

MBPOA RETIREE MEDICAL BENEFIT TRUST

Meeting Minutes

Meeting Date: June 25, 2008 4:30 p.m.

- | | <u>Present</u> | <u>Absent</u> |
|--|---|----------------------------------|
| 1. Roll Call: | | |
| Chairman: Vince Leone | <input type="checkbox"/> | <input type="checkbox"/> |
| Treasurer: Tony DiGenova | <input type="checkbox"/> | <input type="checkbox"/> |
| Secretary: Dan Tomlinson | <input type="checkbox"/> | <input type="checkbox"/> |
| Member: Andy Harrod | <input type="checkbox"/> * | <input type="checkbox"/> |
| Member: Ryan Small | <input type="checkbox"/> | <input type="checkbox"/> |
| Ex-Officio: John Dye | <input type="checkbox"/> | <input type="checkbox"/> |
| Investment Advisor: Robert DiGenova | <input type="checkbox"/> | <input type="checkbox"/> |
| Guest: Abdul Walji, Actuary | <input type="checkbox"/> | |
| | <u>Approved
As Is</u> | <u>Approved
As Corrected</u> |
| 2. Previous Meeting Minutes: | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Treasurer's Report: | Robert Digenova reviewed our portfolio. Despite the stock market's losses we are up 3%. Robert recommends we begin increasing our proportion of equities. He advised us that the market is likely to improve (he believes the S & P will go up 15% to 20% by the end of the year and that we should be poised to take advantage of this projected trend. | |
| 4. Committee Reports: | None. | |
| 5. Officers' Reports: | None. | |
| 6. Unfinished Business: | None. | |
| 7. New Business: | Abdul Walji, the Actuary hired to provide an actuarial study, gave an overview of his evaluation of the Trust Fund's status. He believes the Trust Fund is in good overall shape. He said that his conservative computations show that we should be paying \$196.00 / month for 100% vested retirees. He advised that should we increase the maximum vesting level for new hires to \$42,146.00 | |

**Harrod was present for only about the last 30-minutes of the meeting.*

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which would conservatively justify a \$226.00 / month benefit for those 100% vested. He also added that if our fund grows at a rate of 4.5% per year, the Trust will be able to continue to pay \$226.00 / month for 100% vested retirees (or \$250.00 if we choose to be less conservative.) His projections show that the Trust will arrive at it's peak number of beneficiaries (retirees and spouses) in 10-12 years. That peak will be about 100 beneficiaries. Based on those projections, the fund should be at about \$4 million in order for the benefits to be paid from new contributions and the funds interest and dividends. He said that at our current growth rate we should come close to meeting that number.

Dan Tomlinson notified the Board that he has learned that the Huntington Beach PD's Retiree Medical Trust has been dissolved in favor of joining the PORAC Retiree Medical Trust(RMT). So far, none of the MBPOA RMT Board Members have seen any details on the PORAC RMT.

Tony Digenova proposed that, based on the Actuarial Study we consider modifying our earlier decision to raise the minimum and maximum vesting amounts for members that join the Trust on or after April 1, 2008. He suggested we use the amount suggested by the Actuary (\$42,146.00) instead of the \$38,605.00 amount. After discussion, all Board Members present were in general agreement to make the change. It was also discussed that we consider approaching the one or two recent hires who declined our earlier offer to join the Trust early to take advantage of the original vesting amounts. We discussed allowing them to re-visit their decision based on the modified vesting amounts. Lacking a quorum at the time, a vote was not taken.

Dan Tomlinson suggested that we consider making a small increase to the per-pay-period minimum contribution, for example, from \$65.00 to \$75.00 to build the fund faster and to have more funds available to take advantage of a market upturn. Discussion revolved around the unpopularity of such a change and the burden it might place on newer members.

Dan Tomlinson suggested we also come up with a plan to solicit corporate donations from companies doing business in Manhattan Beach. I agreed to create a sample letter for discussion at the next meeting. We also discussed potential problems with the IRS and agreed we must be sure such donations don't conflict with IRS rules.

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Motion Document

Motion: Robert Digenova will transfer \$100,000.00 from our money market account to our equities account and distribute it among our fund managers to purchase stocks.

By: Leone

Second: Harrod

Discussion: We should move \$100,000.00 now and be prepared to move an additional \$100,000.00 if the market makes another significant move downward.

Vote:

Aye:

No:

Abstain:

Motion Carried?	<u>Yes</u>	<u>No</u>
	<input type="checkbox"/>	<input type="checkbox"/>

8. Adjournment:

Motion: Digenova

Second: Harrod

Next meeting date: August 6, 2008 4:00 p.m.