

CITY OF FLINT EMPLOYEES' RETIREMENT SYSTEM

BOARD OF TRUSTEES REGULAR MEETING

A regular meeting of the Board of Trustees of the City of Flint Employees' Retirement System was held on Tuesday, March 22, 2005, at 1:00 p.m. in the Committee-of-the-Whole Room, 3<sup>rd</sup> Floor, City Hall Council Chambers, with the following in attendance:

TRUSTEES & ALTERNATES Daniel Hall – Chairperson, Douglas Bingaman, Daniel Coffield, Robert Erlenbeck, Janice Kehoe, Amy Lindman, Donald Phillips, Robert Rosenberger, Georgia Steinhoff, Cass Wisniewski

ABSENT Peggy Cook, Peter Dobrzeniecki, Mark Horrigan, Sandra Kidd, Alvern Lock, Edward Taylor

ALSO PRESENT Habeeb Ghattas, Attorney for the Retirement Board  
Wanda Twitty, Retirement Supervisor  
Gwelda Swilley-Burke, Gray & Company  
Ivory Day, Jr., Gray & Company  
Harland Abraham, Northern Trust  
Larry Langer, Gabriel, Roeder, Smith & Company

1. CHAIRPERSON CALLS THE MEETING TO ORDER

Chairman Daniel Hall called the meeting to order at 1:07 p.m. He noted that various items in the agenda may be addressed out of order, due to presentations that have been scheduled.

2. MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD

Kirk Liebengood, Attorney for John Coles, asked the Board to withdraw Mr. Coles' Application for Deferred Retirement (listed under Agenda Item #4), as requested in a letter to the Board.

Chairman Daniel Hall asked the Board if they wished to address Mr. Coles' request at this time.

A motion was made by Amy Lindman, supported by Georgia Steinhoff, to separate John Coles' Application for Deferred Retirement from Agenda Item #4 and address his request for withdrawal of his deferred retirement application at this time.

Discussion followed. It was determined that Mr. Coles has not yet received a check for the payout of his accrued sick and annual hours. Attorney Habeeb Ghattas noted that, based on his reading of the Ordinance, Mr. Coles has the right to withdraw his application for deferred retirement because it is not in compliance with the Ordinance and he is not yet eligible to receive pension benefits. However, it is outside the scope of the Board's responsibilities whether Mr. Coles can return to employment with the City.

Upon being put to a vote, the motion to separate Mr. Coles' application for deferred retirement carried unanimously.

A motion was made by Amy Lindman, supported by Robert Rosenberger, to accept the request from John Coles to withdraw his application for deferred retirement.

Upon being put to a vote, the motion carried unanimously.

### 3. APPLICATIONS FOR VOLUNTARY RETIREMENT

Martha Bard  
HMC/RN

Final Average Compensation:	\$ 68,547.23
Accumulated Contributions:	Non-Cont.
DRET:	.00
Effective Date of Retirement	02/21/2005
Service: 18 Years, 9 Months	
The retiree elected the Option Straight Life in the amount of \$1,820.79	

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Martha Bard be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension under the Option Straight Life, in the amount of \$1,820.79 for as long as she lives.

Robert Phillips  
HMC/2056

Final Average Compensation:	\$ 60,837.59
Accumulated Contributions:	41,497.17
DRET:	37,294.24
Effective Date of Retirement	02/17/2005
Service: 27 Years, 6 Months	

The retiree elected the Option B w/pop-up in the amount of \$2,597.44

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Robert Phillips be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension under the Option B w/pop-up, in the amount of \$2,597.44, for as long as he lives.

Rosemary Vernon  
HMC/825

Final Average Compensation:	\$ 42,404.21
Accumulated Contributions:	Non-Cont.
DRET:	.00
Effective Date of Retirement	02/17/2005
Service: 25 Years, 7 Months	

The retiree elected the Option Straight Life in the amount of \$1,464.22

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Rosemary Vernon be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension under the Option Straight Life, in the amount of \$1,464.22, for as long as she lives.

Leslie Wickham  
HMC/825

Final Average Compensation:	\$ 44,101.99
Accumulated Contributions:	25,484.51
DRET:	22,746.65
Effective Date of Retirement	02/15/2005
Service: 26 Years, 0 Months	

The retiree elected the Option C w/pop-up in the amount of \$1,981.39

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Leslie Wickham be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension under the Option C w/pop-up, in the amount of \$1,981.39, for as long as she lives.

It was moved by Amy Lindman, and supported by Daniel Coffield, to approve the Applications for Voluntary Retirement for Martha Bard, Robert Phillips, Rosemary Vernon, and Leslie Wickham.

Upon being put to a vote, the motion carried unanimously.

4. APPLICATIONS FOR DEFERRED RETIREMENT

Yvette Harris  
HMC/2056

Final Average Compensation:	\$ 35,835.95
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	01/10/2005
Service: 17 Years, 2 Months	
The retiree will elect an Option prior to 07/01/2024	

Randy Hendrick  
HMC/Exempt

Final Average Compensation:	\$ 92,855.11
Accumulated Contributions:	Non-Cont
DRET:	.00
Effective Date of Retirement	02/17/2005
Service: 25 Years, 5 Months	
The retiree will elect an Option prior to 05/01/2017	

Debra Williams  
HMC/RN

Final Average Compensation:	\$ 40,710.42
Accumulated Contributions:	Non-Cont
DRET:	.00
Effective Date of Retirement	02/17/2005
Service: 25 Years, 8 Months	
The retiree will elect an Option prior to 05/01/2009	

John Coles - SEPARATED  
Fire/352

Final Average Compensation:	\$ 54,720.88
Accumulated Contributions:	16,297.74
DRET:	33,731.15
Effective Date of Retirement	02/08/2005
Service: 20 Years, 1 Months	
The retiree will elect an Option prior to 01/01/2008	

It was moved by Amy Lindman, and supported by Georgia Steinhoff, to approve the Applications for Deferred Retirement for Yvette Harris, Randy Hendrick, and Debra Williams.

Upon being put to a vote, the motion carried unanimously.

5. APPROVAL OF PENSION PREVIOUSLY REPORTED

Mary Mosqueda/HMC Revised for Additional DRET: \$18,672.76

For information only – no action is necessary.

6. UPCOMING CONFERENCES (Placed on file in the Retirement Office)

6.1 Institute for International Research, The 19<sup>th</sup> Annual Symposium on Stable Value Investing, April 11-13, 2005, Bal Harbour, FL.

- 6.2 NCPERS, 2005 Annual Conference & Exhibition, May 6-12, 2005, Las Vegas, NV.
- 6.3 MAPERS, 2005 Spring Conference, May 15-17, 2005, Mt. Pleasant, MI.
- 6.4 Institute for International Research, 3<sup>rd</sup> Annual US Private Equity & Venture Capital Summit, May 16-18, 2005, New York, NY.
- 6.5 Institute for International Research, Public Sector Healthcare Solutions, May 16-18, 2005, Coconut Grove, FL.

A motion was made by Amy Lindman, and supported by Georgia Steinhoff, to add the stated conferences to the list of authorized conferences.

Chairman Daniel Hall noted that several board members would like to attend #6.2- NCPERS Conference and #6.3-MAPERS Conference. He will discuss the travel budget with Peter Dobrzeniecki to determine the availability of funds.

Upon being put to a vote, the motion carried unanimously.

- 7. COMMUNICATIONS RECEIVED (All items were placed on file in the Retirement Office; if noted, a copy was given to Board Members in their agenda packets also.)
  - 7.1 Jones Trading, Northern Trust & City of Flint Retirement System new account #'s, February 14, 2005.
  - 7.2 Northern Trust Global Investments, Collective Funds Trust, Annual Report, July 31, 2004.
  - 7.3 Northern Trust, Investment Strategy, March 2005.
  - 7.4 Chatham Partners, Investment Consulting Services, February 28, 2005.
  - 7.5 Independence Investments, Independent Thought, 1<sup>st</sup> Quarter 2005.
  - 7.6 City of Flint Employees' Retirement System, Letter to Anita Speciale of Wells Capital re: Investment of retirement funds, February 22, 2005. (Enclosed)
  - 7.7 Letter to Daniel Hall from Peter Dobrzeniecki, re: Appointment of Douglas Bingaman, March 1, 2005. (Enclosed)

- 7.8 City of Flint Employees' Retirement System, Resolution regarding signature authority, March 3, 2005. (Enclosed)
- 7.9 City of Flint Employees' Retirement System, Letter to Harland Abraham re: Transfer from Northern Trust to SSgA, March 3, 2005 (Enclosed)
- 7.10 City of Flint Employees' Retirement System, Letter to Mary Guy re: Transfer of funds, March 3, 2005. (Enclosed)
- 7.11 City of Flint Employees' Retirement System, Letter to Mary Guy re: March 1, 2005 pension payroll transfer, March 3, 2005. (Enclosed)
- 7.12 City of Flint Employees' Retirement System, Letter to City Treasurer re: Return of funds used to cover the March 1, 2005 pension payroll, March 3, 2005. (Enclosed)
- 7.13 City of Flint Employees' Retirement System, Letter to Charlie Harris re: Disability appointment with Dr. Roth, March 11, 2005. (Enclosed)

A motion was made by Amy Lindman, and supported by Georgia Steinhoff, to receive the communications on file.

Discussion followed.

Upon being put to a vote, the motion carried unanimously.

- 8. REPORTS RECEIVED (All items were placed on file in the Retirement Office; if noted, a copy was given to Board Members in their agenda packets also.)
  - 8.1 State Street Global Advisors, Appraisal Report, February 28, 2005.
  - 8.2 Lynch, Jones & Ryan, Trading Summary as of January 31, 2005.
  - 8.3 Magna Securities, Commission Recapture Report as of January 31, 2005.
  - 8.4 Brandywine Asset Management, Quarterly Investment Review, 4<sup>th</sup> Quarter 2004.
  - 8.5 Pareto Partners, Pareto Quarterly Review, 4<sup>th</sup> Quarter 2004.
  - 8.6 Merganser Capital Management, Investment Memorandum, 4<sup>th</sup> Quarter 2004.

- 8.7 Globeflex Capital, Summary of Investment Performance, February 10, 2005.
- 8.8 Seneca Capital Management, Investment Performance, March 2005.
- 8.9 Fidelity Investments, Monthly Investment Update as of February 28, 2005.
- 8.10 State Street Global Advisors, Account Summary as of January 31, 2005.
- 8.11 Wentworth, Hauser & Violich, Appraisal Summary & Statement of Assets as of January 31, 2005.
- 8.12 Piper Jaffray, Trade Confirmation for Wentworth, Hauser & Violich, February 15, 2005.
- 8.13 Northern Trust Reports – January 2005 (Enclosed)
- 8.14 Retirement Fund Employee/Employer Contributions (Enclosed)

A motion was made by Amy Lindman, and supported by Georgia Steinhoff, to receive the reports on file.

Chairman Daniel Hall stated that he is referring #8.2 and #8.3 to the Investment Committee for further review.

Upon being put to a vote, the motion carried unanimously.

9. STATISTICAL REPORT OF BENEFITS

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Number Retired	3,001	3,002	3,019
Annualized Payroll	\$ 61,357,283	\$ 62,627,143	\$ 63,853,882
13 <sup>th</sup> Check	-0-	-0-	-0-
Charter 13 <sup>th</sup> Check	-0-	-0-	-0-

For informational purposes only.

10. APPROVAL OF THE APRIL 1, 2005 PENSION PAYROLL TRANSFER

Robert Erlenbeck reported that the current balance in the SSgA drawdown fund is \$12,862,040.64.

A motion to approve the pension payroll transfer for April 2005 in the amount of \$4,218,319.47 from the State Street Global Advisors S&P Provisional Account (draw-down fund) to Citizens Bank for payment of the April 1, 2005 pension payroll, was made by Daniel Coffield, and supported by Amy Lindman.

Upon being put to a vote, the motion carried unanimously.

11. RESOLUTION AUTHORIZING THE TRANSFER OF ALL DATA FOR CERTAIN ACTIVE MEMBERS AND RETIREES OF HURLEY MEDICAL CENTER

Chairman Daniel Hall noted that he is working with Larry Langer to provide requested information to Actuarial Services, who is developing a quote for their review of the GRS calculations in preparation for this transfer.

12. RESOLUTION AUTHORIZING THE TRANSFER OF RELATED ASSETS AND LIABILITIES FOR CERTAIN ACTIVE MEMBERS AND RETIREES OF HURLEY MEDICAL CENTER.

Chairman Daniel Hall tabled this item until completion of Item #11.

13. RECEIPT OF THE 59<sup>TH</sup> ANNUAL ACTUARIAL VALUATION (PRESENTATION BY LARRY LANGER, GABRIEL, ROEDER, SMITH & COMPANY, ACTUARIES)

Larry Langer presented the 59<sup>th</sup> Annual Actuarial Valuation Report for the calendar year ended December 31, 2003. He reviewed the report with the Trustees and answered questions. Mr. Langer noted that future valuations will be calculated on a fiscal year basis, per a decision by the Board of Trustees in the fall of 2003. He is beginning work on the report for the fiscal year ended June 30, 2004. The purpose of the December 31, 2003 report is to satisfy State requirements for an annual valuation. The numbers in this report should not be used for the FY 2006 budgeted retirement contributions. However, the valuation report for June 30, 2004 will not be completed in time to provide the FY 2006 budget numbers. Therefore, he has provided preliminary estimated budget numbers separately, on page A-8 of this report, based on the System's assets as of June 30, 2004.

Discussion followed. It was noted that administrative expenses went up substantially, from .12 to .53. Chairman Daniel Hall referred the administrative expense costs to the Finance Committee for review. He also noted that the Audit Committee would meet with Finance regarding the Board's concerns about trust assets possibly being used to pay non-trust obligations. The Committee also needs to investigate the "other" revenue line item.

24. CONSULTANT UPDATES

Chairman Daniel Hall asked for verification before the next meeting that the final Callan & Associates invoices have been paid through December 31, 2004.

Chairman Hall introduced representatives from Gray & Company, Ivory Day, Jr. and Gwelda Swilley-Burke. He also noted that a full-day educational session is being planned within the next couple of months.

Ms. Burke noted that they have reviewed the fees of the newly hired, unfunded managers and performed a cursory review of the FERS asset allocation. After a review of the fee structures for Banc One, Dodge & Cox, Lee Munder, and Piedmont, they contacted Banc One and re-negotiated their fee from 40 basis points to 30 basis points for the fixed income portfolio. This represents a savings of \$40,000 annually on the proposed \$40 million investment. All other fee schedules for these managers appear to be in line with industry standards for the proposed allocation amounts. No recommendation was made as to Wells Capital, as review of proposed services has not been completed. In the near future, Gray & Company will be reviewing all fees (custodial, managerial, actuarial) to see where additional cost savings might be found.

Ivory Day, Senior Consultant with Gray & Company, reviewed with the Trustees his preliminary asset allocation analysis, and the methodology used, for discussion and evaluation. He recommended a subsequent meeting to review the details necessary for a thorough understanding of the asset allocation process and policies, and the need for a new Investment Policy, followed by a future meeting at which he would present more specific recommendations and develop an investment program. Mr. Day and Ms. Burke also presented a preliminary asset allocation report of current risk/return forecasts with key asset classes as of 2/28/05. Discussion followed.

Chairman Daniel Hall stated that he received a letter from the Ann Arbor Retirement System's Executive Director highly recommending Gray & Company's consultant services. He noted that the letter would be in the next packets.

The Board recessed for a break at 2:35 p.m.

The Board returned from break at 2:43 p.m.

Cass Wisniewski left the meeting at 2:43 p.m.

14. ADOPTION OF THE 59<sup>TH</sup> ANNUAL ACTUARIAL VALUATION

Tabled by Chairman Daniel Hall, who noted that the rates in the 59<sup>th</sup> Annual Actuarial Valuation are for informational purposes only.

15. 13<sup>th</sup> CHECK PROGRAM

Georgia Steinhoff, Committee Chair, stated that the Committee has met twice. Committee members include Donald Phillips, Sandra Kidd, and Edward Taylor. Attorney Habeeb Ghattas will be meeting with Ed Taylor tomorrow regarding appropriate ordinance language (in essence, the previous 13<sup>th</sup> check language). The City Council plans to address the issue as soon as the language is approved.

16. AUDIT COMMITTEE REPORT

Chairman Daniel Hall stated that the Audit Committee would be meeting soon to address the need for an audit. He will contact Plante & Moran to determine if their previous proposal is still valid. He noted that Dupuis & Ryden merged with Plante & Moran. Plante & Moran will be making a presentation at MAPERS regarding the merger. Dan Coffield noted that Plante & Moran is the 10<sup>th</sup> largest CPA firm in the country and Dupuis & Ryden will become their Flint office. Discussion followed. Concerns were raised as to potential conflicts of interest with future audits of the Retirement System by Plante & Moran.

18. INVESTMENT COMMITTEE REPORT

Chairman Daniel Hall stated that no Investment Committee meeting has been held.

Chairman Daniel Hall reported that Attorney Ghattas is reviewing documentation received from Wells Capital in response to his letter.

Chairman Daniel Hall stated that a referral has been prepared to City Council for fee approval for Dodge & Cox (equity account for large cap value & fixed income), Lee Munder (domestic small cap), Piedmont (fixed income), Banc One (fixed income), and Gray and Company.

Chairman Daniel Hall noted that there have been some managerial changes at State Street Global Advisors; however, although he does not believe they affect FERS, he will contact Mary Guy for clarification.

Harland Abraham reported that there has been a change in Client Service Personnel in the Fixed Income Division at Northern Trust Global Investments. Mr. Curtis Spears, FERS Investment Relationship Manager, resigned for a position at Fifth Third Bank in early March. Northern Trust is reviewing all of Mr. Spears' clients, who will be assigned to a new Investment Relationship Manager within the next couple of weeks. Mr. Abraham noted that he is the FERS Relationship Manager for Custodial Services, which includes settling of trades, cash movements, safekeeping of assets, etc.

Chairman Daniel Hall reported to the Board that he will be signing another letter today authorizing Northern Trust to move approximately \$4,000 in assets from the termination of the Bank of Ireland into the cash account at Northern.

23. AUTHORIZED PERSONS FOR NORTHERN TRUST AUTHENTICATION  
PROCEDURE

Mr. Abraham explained the Signature Authentication Procedure at Northern Trust and the need for FERS to update their file of authorized persons that the FERS Account Manager at Northern, John Feltes, can contact by telephone to authenticate that a written directive authorizing the movement of funds is valid. These authorized persons must be different from the authorized signatories for letters of direction. Currently, the authorized persons listed, who are still with FERS, are Daniel Coffield and Peter Dobrzeniecki. Discussion followed.

A motion was made by Daniel Coffield, supported by Janice Kehoe, to authorize the following four people for the Signature Authentication Procedure at Northern Trust: Wanda Twitty, Robert Rosenberger, Robert Erlenbeck, and Daniel Coffield.

Upon being put to a vote, the motion carried unanimously.

Harland Abraham stated that Northern Trust received the signature authority resolution passed by the Board at the March 3<sup>rd</sup> meeting. That resolution will cover all transfers at Northern that are made between accounts custodied at Northern. However, if monies are being moved to funds that are out of Northern's custody, a different signature authority is required. This requirement is based on the Retirement Ordinance (35-13) requiring all transfer letters to be signed by the Treasurer and counter-signed by the Finance Director, as referenced in correspondence from Edward Kurtz in March of 2003 stating that this ordinance language must be followed by Northern in order to avoid legal action. Therefore, Northern Trust requires three signatures for moving cash out of their custody: the Treasurer (or Deputy Treasurer), the Finance Director, and the Chair (or Vice Chair). Mr. Abraham requested a second signature authority resolution from the Board that would address the issue of moving cash out of Northern's custody and state the requirement for those three signatures. He stated that he is concerned that FERS could be in a situation again where funds cannot be transferred when desired. He noted that he has also received a letter from Trachelle Young, the City's Chief Legal Officer (CLO), notifying Northern that the City is currently without a Treasurer and the Deputy Treasurer is authorized by the City to sign any documents requiring the Treasurer's signature.

Chairman Daniel Hall asked the Assistant City Attorney present, I'Lanta Robbins, to inform CLO Trachelle Young that any letters sent to FERS money managers, consultants, etc. should be copied to the FERS Board of Trustees at the same time.

Discussion followed. Chairman Daniel Hall stated that, rather than a separate resolution, the issue of the three signatures could be addressed in specific resolutions directing funds to be moved out of the custody of Northern.

Harland Abraham stated that Northern Trust provides a very useful service, known as their Passport System, to allow Trustees to access account information on-line at any time. Chairman Hall noted that he and Mr. Coffield frequently use this system and recommended that Trustees take advantage of it. Mr. Abraham will offer a training session to the Board Members at the next educational session.

#### 17. PROFESSIONAL SERVICES COMMITTEE REPORT

Committee Chair Georgia Steinhoff reported that the Committee met on March 17<sup>th</sup>. Bob Erlenbeck provided communications from Jill Higgerson's attorney, Mr. Simon, which were forwarded to Attorney Habeeb Ghattas for review and response. Also, correspondence was received from the attorney for Colleen Belanger, which was referred to Attorney Ghattas. Bob Erlenbeck is currently working with new applicants for disability retirement. Mr. Coles' request for withdrawal of his application was discussed. Bob

Erlenbeck noted that Larry Langer has sent the updates for the new equating option for installation into the existing program for calculating pensions.

19. EDUCATION / TRAINING COMMITTEE

Chairman Dan Hall requested a meeting with the Committee to plan an educational session.

20. ELECTION RULES COMMITTEE

Chairman Daniel Hall noted that Donald Phillips would be the Chair of this Committee. He requested that, when the Committee discusses the revision of the rules for holding future elections, they maintain the practice of past elections for the next election. Chairman Hall will be meeting with Donald Phillips regarding the election process prior to the first committee meeting. Amy Lindman noted that the Fire Department would like a voting schedule that would better accommodate their shift schedules.

21. RETIREMENT ORDINANCE REVISION COMMITTEE

Chairman Daniel Hall stated that Councilman/Trustee Ed Taylor needs to be involved with this committee.

22. LEGAL COUNSEL UPDATES

Retirement Ordinance Changes (MERS) – I'Lanta Robbins, Assistant City Attorney, noted that the City's Chief Legal Officer, Trachelle Young, has been working with Hurley attorneys on the language for the proposed ordinance changes to allow the MERS transfer. It is expected that the proposed changes will be ready for the City Council within the next couple of weeks. Chairman Daniel Hall asked that the City Attorney's office review that information with Attorney Habeeb Ghattas before submission to Council. Attorney Ghattas stated that he has some suggested revisions on the ordinance change for MERS and would like to review the proposed language. Chairman Daniel Hall stated that the attorneys for Hurley Medical Center, the Board of Trustees, MERS, and the City should meet together to discuss MERS and the proposed ordinance changes prior to submission to Council.

Attorney Ghattas noted that the scope of his review of the ordinance revisions made by the EFM is limited to the sections of the ordinance regarding the Retirement System, Article II, Sections 35-6, etc., without reference to any other ordinance amendments or revisions that the EFM may have acted upon.

Claude Miller – Attorney Ghattas had nothing further to report at this time.

Velma Wright – Attorney Ghattas reported that he has received no reply in response to a letter he sent to Ms. Wright’s attorney. He has discussed the case with Hurley’s Attorney, George Washington.

Colleen Belanger – Attorney Ghattas reported that he sent a letter to her attorney, which has received no response to date. However, the Retirement Office has informed him that Ms. Belanger is requesting a hearing to appeal the Board’s decision; therefore, he will be contacting her attorney.

Jill Higginson – Attorney Ghattas received information from her attorney that she has had a change of circumstances and is requesting a formal appeal hearing before the Board of Trustees. He will contact her attorney for further information and begin the process of scheduling the hearing.

Georgia Steinhoff asked about the status of negotiating test fees for disability retirement applicants. Bob Erlenbeck and Cass Wisniewski noted that they have been unsuccessful so far.

25. FERS FY 2006 BUDGET

Chairman Daniel Hall asked Robert Erlenbeck for a status report on the System’s budget. Mr. Erlenbeck reported that the budget was submitted to the Budget Department, which has performed the initial administrative review. It is now undergoing a final administrative review in preparation for submission to City Council. Chairman Hall will review budget and actuarial issues with Peter Dobrzeniecki and Robert Erlenbeck.

26. OTHER BOARD BUSINESS

Robert Erlenbeck reported to the Board that a review of pension calculations made over the past several years is revealing multiple errors in calculations (styles, types, FACs, multiple issues). The correction of most of these errors will cause a reduction in pensions; in some cases, a significant reduction. As pension calculation errors are found, he recommends they be sent to the Actuary for review and recommendation of the best

payback method from an actuarial standpoint. As each pension recalculation and actuarial recommendation is received back from the Actuary, it would be presented to the Board for their determination of the best method to correct each error.

Discussion followed. It was noted that no pension recipient should be contacted regarding any possible errors until the Actuary has made their calculations, all information has been presented to the Board, and the Board gives further direction, on an individual basis.

A motion was made by Georgia Steinhoff, and supported by Amy Lindman, that all pension calculation errors should be first submitted to the Actuary by the Retirement Office for review and actuarial calculation for correction. Once all information is received, each pension calculation error is to be presented to the Board for their decision as to the appropriate action to be taken in each case.

Upon being put to a vote, the motion carried unanimously.

Bob Erlenbeck asked the Board whether they wish to begin a reevaluation procedure of current disability retirees, as allowed by ordinance. He and Dan Coffield stated that there may be positions available at the City or Hurley to put those persons back to work who have been given disability retirements, if the disability is no longer an issue and they are able to return to work. Georgia Steinhoff asked that a list of all duty and non-duty disability retirements from the past five years be provided to the Professional Services Committee for review.

Chairman Daniel Hall reminded the Board of the dates of NCPERS (May 6-12) and MAPERS (May 15-17) and asked Trustees to notify him today if they wish to attend.

27. ADJOURNED

There being no further business to discuss, it was moved by Amy Lindman, and supported by Robert Rosenberger, to adjourn the meeting at 3:38 p.m.

Upon being put to a vote, the motion carried unanimously.

Respectfully submitted,

Peter Dobrzeniecki  
Secretary/Fund Administrator