

**GASB 45 COMMITTEE**  
**City Hall Council Chambers**  
**February 24, 2009**

A meeting of the Mayor's GASB 45 Committee was held on February 24, 2009 in the City Hall Council Chambers. The following committee members were present: Thomas Barnes Jr, Richard Miecznikowski, Anthony Benvenuto, Peter Dauphinais, Brian Rooney and Francine Petosa. Bill Veits was absent.

**1. Call to order.**

Chairman Tom Barnes called the meeting to order at 5:05 p.m.

**2. General discussion of GASB 45 Regulations and take any action as necessary.**

John Beirne, Senior Vice President of Investments, Merrill Lynch, the City's Pension consultant addressed the Board regarding the economy and the current debt situation experienced across the country. John discussed the market, inflation, housing market and structuring portfolios. Tom Barnes asked what is the likelihood the pension funds will hit the goal number in the next five years. John explained this will revolve around inflation. The investment allocation may need to be changed in order to achieve this goal. The safest asset classes will be looked into. Rich Miecznikowski asked if we do not reach the 8% will it affect the funds negatively. The funds are still significantly over funded, but that comes from years of being over funded, eventually the surplus could be eaten away at. Peter Dauphinais asked what our current surplus is. John explained he did not know the current liabilities but the funds are approximately \$100 million over.

**3. Public Participation**

Chairman Barnes opened the floor up to public participation and requested each speaker limit their participation to three minutes.

Ron Mulvihill, AFSCME International- Council 4 & 15. The members of the pension plan have to contribute regardless of the funding status. The City has not paid a penny in several years, at least eight. Mr. Beirne has done a fantastic job with the investments. The excess assets allow the City to not make contributions. If the three funds were funded at exactly 100% funded, the City would have to come up with approximately \$6 million each year to pay the share of the cost of current year benefits. It's dangerous to use the funding for retiree health care because you are passing the buck to future generations.

Ken Johnson, 12 Old Cider Mill Road. Ken expressed his concerns for the make up of the GASB 45 Committee. He stated the GASB 45 Committee serves no purpose, has no authority to make any decisions at all, and is a fraud perpetrated on both taxpayers and city workers. Ken urged the city to use the surplus pension money to fund health care benefits for retired workers. He expressed his concerns about the economy and running the city without raising taxes. The dollars can be moved from column A to column B and it would save the tax payers \$2 million immediately, and more in the future.

John Boi, 70 Wintergreen Road, asked if this was a political forum or a meeting of GASB 45. John expressed his disappointment in the Chairman for allowing Ken Johnson to launch his political campaign for Mayor here.

Ron Mulvihill explained he served on the GASB advisory committee to help develop this GASB accounting rule and just heard someone testify to things that were not true. First, he said GASB requires you to fund. GASB does not require funding. It requires calculating and acknowledging. Second he mentioned GASB rules allow you too and so on. GASB is a private non profit company located in Norwalk, CT. The provisions set by GASB are not laws; the Internal Revenue Service has that authority and GASB does not override the IRS code. There are many hoops to jump through; it's not as easy as moving money from column A to column B especially when column A may not have any money to move.

**4. Determine date of next meeting.**

Tom Barnes stated he would like the Committee to meet again next Tuesday to make a decision.

**5. To adjourn.**

Peter Dauphinas made a motion seconded by Richard Miecznikowski and voted unanimously to adjourn.

The meeting adjourned at 5:40 p.m.

Respectfully Submitted,

Jodi A. McGrane  
Recording Secretary