake the revision  
14 - yeah, the review, and I'll let everybody  
15 know once we secure that second attorney,  
16 okay?

17 BY MEMBER: Do we need to do anything  
18 to have this transcript done?

19 BY MEMBER: Yes, can we get it  
20 transcribed word-for-word? Our goal is not  
21 to be 20 years down the line in the middle of  
22 a lawsuit and have people guessing what we  
23 said in this meeting as much as we guessed  
24 what they said in the --

25 BY PETER EDWARDS: You just want it

1 transcribed for --

2 BY MEMBER: Yes, please.

3 BY PETER EDWARDS: -- perpetuity?

4 BY MEMBER: Yes.

5 BY PETER EDWARDS: Not by next week

6 or anything?

7 BY MEMBER: No, no, no, no.

8 BY PETER EDWARDS: We'll give your  
9 request to the City Clerk.

10 BY MEMBER: Thank you.

11 BY MEMBER: If we need to pay for it  
12 we can - I think we can pay for it.

13 BY MEMBER: Sure. Absolutely.

14 BY PETER EDWARDS: So I think in a  
15 perfect world, Leslie, correct me if I'm  
16 wrong, but hopefully by next Thursday we'll  
17 have had feedback from everybody and feedback  
18 from Mr. Singer, and maybe be in a position  
19 to have a vote at that meeting. Does that  
20 sound like a plan to everybody?

21 BY MEMBER: Yep.

22 BY PETER EDWARDS: Anybody see any  
23 problems with that?

24 BY LESLIE HAASE: I have one  
25 question. So you're talking about maybe

1 having a vote next Thursday. You know,  
2 usually we do educational meetings, and I  
3 think the consensus of the workgroup is that  
4 those will be needed for everyone involved,  
5 all the membership. Is that kind of the  
6 consensus? Would you guys be looking towards  
7 having educational meetings?

8 BY MEMBER: Oh, for sure.

9 BY MEMBER: We have to.

10 BY MEMBER: Absolutely.

11 BY LESLIE HAASE: Okay.

12 BY MEMBER: Just taking the --

13 BY LESLIE HAASE: So we've got a  
14 small window of availability with some groups  
15 that will be involved with that. So we're  
16 going to continue to try to get those  
17 scheduled and get those teed up.

18 BY MEMBER: Creating a tentative  
19 timeline? Is that what you're saying?

20 BY PETER EDWARDS: Yeah. We've  
21 already got a tentative timeline, but we're  
22 off by about a week now, so -

23 BY MEMBER: Well, tentative dates for  
24 education.

25 BY LESLIE HAASE: Right.

1 BY JOHN ALFORD: Can you make up that  
2 week, or are we looking at just being a week  
3 behind?

4 BY PETER EDWARDS: I think it's going  
5 to be okay. I think more of the timing was  
6 that some of those meetings start to fall  
7 around the Fourth of July, so knowing that  
8 people are going to be gone or on vacation.

9 BY MEMBER: I mean, I know as far --

10 BY LESLIE HAASE: There's some other  
11 components, too.

12 BY MEMBER: We need to create other  
13 special meetings because things are moving  
14 faster, because these other guys are done  
15 with their stuff, I'm fine with that, too.

16 BY PETER EDWARDS: We can talk,  
17 Leslie, because I think --

18 BY MEMBER: Because it depends on  
19 what these attorneys are going to recommend.

20 BY MEMBER: I would say we can just  
21 continue with those educational -

22 BY LESLIE HAASE: Yeah. That's what  
23 I think.

24 BY MEMBER: I think so. I think we  
25 continue down that path.



1 BY PETER EDWARDS: All right.

2 Anything else for the good of the group?

3 BY MAYOR SHAW: Need a motion to  
4 adjourn.

5 BY MARSHALL HOGUE: I'll make that  
6 motion.

7 BY JOHN ALFORD: I'll second.

8 BY MAYOR SHAW: Motion by Marshall,  
9 second by John to adjourn. All those in  
10 favor say aye.

11 BY MULTIPLE MEMBERS: Aye.

12 BY MAYOR SHAW: Looks like unanimous.

13 BY LESLIE HAASE: 11:13.

14

15 (MEETING ADJOURNED)

16 (END OF RECORDING)

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REPORTER'S CERTIFICATE

STATE OF MISSOURI

ss.

COUNTY OF NEWTON

I, JILL A. RENFRO, Certified Court Reporter in the State of Missouri, do certify that the foregoing was transcribed from audio provided by the City of Joplin, and to the best of my ability is a true and correct transcription of the meeting held.

I further certify that I am not counsel, attorney, or relative of either party, or clerk, or stenographer of either party or of the attorney of either party, or otherwise interested in the event of this suit.

\_/s/ Jill A. Renfro\_\_\_\_

JILL A. RENFRO, CCR-605