

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, May 27, 2008 at 1:00 p.m. in the New Committee-of-the-Whole Room, 3rd Floor, City Council Chambers, at City Hall, with the following in attendance:

TRUSTEES & ALTERNATES Daniel Hall – Chairperson, John Balsler, Denise Bingaman, Douglas Bingaman, Peter Dobrzeniecki, Robert Erlenbeck, Ehren Gonzales, Janice Kehoe, Michelle Kirkwood, Amy Lindman, Cass Wisniewski

ABSENT Mary Bland, Darryl Buchanan, Kerry Nelson

ALSO PRESENT Suzi Bye, Retirement Supervisor
Ivory Day, Gray & Company
I'Lanta Robbins, Assistant City Attorney/Attorney for Retirement Board
Julie Sadler, Recording Secretary
Michael VanOverbeke, Special Counsel for the Retirement Board

1. CHAIRPERSON CALLS THE MEETING TO ORDER

Chairman Daniel Hall called the meeting to order at 1:10 p.m.

2. MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD

There were no members of the public present who wished to address the Board.

APPOINTMENT OF TRUSTEE

Chairman Hall distributed to the Trustees a copy of a memorandum addressed to Peter Dobrzeniecki, as Secretary of the Flint Employees Retirement System, and Daniel Hall, as Chair, from Darryl Buchanan, the City Administrator, dated May 15, 2008. The subject of the memo is "Retirement Board Vacancy" and the memorandum appoints Denise Bingaman as Trustee on the Board of Trustees to fill the unexpired term of Trustee Robert Rosenberger. Discussion followed. Some Board Members expressed their belief that elected alternates should always move into vacant elected trustee positions and

administrative appointments should be made only to elected alternate positions. They also stated their belief that the Board had voted to approve such a policy some years ago, in order to preclude the administration having too much influence over elected positions when voting on Board issues. Chairman Hall noted that the Board's Attorney, Trachelle Young, previously gave an opinion that the Ordinance language requires that any appointment should always be made to the actual vacancy (whether trustee or alternate).

During further discussion, Chairman Hall distributed updated copies of the Retirement Ordinance (Chapter 35, Sections 1 through 46.4). The updated version includes all Ordinance changes adopted by the Emergency Financial Manager or the City Council since the Ordinance book was last issued (2002). Mr. Hall also distributed a listing of the changes made since 2002. Attorney I'Lanta Robbins read from Sections 35-8 and 35-10, which address the composition of the Board and how Board vacancies should be filled. She indicated that the actual vacancy, whether trustee or alternate, is the position that should be filled by the City Administrator's appointment.

A motion was made by Robert Erlenbeck, and supported by Ehren Gonzales, to add this item to next month's agenda for further discussion.

During discussion, Chairman Hall asked that the records be searched to find previous legal opinions, policy votes, etc., so that all information relevant to the matter could be reviewed. It was noted that the issue was last raised when a Police & Fire Trustee vacancy occurred and Scott Sutter was appointed as Trustee by the City Administrator.

Upon being put to a vote, the motion carried with one vote opposing (Amy Lindman).

Peter Dobrzeniecki suggested that the issue could be permanently addressed by an Ordinance change, which could be written by the Ordinance Revision Committee.

Through Chairman Hall, Amy Lindman asked Attorneys Robbins and Young to obtain a written legal opinion from Attorney Michael VanOverbeke.

21. LEGAL COUNSEL UPDATES – FERS TO MERS LITIGATION

Chairman Daniel Hall stated that he was rearranging the agenda to accommodate a report from Attorneys I'Lanta Robbins and Michael VanOverbeke regarding the FERS to MERS pending litigation.

Attorney Robbins requested a closed session regarding Case #0786123-8W – Registered Nurses and Other Union Members of Hurley Medical Center vs. the City of Flint Retirement Board of Trustees, Hurley Hospital Board of Managers, and other individuals – for the purpose of discussing litigation strategy where open session would have a detrimental effect on settlement negotiations.

A motion was made by Ehren Gonzales, and supported by Cass Wisniewski, to move into Executive Session for the purpose of discuss the FERS to MERS litigation.

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

Chairman Hall declared that the Board was in closed session. Michelle Kirkwood also left the meeting.

The Board entered into closed session at 1:35 p.m.

A motion was made to come out of closed session by Ehren Gonzales, and supported by Cass Wisniewski.

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

Chairman Hall ended the closed session and called for a recess at 2:48 p.m.

Chairman Hall called the meeting back to order at 2:55 p.m.

Chairman Hall stated that he would entertain a motion to authorize signature authorities for the settlement documents for the FERS to MERS transition. Discussion followed.

A motion was made by Robert Erlenbeck, and supported by Ehren Gonzales, to authorize any two of the following three individuals to sign the MERS settlement documents: Secretary Peter Dobrzeniecki, Treasurer Douglas Bingaman, and Councilman Ehren Gonzales.

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

LEGAL COUNSEL UPDATES – DANIEL COFFIELD

Chairman Hall introduced Attorney Larry Schiller, referencing Agenda Item #10.6 from Mr. Schiller regarding Daniel Coffield, and asked Attorney Robbins to update the Board regarding Mr. Coffield's pension.

Attorney I'Lanta Robbins stated that she has been reviewing Mr. Coffield's pension calculation issues; specifically, the provisions of the Internal Revenue Code 401(a)(17). The main issue is whether or not Mr. Coffield, and others in similar positions, should be "grandfathered in" with respect to limitations under IRC 401(a)(17), and whether the Ordinance reflects that. In reviewing the files, the Board allowed Hugh Rose to be grandfathered in during 2000, when the calculation for his FAC was redone consistent with past practice. Therefore, she would recommend that the Board follow past practice with respect to the IRC 401(a)(17) limitation issue. Ms. Robbins stated that Attorney Schiller has requested a hearing before the Board and they have agreed that the hearing could take place on the morning of the Regular Board Meeting in June. Ms. Robbins also noted that she would continue to work towards reaching an agreement before the hearing, if possible. Also, new calculations from the Actuary regarding Mr. Coffield's after-tax contributions show that he is already entitled to an increased amount retroactive to the effective date of his retirement.

Chairman Hall asked Attorney Schiller if he wished to address the Board. Mr. Schiller expressed his appreciation to the Board for their diligence in researching their prior practices regarding IRS compensation limits for persons hired prior to 1996. However, he still has questions regarding whether there were IRS compensation limits in effect prior to 1996 for the Retirement System, as the IRS had given a choice of no limit or a limit of \$200,000, adjusted annually for inflation. He and his clients believed that FERS had no compensation limit at that time, which would have been grandfathered for Mr. Rose and Mr. Coffield; however, it appears that FERS may have had the limit in place. Whether or not there was a compensation limit would make a difference in Mr. Coffield's pension of approximately \$1000 per month because his FAC would be based on one year of reduced compensation. That is the issue that still needs to be resolved.

Attorney Robbins stated that Hurley does have a 415 Excess Benefit Plan and she has obtained a copy of the trust document that set up that trust fund. In the past, the City paid the additional pension amount to the retiree and then Hurley reimbursed the City. She will contact Hurley counsel to verify that the Plan is in place for Mr. Coffield.

Discussion followed.

3. APPROVAL OF THE APRIL 22, 2008 REGULAR BOARD MEETING MINUTES

A motion was made by Ehren Gonzales, and supported by Amy Lindman, to approve the minutes of the April 22, 2008 Regular Board Meeting.

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

4. APPLICATIONS FOR VOLUNTARY RETIREMENT

Felix Beltran / HMC/Exempt

Final Average Compensation:	\$ 192,674.17
Accumulated Contributions:	53,511.17
DRET:	97,287.47
Effective Date of Retirement	03/30/2008

Service: 29 Years, 1 Months

The retiree elected the Option B w/pop-up in the amount of \$7,789.42

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Felix Beltran 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 \$7,789.42, for as long as he lives.

Randy Hergenreder / Hurley/Exempt

Final Average Compensation:	\$ 84,221.20
Accumulated Contributions:	32,524.99
DRET:	55,917.15
Effective Date of Retirement	03/16/2008

Service: 28 Years, 9 Months

The retiree elected the Option C in the amount of \$3,966.09

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Randy Hergenreder 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 in the amount of \$3,966.09, for as long as he lives.

Barbara Norman / HMC/1603

Final Average Compensation:	\$ 31,164.44
Accumulated Contributions:	23,802.54
DRET:	4,051.39
Effective Date of Retirement	04/01/2008

Service: 12 Years, 6 Months

The retiree elected the Option Straight Life in the amount of \$714.19

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Barbara Norman 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 \$714.19, for as long as she lives.

Duane Palmer / Water Plant/1600

Final Average Compensation:	\$ 31,962.03
Accumulated Contributions:	21,440.38
DRET:	5,211.24
Effective Date of Retirement	03/28/2008
Service: 22 Years, 8 Months	

The retiree elected the Option C w/pop-up in the amount of \$1,433.89

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Duane Palmer 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 \$1,433.89, for as long as he lives.

Karen Scanlon / HMC/Exempt

Final Average Compensation:	\$ 95,537.26
Accumulated Contributions:	.00
DRET:	59,597.30
Effective Date of Retirement	04/03/2008
Service: 10 Years, 10 Months	

The retiree elected the Option Straight Life in the amount of \$1,897.47

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Karen Scanlon 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 \$1,897.47, for as long as she lives.

William Skelton Jr. / HMC/1603

Final Average Compensation:	\$ 49,443.02
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	04/23/2008
Service: 34 Years, 9 Months	

The retiree elected the Option Straight Life in the amount of \$1,496.01

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for William Skelton, Jr. 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 \$1,496.01, for as long as he lives.

Benjamin Waddell / Utilities/1799

Final Average Compensation:	\$ 103,661.31
Accumulated Contributions:	58,507.51
DRET:	15,559.02
Effective Date of Retirement	03/30/2008
Service: 25 Years, 0 Months	

The retiree elected the Option B in the amount of \$4,539.58

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Benjamin Waddell 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 in the amount of \$4,539.58, for as long as he lives.

It was moved by Amy Lindman, and supported by Ehren Gonzales, to approve the Applications for Voluntary Retirement for the following persons (with monthly pensions as noted):

Felix Beltran - Option B w/pop-up - \$7,789.42
Randy Hergenreder - Option C - \$3,966.09
Barbara Norman - Option Straight Life - \$714.19
Duane Palmer - Option C w/pop-up - \$1,433.89
Karen Scanlon - Option Straight Life - \$1,897.47
William Skelton, Jr. – Option Straight Life - \$1,496.01
Benjamin Waddell – Option B - \$4,539.58

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

5. APPLICATIONS FOR DEFERRED RETIREMENT

Margaret O'Sullivan / HMC/Exempt

Final Average Compensation:	\$ 56,833.04
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	04/20/2008
Service: 10 Years, 11 Months	

The retiree will elect an Option prior to 05/01/2010

Ralph Tedford III / Police/FPOA

Final Average Compensation:	\$ 61,024.35
Accumulated Contributions:	4,368.95
DRET:	39,577.26
Effective Date of Retirement	02/20/2008
Service: 18 Years, 11 Months	
The retiree will elect an Option prior to 04/01/2012	

A motion was made by John Balsler, and supported by Amy Lindman, to approve the applications for deferred retirement made by Margaret O’Sullivan and Ralph Tedford III.

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

6. APPROVAL OF NON-DUTY DISABILITY RETIREMENT

Holly Duncan-Pierce / Hurley/1603

Age:	51 Years
Service:	20 Years, 6 Months

The medical report and summary of Disability Determination dated April 16, 2008 from Dr. Victor Roth, Medical Director, does certify that Holly Duncan-Pierce is not totally and permanently disabled.

A motion was made by Amy Lindman, and supported by Ehren Gonzales, to concur with Dr. Roth’s report that Holly Duncan-Pierce is not totally and permanently disabled and should be denied a non-duty disability retirement.

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

7. OPTIONS PICKED BY DEFERRED RETIREMENT

Susan Moon/Hurley	Option Straight Life \$901.46
File Audit – FAC \$63,230.08	Retirement Date: 8-18-06
Original \$61,962.10	
Service Credit – 15 yrs, 10 months	

Revised FAC prior to 1st pension check to include gainsharing.

8. APPROVAL OF PENSIONS PREVIOUSLY REPORTED

Bambi Rose/Hurley Option Straight Life \$2,794.94
File Audit – FAC \$84,838.03 Original - \$ Deferred
Original \$84,715.66 Revision - \$2,726.46
Revision \$82,759.57 Retirement Date: Dec. 1, 2006
Pension Underpayment \$1,164.16
Recalculated to include merit payment.

Alan Wehrli/City Option Straight Life \$4,124.00
Revised option due to pop-up - death of beneficiary.

A motion was made by John Balser, and supported by Amy Lindman, to approve the revisions to the pensions previously reported for Bambi Rose and Alan Wehrli.

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

REVISED PER JUDGE YUILLE RULING

Timothy Lucas/Fire Option B \$4,927.95
File Audit – FAC \$113,748.37 Original - \$4,855.76
Original \$112,082.04 Retirement Date – June 15, 2002
Pension Underpayment \$ 5,091.78

Maradean McManaman/Police Lts Option C w/pop-up \$5,266.35
File Audit – FAC \$107,106.60 Original - \$5,236.22
Original \$106,494.03 Retirement Date – Jan. 26, 2002
Pension Underpayment \$2,265.58

Mark Motter/1799 (Patricia Motter) Option C w/pop-up \$3,253.33
(1,626.67)
File Audit – FAC \$68,922.64 Original: \$3,242.02 (1,621.10)
Original \$68,686.88 Retirement Date – Nov 18, 2000
Pension Underpayment \$608.89

Lorraine Olivo/1600 Option A \$2,792.58
File Audit – FAC \$56,026.51 Original - \$2,670.65
Original \$53,580.52 Retirement Date – Feb 24, 2001
Pension Underpayment \$10,507.76

Discussion followed regarding the recalculations per Judge Yuille’s ruling. Suzi Bye and Denise Bingaman reported that over half of the required recalculations have been completed.

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

- 9.1 Financial Research Associates, The Community Investment Forum, June 5-6, 2008, Chicago, IL.
- 9.2 International Foundation, Certificate of Achievement in Public Plan Policy, June 10-13, 2008, Chicago, IL.
- 9.3 Life Summit, Managing and Distributing Target-Date Investments, June 16-17, 2008, Boston, MA.
- 9.4 National Association of Securities Professionals, 19th Annual Pension and Financial Services Conference, June 23-25, 2008, Philadelphia, PA.
- 9.5 Financial Research Associates, Marketing & Client Servicing for Hedge Funds, July 16-17, 2008, New York, NY.
- 9.6 Financial Research Associates, The 5th Annual Hedge Fund – Incubation and Seeding Conference, July 28-29, 2008, New York, NY.
- 9.7 Financial Research Associates, The Manager Search & Selection Forum, September 15, 2008, San Francisco, CA.

A motion was made by Amy Lindman, and supported by Ehren Gonzales, to receive and approve all information/documents listed under Agenda Items #9, #10, #11, and #12, and place all documents on file.

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

10. COMMUNICATIONS RECEIVED *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members’ agenda packets also.)*

- 10.1 NCPERS, Persist Newsletter, Spring 2008.
- 10.2 Northern Trust Global Investments, Strategy, May 2008.

- 10.3 Dodge & Cox, Part II of SEC Form ADV, May 6, 2008.
- 10.4 Gabriel, Roeder Smith & Co., Letter to Daniel Hall re: FERS to MERS Actuarial Services Agreement, April 21, 2008.
- 10.5 Gabriel, Roeder Smith & Co., Letter to Daniel Hall re: Actuarial Services Agreement, April 21, 2008.
- 10.6 Giarmarco, Mullins & Horton, Letter to FERS Trustees re: Daniel Coffield, May 9, 2008. *(Enclosed)*
- 11. COMMUNICATIONS SENT** *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' agenda packets also)*
 - 11.1 Letter to Northern Trust from Daniel Hall re: May 1, 2008 Pension transfer, March 18, 2008.
 - 11.2 Gabriel, Roeder Smith & Co., Letter to Daniel Hall re: FERS to MERS Signed Actuarial Services Agreement, April 22, 2008.
 - 11.3 Gabriel, Roeder Smith & Co., Letter to Daniel Hall re: Signed Actuarial Services Agreement, April 22, 2008.
- 12. REPORTS RECEIVED** *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' agenda packets also)*
 - 12.1 Fidelity Investment, Monthly Investment Update as of April 30, 2008.
 - 12.2 Intercontinental Real Estate Corp., Capital Distribution, May 16, 2008.
 - 12.3 Intercontinental Real Estate Corp., December 31, 2007 Year End Report, April 11, 2008.
 - 12.4 LJR Recapture Services, Trade Summary Report as of February 29, 2008.
 - 12.5 LJR Recapture Services, Trade Summary Report as of March 31, 2008.
 - 12.6 Peregrine Capital Management, Small Cap Growth Equity, 1st Quarter 2008.
 - 12.7 Skyline Asset Management, Small Cap Value Report, 1st Quarter 2008.
 - 12.8 Hartford Investment Management, Fixed Income Update, 1st Quarter 2008.

- 12.9 CB Richard Ellis Investors, Schedule K-1 for 2007, April 1, 2008.
- 12.10 Fisher Investments, Schedule K-1 for 2007, April 21, 2008.
- 12.11 Wentworth, Hauser & Violich, Appraisal Summary as of February 29, 2008, March 14, 2008.
- 12.12 LSV Asset Management, Investment Report, 1st Quarter 2008.
- 12.13 Dodge & Cox, Investment Report, March 31, 2008.
- 12.14 Keeley Asset Management Corp., Small Cap Value Investment Strategy, March 31, 2008.
- 12.15 Wentworth, Hauser & Violich, Appraisal Summary as of March 31, 2008.
- 12.16 Globalt Investments, Quarterly Report, March 31, 2008.
- 12.17 Fisher Investments, Investment Portfolio, March 31, 2008.
- 12.18 ICON Advisors, Quarterly Statement, March 31, 2008.
- 12.19 Northern Trust Reports – March 2008 (*Not Enclosed due to wrong info from Northern*)
- 12.20 Retirement Fund Employee/Employer Contributions (*Enclosed*)
- 12.21 Hurley Employer/Employee Contributions FY 2008 (*Enclosed*)

13. STATISTICAL REPORT OF BENEFITS (*for information only*)

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number Retired	3,027	3,002	3,001
Annualized Payroll	\$ 64,850,497	\$ 65,084,806	\$ 65,031,542

14. APPROVAL OF THE JUNE 1, 2008 PENSION PAYROLL TRANSFER

Chairman Hall reported that a transfer of \$5,077,400 was needed for the payment of the June 1st, 2008 pension payroll, with funds to be taken from the Northern Trust Flint-Drawdown Account #26-19617. The balance in the Northern Trust drawdown account, as of May 21, 2008, was \$32,034,412.

A motion to approve the transfer of \$5,077,400 for payment of the June 1st, 2008 pension payroll, from the Northern Trust Flint - Drawdown Account #26-19617 to Citizens Bank, was made by Amy Lindman, and supported by Cass Wisniewski.

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

15. 13th CHECK COMMITTEE

Chairman Hall noted that this committee needs to address 13th check issues in the future, including the FERS to MERS transfer. He also noted that MERS did not pay a 13th check in 2007 when FERS did. Mr. Hall added Denise Bingaman to the 13th Check Committee.

**16. FINANCE COMMITTEE
19. INVESTMENT COMMITTEE**

Chairman Hall combined the Investment Committee and Finance Committee, with Peter Dobrzeniecki as Chairman, and including Cass Wisniewski as a Committee member.

17. PROFESSIONAL SERVICES COMMITTEE REPORT

Disability Retirement Procedure/Policy – The Board discussed the Disability Policy, a copy of which was in the agenda packets. Modifications were made to reflect the requirement that all medical records information should be sent directly to the Medical Director, not to the Board. Also, any references to a medical director will use the generic term “Medical Director” instead of “M-Works.” A corrected policy will be placed in the next agenda packets.

A motion was made by Amy Lindman, and supported by John Balsler, to adopt the Disability Retirement Procedure, with corrections as discussed.

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

Election Rules – The Board discussed the Election Rules, a copy of which was also in the agenda packets. Attorney Robbins noted that she has been working with the Committee to modify and update the policy, which was last updated and adopted in 2003. The new policy allows for the use of mail-in ballots and procedures for all elections, consistent with the previous use of mail-in ballots for the retiree’s position. For cost containment, ballot return envelopes will not be stamped. Several modifications were discussed and agreed upon.

A motion was made by Amy Lindman, and supported by John Balsler, to approve the Election Rules, with changes as discussed.

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

Attorney Robbins and Suzi Bye will revise and issue the corrected/adopted policy, with attachments and forms, to be given to the Board at the next Board Meeting.

Audit Guidelines – Chairman Hall asked the Finance/Investment Committee to review.

Overpayment/Underpayment Policy – The policy is still under discussion by the Committee. A draft was in the agenda packets.

Dan George – Suzi Bye reported that his information was sent to Gabriel Roeder for calculations.

18. RETIREMENT ORDINANCE REVISION COMMITTEE

Peter Dobrzeniecki proposed an ordinance change to §35-8(b)(7) by eliminating a Board position of one of the general members presently employed at Hurley, in light of the FERS to MERS transfer, and replacing that position with a “citizen-at-large.” This would change the make-up of the Retirement Board to four administrative Trustees (Hurley Admin, City Admin, Finance Director, City Council) and four elected Trustees (City, Hurley, Police/Fire, Retiree), and a Citizen-at-Large. This could be a nonpolitical position appointed by the eight Trustees. Discussion followed. Attorney Robbins noted that the City of Pontiac has a citizen-at-large on their Board. Chairman Hall asked the Committee to work with Attorney Robbins on suggested language. Mr. Hall noted that the Committee members are Ehren Gonzales, Chair, Robert Erlenbeck, and Peter Dobrzeniecki and that Julie Sadler should be staff support for the Committee.

The Board discussed the updated Retirement Ordinance (Chapter 35, Sections 1 through 46.4), which was distributed earlier in the meeting. This version incorporates all Ordinance changes adopted by the Emergency Financial Manager and the City Council since the Code of Ordinances book was last issued (2002). A summary of those changes was also given to the Board.

Ehren Gonzales left the meeting at 3:52 p.m.

20. GRAY & COMPANY

Per Chairman Hall's request, Ivory Day recommended that presentations be made by two large cap managers: Dodge & Cox (core value) and Globalt (growth) and stated that he will schedule their presentations during the regular June Board Meeting.

Ivory Day briefly reviewed the 1st Quarter Report, noting that the format is different due to their new reporting system. He will review the report with the Board in more detail at a future meeting, after Board Members have had a chance for further review. The Board discussed the Fund's investments and the potential MERS transfer.

21. LEGAL COUNSEL UPDATES

Attorney Robbins reported on the following pending legal issues:

Claude Miller (26/27 pays) Update – Additional pension revision calculations that have been done pursuant to the lawsuit appear each month on the Agenda (under "Approval of Pensions Previously Reported").

Take Two Interactive – No judicial decisions have been made on previous motions.

Status of Hearings for Pension Calculation Errors – There are four currently before Judge Farah, but there have been scheduling conflicts. The court will be revising the schedules and issuing court orders for dates for the attorneys to present briefs and oral arguments. The Judge will then make a final determination on whether or not the Board's decisions were, in fact, arbitrary or capricious with respect to the individuals who had hearings before the Board.

Burns/Wiggins/Doerr –Hearing Dates – Scheduling of these hearings is on hold pending Judge Farah's rulings on the previous hearings.

Daniel Coffield – The Board discussed the issues of a possible ordinance change, obtaining a determination from Gabriel Roeder and obtaining a new IRS Tax Determination Letter. There is a deadline of January 1, 2009, to submit a new Letter to the IRS (every five years). Attorney Robbins is reviewing the issues. Chairman Hall referred the issue of the IRS Tax Determination Letter to the Finance/Investment Committee.

22. DB/DC CONVERSION

No report.

23. HURLEY DOE COMMITTEE

Chairman Hall stated that this ad hoc Committee, chaired by Jan Kehoe, has resolved the issues with Hurley. This item can be eliminated from future agendas until needed.

24. OTHER BOARD BUSINESS

Chairman Hall reported that Jan Kehoe has provided a copy of the Hurley Exempt Handbook, which will be copied for use in the Retirement Office.

Chairman Hall recommended that those attending MAPERS (June 1-3) arrive early to attend the training seminar by Attorney Michael VanOverbeke.

In response to a question from Amy Lindman regarding the Police/Fire election, Bob Erlenbeck stated that notices will be sent, and an election take place, during July/August.

The Board discussed Chairman Daniel Hall's upcoming retirement from Hurley and noted that there is currently no Vice Chair. Attorney Robbins read the Ordinance 35-9(a) which states that "A trustee shall continue to serve until his successor has qualified." In this case, that would require a successor to be appointed by the Hurley Board of Managers. During the interim, it would be the Board's decision whether Mr. Hall continued to serve as Chair.

25. ADJOURNED

There being no further business to discuss, it was moved by Amy Lindman, and supported by John Balsler, to adjourn the meeting at 4:34 p.m.

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

Respectfully submitted,

Peter Dobrzeniecki, Secretary