

Minutes of the Meeting No. 14/09
Board of Directors of the IDB Retirees Association
Wednesday, December 16, 2009
Room: NW-469 - Time: 10:30 a.m.

Present: Saúl Hanono (10), President
Fausto Medina-López (11), Deputy Treasurer
Asunción Aguilá (11), Director
Ciro de Falco (11), Director
Ira Kaylin (10), Director
Isabel C. Larson (10), Director
Gabriela Sotela (10), Director
James R. Taylor (10), Director
Alfred Thieme (10), Director

Absent: Nohra Rey de Marulanda, (10) Vice-President
Marilia C. Mirza, (10), Secretary
Marie-Joelle Haas, (10), Deputy Secretary
Paula G. Verdun (10), Treasurer

The meeting started at 10:30 a.m., with the required quorum. The Agenda for the meeting was approved. The Board took note of approval of the Minutes of the prior meeting.

President's Report. The Pension CPI adjustment effective as of January 1, 2010 was noted at 1.84 percent, with discussion of how this compares to the World Bank/IMF where the CPI adjustment for their current fiscal year was zero.

Secretary's Report. Four new members were enrolled between November and December, they were: Luis Macedo, David Tither, Jesus Lapera, and Eloisa Dantas Marques.

Web Site. Asunción Aguilá reported that work is advancing on the website. Three small companies have been identified and will be requested to submit proposals. The Board approved a proposal to allocate a part of the 2009 budget surplus for contracting a firm to update the website, including its regular maintenance.

Treasurer's Report. The budget, balance sheet, income and expense reports and other financial statements previously circulated to the Board were discussed and approved. As requested by email, special attention was given to three areas: Publications – Postage, Supplies & Printing, and the Web page/Membership Database and it was agreed to authorize possible over-runs for the first two items within the overall budget total as well as to allow funds allocated to the Web

page/Membership Database be used during 2010. Discussion also centered on possibly using a part of the current year surplus to facilitate a meeting of the local Chapters, perhaps in early fall.

Tax Reimbursement System. Jim Taylor reported on his extensive and exhaustive work on the issues. He stated that there was considerable confusion, among Bank staff, consultants and retirees, regarding the tax reimbursement procedure for those subject to payment of U.S. taxes. For example, he found there is an “elective special procedure” that supposedly exists whereby a retiree, subject to U.S. taxes, may, under certain circumstances, receive a tax reimbursement on the basis of “average itemized deductions.” Yet, in meeting with the Bank tax consultant, it was unclear that such a procedure does exist. Mr. Taylor would prepare a list of issues to be further discussed.

Focus Groups Regarding the Staff Retirement Plan. Asunción Aguilá reported on the status of the shift from focus groups to a survey of eligible retirees’ resident outside the U.S., with respect to obtaining information on the interest of an eligible retiree in receiving a part or all of their pension in local currency. A video conference, with the presence of Robert Deal, SRP, is to be conducted with the presidents of the Chapters on December 17, 2009 to inform them of the change to the survey and the next steps.

Investment Committee of the SRP. Ira Kaylin reported on the recent meeting of the Investment Committee. Progress continues to be made on developing the new Pension Investment Policy. There is general agreement on the relative split between assets which would: 1) retain their value in an inflationary environment but which generally provide lesser yields and 2) assets that are more oriented toward growth; i.e. higher yields but have some volatility. The composition of the assets in each class has also been generally agreed upon but there is still some adjustment that remains to be completed. The end result is to have a mix of pension investments that produces acceptable returns while still minimizing volatility. The conclusion of the new Investment Policy, however, is still not complete since the Consultants have indicated that the market assumptions on which their analyses are based have changed. The analyses provided will have to be recalculated prior to a final recommendations being provided.

Annual Report. The report for this year should be a succinct, focused document.

Nominations Committee. There will be nine positions for election in 2010, including: President, Secretary, Deputy Secretary, Treasurer and five Directors. Discussion centered on the question of transparency in the nomination and electoral process and the need and urgency to encourage our best qualified retired colleagues to become candidates for these distinct positions.

The meeting adjourned at 12:30pm.

Alfred Thieme
Acting Secretary