

**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, July 22, 2008 at 1:00 p.m. in the New Committee-of-the-Whole Room, 3<sup>rd</sup> Floor, City Council Chambers, at City Hall, with the following in attendance:

*TRUSTEES & ALTERNATES* Douglas Bingaman – Acting Chairperson, Denise Bingaman, Mary Bland, Robert Erlenbeck, Janice Kehoe, Michelle Kirkwood, Amy Lindman, Cass Wisniewski

*ABSENT* Darryl Buchanan, Peter Dobrzeniecki, Ehren Gonzales, Kerry Nelson

*ALSO PRESENT* Suzi Bye, Retirement Supervisor  
Christopher Kuhn, Gray & Company  
I'Lanta Robbins, Assistant City Attorney/Attorney for Retirement Board  
Julie Sadler, Recording Secretary  
David Hoffman, Gabriel, Roeder, Smith & Company  
David Kausch, Gabriel, Roeder, Smith & Company

**1. CHAIRPERSON CALLS THE MEETING TO ORDER**

Acting Chair Douglas Bingaman (for Secretary Peter Dobrzeniecki) called the meeting to order at 1:13 p.m.

**3. MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD**

Donald Phillips, President of United Retired Government Employees (U.R.G.E.), asked that the Board consider moving Items #s 11.7 and 11.8 forward in the agenda, for discussion, and requested that he be able to participate in that discussion.

Daniel Hall, Retiree from Hurley Medical Center, also expressed his concerns regarding Item #s 11.7 and 11.8. Additionally, he asked what criteria determine whether someone is/is not part of FERS; for example, "MERS" retirees from Hurley.

**2. INTERIM APPOINTMENT OF BOARD CHAIR & VICE CHAIR**

**A motion was made by Amy Lindman, and supported by Mary Bland, to appoint Douglas Bingaman as Interim Chair for two months until the Board can elect a Chair.**

Discussion followed regarding the legalities of allowing an alternate to serve as Chair or Vice Chair. Attorney I'Lanta Robbins expressed her legal opinion that Trustee Alternates should not serve as Chair or Vice Chair due to the fact that they cannot vote unless they are sitting in the seat of a Trustee at a meeting. A similar opinion was issued previously by Attorney Habeeb Ghattas. It was noted that Donald Phillips and Hugh Rose, although alternates, were historically elected as Vice Chairs during their terms on the Board. A written legal opinion was requested for the next Board agenda packets, along with a copy of Attorney Ghattas' previous opinion. It was also noted that the current two-year term for the Board Chair and Vice Chair ends in January 2010.

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

**A motion was made by Janice Kehoe, and supported by Cass Wisniewski, to appoint Amy Lindman as Interim Vice Chair for two months until the Board can elect a Vice Chair.**

Discussion followed.

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

The Board discussed the process for appointing a Retiree Trustee to replace John Balser, who recently passed away (July 5, 2008). The Ordinance language, and the Board's Rules of Procedures, indicate that the Board should appoint someone to fill the vacancy until the next succeeding election. There is currently an election in process for the position of Police & Fire Trustee/Alternate.

Attorney Robbins noted that Ordinance Section 35-8 gives direction on procedures for filling vacancies. The Board is to appoint someone to fill the Retiree vacancy until the next succeeding election. The next election would be the Police & Fire election. According to the Board's Rules of Procedures, elections are held during the months of June, July and August. Therefore, any vacancy filled by the Board would be temporary, until the next succeeding election is held.

Attorney Robbins also noted that Item #11.7 is Attorney Michael VanOverbeke's legal opinion regarding a vacancy on the Board of Trustees created by a retirement and whether a person can continue to sit on the Board after they have left the employ of the City/Hurley. His opinion states that, once a person leaves the employ of the City or Hurley, he/she is no longer a member of the System and, therefore, cannot sit in an active member's seat. If the individual did retire from the Flint System, he/she would be eligible to be a candidate in the Retiree representative election. This means that someone who retires from Hurley through MERS cannot sit on the Board of Trustees; only retirees from FERS can serve on the Board. The Ordinance definition of "System" is the "City of Flint Employees' Retirement System" (FERS). Discussion followed.

The Board also discussed Item #11.8, a letter from U.R.G.E. regarding the Board vacancy for the Retiree Trustee. The U.R.G.E. letter requests that the Board replace Mr. Balsler with current Alternate, Mary Bland, and choose another retiree to become the Alternate.

Daniel Hall told the Board that he believes that MERS retirees from Hurley, during the interim before the MERS transition has been finalized, should continue to be considered to be a part of the FERS system for purposes of representing retirees on the Board. He stated that, due to contract language, employees were required to retire from MERS instead of FERS; however, a retired 30-year veteran of Hurley should still be able to sit on the Board as a Retiree representative, knowing that there are issues occurring with the FERS to MERS transition. He asked that Hurley retirees through MERS, prior to the cut-off date of September 1, 2008 (hire date after which Hurley employees must belong to MERS), be grandfathered to be considered part of FERS for purposes of representing retirees on the Board.

**A motion was made by Robert Erlenbeck, and supported by Amy Lindman, to table the appointment of a replacement for the Retiree Representative until a written legal opinion can be obtained regarding the status of MERS retirees in the FERS system.**

Discussion followed. Legal opinions are being requested for the following issues: 1) Status of MERS retirees in FERS; 2) Whether the Retiree Alternate Trustee, if appointed as the Trustee by the Board, would have to stand for reelection; 3) When the retiree representative election must be held.

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

**4. APPROVAL OF THE MAY 17, 2008 REGULAR BOARD MEETING MINUTES**

**A motion was made by Cass Wisniewski, and supported by Amy Lindman, to approve the minutes of the May 17, 2008 Regular Board Meeting.**

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

**5. APPLICATIONS FOR VOLUNTARY RETIREMENT**

**Nancy Card / Finance/1799**

Final Average Compensation:	\$ 52,722.82
Accumulated Contributions:	25,945.84
DRET:	8,410.16
Effective Date of Retirement	06/14/2008

Service: 24 Years, 10 Months

The retiree elected the Option C w/pop-up in the amount of \$2,447.42.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Nancy Card 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 \$2,447.42, for as long as she lives.

**Sandy Davis / Police/FPOA**

Final Average Compensation:	\$ 56,252.76
Accumulated Contributions:	11,128.38
DRET:	36,089.66
Effective Date of Retirement	05/25/2008

Service: 23 Years, 0 Months

The retiree elected Option A in the amount of \$2,776.52.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Sandy Davis 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 A in the amount of \$2,776.52, for as long as she lives.

**Dean Frick / HMC/Exempt**

Final Average Compensation:	\$ 153,372.89
Accumulated Contributions:	62,310.21
DRET:	69,486.43
Effective Date of Retirement	06/28/2008
Service: 25 Years, 6 Months	

The retiree elected the Option C w/pop-up in the amount of \$6,683.51.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Dean Frick 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 \$6,683.51, for as long as he lives.

**Martin Galentine / DPW/1600**

Final Average Compensation:	\$ 42,376.79
Accumulated Contributions:	47,359.54
DRET:	6,678.68
Effective Date of Retirement	05/29/2008
Service: 25 Years, 0 Months	

The retiree elected the Option B w/pop-up in the amount of \$1,924.17.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Martin Galentine 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 \$1,924.17, for as long as he lives.

**Daniel George / HMC/Exempt**

Final Average Compensation:	<del>\$ 219,474.94</del> <b>\$250,763.72</b>
Accumulated Contributions:	80,939.79
DRET:	117,354.42
Effective Date of Retirement	01/02/2008
Service: 28 Years, 9 Months	

The retiree elected the Option C w/pop-up in the amount of ~~\$10,044.27~~ **\$11,476.21**.

**Corrected FAC due to inclusion of sick and vacation time.**

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Daniel George 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 \$11,476.21, for as long as he lives.

**Sherrie Jackson / HMC/1603**

Final Average Compensation:	\$ 27,689.30
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	05/29/2008

Service: 16 Years, 10 Months

The retiree elected the Option B w/pop-up in the amount of \$347.76.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Sherrie Jackson 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 \$347.76, for as long as she lives.

**Donna McDermitt / HMC/1603**

Final Average Compensation:	\$ 44,973.64
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	06/14/2008

Service: 31 Years, 0 Months

The retiree elected the Option Straight Life in the amount of \$1,930.12.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Donna McDermitt 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 \$1,930.12, for as long as she lives.

**Jeffrey Mabry / Police/Sgts**

Final Average Compensation:	\$ 67,559.65
Accumulated Contributions:	42,894.24
DRET:	12,441.58
Effective Date of Retirement	05/24/2008

Service: 23 Years, 0 Months

The retiree elected the Option B w/pop-up in the amount of \$2,980.69.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Jeffrey Mabry 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 \$2,980.69, for as long as he lives.

**Rosemarie Palma / HMC/1603**

Final Average Compensation:	\$ 44,853.08
Accumulated Contributions:	25,220.81
DRET:	32,268.54
Effective Date of Retirement	06/02/2008
Service: 29 Years, 8 Months	

The retiree elected the Option Straight Life in the amount of \$2,304.95.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Rosemarie Palma 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 \$2,304.95, for as long as she lives.

**Anthony Pittman / Police/Sgts**

Final Average Compensation:	\$ 79,036.80
Accumulated Contributions:	46,086.61
DRET:	13,249.04
Effective Date of Retirement	05/24/2008
Service: 23 Years, 0 Months	

The retiree elected the Option B w/pop-up in the amount of \$3,418.96.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Anthony Pittman 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 \$3,418.96, for as long as he lives.

**Mark Simpson / Fire/352**

Final Average Compensation:	\$ 63,283.47
Accumulated Contributions:	16,080.26
DRET:	46,362.41
Effective Date of Retirement	05/10/2008
Service: 23 Years, 4 Months	

The retiree elected the Option B w/pop-up in the amount of \$2,884.35.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Mark Simpson 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 \$2,884.35, for as long as he lives.

**Ronald Stamps / Fire/352**

Final Average Compensation:	\$ 99,030.29
Accumulated Contributions:	33,414.42
DRET:	59,094.73
Effective Date of Retirement	05/24/2008

Service: 26 Years, 5 Months

The retiree elected the Option C w/pop-up in the amount of \$5,352.40.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Ronald Stamps 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 \$5,352.40, for as long as he lives.

**Clarence Yancy / Police/FPOA**

Final Average Compensation:	\$ 73,577.08
Accumulated Contributions:	11,560.16
DRET:	46,406.81
Effective Date of Retirement	05/15/2008

Service: 23 Years, 0 Months

The retiree elected the Option Straight Life in the amount of \$3,666.59.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Clarence Yancy 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 \$3,666.59, for as long as he lives.

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

**Nancy Card - Option C w/pop-up - \$2,447.42**  
**Sandy Davis - Option A - \$2,776.52**  
**Dean Frick - Option C w/pop-up - \$6,683.51**  
**Martin Galentine - Option B w/pop-up - \$1,924.17**  
**Daniel George - Option C w/pop-up - \$11,476.21**  
**Sherrie Jackson – Option B w/pop-up - \$347.76**  
**Donna McDermitt – Option Straight Life - \$1,930.12**  
**Jeffrey Mabry – Option B w/pop-up - \$2,980.69**  
**Rosemarie Palma – Option Straight Life - \$2,304.95**



**Anthony Pittman – Option B w/pop-up - \$3,418.96**  
**Mark Simpson – Option B w/pop-up - \$2,884.35**  
**Ronald Stamps – Option C w/pop-up - \$5,352.40**  
**Clarence Yancy – Option Straight Life - \$3,666.59**

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

Mr. Erlenbeck noted that the calculations for Daniel George and Daniel Coffield are based upon the legal opinion that they are “grandfathered” to pre-1993 limits. Discussion followed. Attorney Ghattas’ legal opinion in 2000 indicated that the Retirement System accepted and adopted all of the IRS changes since 1993 by adopting those regulations through the Ordinance. Therefore, although there was nothing in the ordinance that specifically referenced grandfathering the limits, that action, in effect, grandfathered the limits. That is the reason Hugh Rose was given a higher pension, because it was based on the grandfathered amount. Attorney I’Lanta Robbins stated that she has reviewed, and agrees with, Attorney Ghattas’ opinion and its application to Hugh Rose and, subsequently, to Mr. George and Mr. Coffield. The Ordinance amendment was made to incorporate certain changes in the Tax Code which, according to Attorney Ghattas, meant that the Ordinance did not need to be specifically amended in order to grandfather Mr. Rose. A written legal opinion was requested from Attorney Robbins attesting to the “grandfathering” to pre-1993 limits, for the retirement files of Mr. George and Mr. Coffield, as their calculations are based upon that opinion.

**6. APPLICATIONS FOR DEFERRED RETIREMENT**

**Paula Horcha / HMC/Exempt**

Final Average Compensation:	\$ 70,663.80
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	05/23/2008
Service: 18 Years, 10 Months	

The retiree will elect an Option prior to 09/01/2010.

**Harriet Williams / HMC/1603**

Final Average Compensation:	\$ 34,699.73
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	05/01/2008
Service: 30 Years, 9 Months	

The retiree elected Option C w/pop-up in the amount of \$861.53 effective 7/1/2008.

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to approve the applications for deferred retirement made by Paula Horcha and Harriet Williams.**

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

**7. OPTIONS PICKED BY DEFERRED RETIREMENT**

**Linda Joliat/1799**

File Audit – FAC \$56,246.76

Option Straight Life \$1,124.94

Retirement Date: 7-01-08

**8. APPROVAL OF NON-DUTY DISABILITY RETIREMENT**

**Suzanne Lynch / Hurley/Exempt**

Age: 58 Years

Service: 22 Years, 3 Months

The medical report and summary of Disability Determination dated July 7, 2008 from Dr. Victor Roth, Medical Director, does certify that Suzanne Lynch is totally and permanently disabled.

Discussion followed.

**A motion was made by Amy Lindman, and supported by Mary Bland, to concur with Dr. Roth's report that Suzanne Lynch is totally and permanently disabled and should be granted a non-duty disability retirement.**

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

**9. APPROVAL OF DUTY DISABILITY RETIREMENT**

**Eddie Holmes / Hurley/1603**

Age: 48 Years

Service: 21 Years, 5 Months

The medical report and summary of Disability Determination dated June 18, 2008 from Dr. Victor Roth, Medical Director, does certify that Eddie Holmes is not totally and permanently disabled.

Discussion followed. Suzi Bye reported that the Professional Services Committee requested further clarification from Dr. Roth and received an addendum to his original report, which stated that Mr. Holmes is totally and permanently physically incapacitated for duty in the last position he held; however, the doctor considers Mr. Holmes capable of performing the duties of a different position that allows him to remain seated. Ms. Bye asked whether the Board wants her to contact the Hurley Human Resources Department regarding the availability of a sitting job for Mr. Holmes. Mr. Erlenbeck noted that the Board's procedures indicate that the Board can direct a letter to the employer asking for accommodations or restrictions. Then, if a reply is received from the employer indicating that they are unable or unwilling to accommodate the applicant, the Board can reconsider his/her disability retirement application.

**A motion was made by Amy Lindman, and supported by Robert Erlenbeck, to concur with Dr. Roth's report that Eddie Holmes is not totally and permanently disabled and should be denied a duty disability retirement at this time. The motion further directs that Ms. Bye send a letter to Hurley Medical Center's Human Resources Department citing the doctor's findings that Mr. Holmes is still able to work, provided he is given a different job that he could perform while sitting down.**

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

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

- 10.1 Financial Research Associates, Alternative Investment Manager Search & Selection, September 25-26, 2008, New York, NY.

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to receive the information/documents listed under Agenda Items #10, #11, #12, and #13 and place all documents on file.**

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

**11. 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.)*

- 11.1 Coughlin Stoia Geller Rudman & Robbins, Corporate Governance, 3<sup>rd</sup> Quarter 2008 Newsletter.
- 11.2 Intercontinental Real Estate Corp., News Briefs, Spring 2008 Newsletter.

- 11.3 Hancock Timber Resource Group, A Company Overview, June 2008 Newsletter.
- 11.4 Loomis Sayles & Co., Invitation to Woodward Dream Cruise Party, August 16, 2008, Bloomfield Hills, MI.
- 11.5 Globalt Investments, Letter to Daniel Hall re: Incorrect trading errors, July 8, 2008. *(Enclosed)*
- 11.6 Wellington Trust Co., Letter to FERS re: New Client Service Manager, June 17, 2008. *(Enclosed)*
- 11.7 VanOverbeke Michaud & Timmony, P.C., Letter to FERS re: Vacancy on the Board of Trustees, July 2, 2008. *(Enclosed)*
- 11.8 URGE, Letter to Retirement Board re: Board Vacancy, July 10, 2008. *(Enclosed)*
  
- 12. 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.)*
- 12.1 Letter to Northern Trust from Daniel Hall re: July1, 2008 Pension transfer, June 17, 2008.
  
- 13. 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.)*
- 13.1 Fidelity Investments, Monthly Investment Update, May 31, 2008.
- 13.2 Fidelity Investments, Monthly Investment Update, June 30, 2008.
- 13.3 ICON Advisers, Inc., Quarterly Statement, June 30, 2008.
- 13.4 Wentworth Hauser and Violich, Appraisal Summary, May, 2008.
- 13.5 Magna Securities, Commission Recapture Report, May 31, 2008.
- 13.6 LJR Recapture Services, Commission Recapture Report, April 30, 2008.
- 13.7 Northern Trust Reports – May 2008 *(Enclosed)*
- 13.8 Retirement Fund Employee/Employer Contributions *(Enclosed)*
- 13.9 Hurley Employer/Employee Contributions FY 2008 *(Enclosed)*

**14. 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

**15. APPROVAL OF THE AUGUST 1, 2008 PENSION PAYROLL TRANSFER**

Acting Chair Douglas Bingaman reported that a transfer of \$5,178,300 was needed for the payment of the August 1<sup>st</sup>, 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 July 18, 2008, was \$21,007,279.

**A motion to approve the transfer of \$5,178,300 for payment of the August 1<sup>st</sup>, 2008 pension payroll, from the Northern Trust Flint - Drawdown Account #26-19617 to Citizens Bank, was made by Amy Lindman, and supported by Mary Bland.**

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

**16. ADOPTION OF THE 62<sup>ND</sup> ANNUAL ACTUARIAL VALUATION REPORT**

David Hoffman and David Kausch, from Gabriel, Roeder, Smith & Company, presented and reviewed the 62<sup>nd</sup> Annual Actuarial Valuation Report for the fiscal year ended June 30, 2006. The rates for Fiscal Year 2009 (beginning July 1, 2008) remain unchanged from the preliminary numbers: General – 34.52%; Police – 10.07%; Fire 28.68%. The Hurley Medical Center rate changed slightly, going down to 10.81% from the original estimate of 11%. Discussion followed.

**DISCUSSION OF FERS TO MERS STATUS**

Attorney I'Lanta Robbins reported that the Settlement Agreement, and other documents attached to it including the MERS Membership Agreement and the Transition Agreement, have been signed by all parties except Donald Phillips, who is a named defendant and must sign the Settlement Agreement reflecting all parties are in agreement. He was named in his capacity as a Trustee/Alternate and he is currently reviewing the documents. The signatories include representatives of the City Council, the FERS Board of Trustees, Hurley Medical Center, and MERS. If Mr. Phillips refuses to sign, the parties may have to return to Court. However, it is not anticipated, at this point, that any issues or problems will arise

that would require an additional court date. The next action to be taken by the Board of Trustees would be to request that the Actuary perform the Public Act 728 supplemental actuarial analysis. Whenever there is a change in benefits that affects a Retirement System, P.A. 728 requires this analysis seven days before the adoption of that change. Once the P. A. 728 analysis has been completed, the Ordinance changes can be presented to the Flint City Council for approval, and then the funds can be transferred. Copies of the settlement resolutions from the FERS Board and the City Council were distributed. Discussion followed.

### **62<sup>nd</sup> ANNUAL ACTUARIAL VALUATION REPORT (*continued*)**

The Board returned to their review and discussion of the actuarial report. It was noted that GRS needs updated 2007 data for the FERS to MERS calculations and the completion of the FY 2007 actuarial valuation. GRS recently received the final asset information for 2007 and is still waiting for census data from the City and HMC. GRS also needs HMC to authorize MERS to send them the information regarding the MERS retirees.

**A motion was made by Cass Wisniewski, and supported by Robert Erlenbeck, to adopt the 62<sup>nd</sup> Annual Actuarial Valuation Report and request that the Secretary present the resolutions to adopt the FY 2009 contribution rates at the next Regular Board Meeting.**

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

**A motion was made by Robert Erlenbeck, and supported by Amy Lindman, that the Retirement Office provide GRS with all necessary census data to complete the June 30, 2007 actuarial valuation.**

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

The Board discussed Public Act 728 and the (previously approved) GRS engagement letter regarding FERS to MERS. According to the GRS representatives, that engagement letter also provides for Public Act 728 compliance, and they will begin working on that issue as soon as they receive the data and instructions.

### **23. LEGAL COUNSEL UPDATES**

Attorney I'Lanta Robbins provided the Board with updates on the following pending litigation and other issues:

**Claude Miller Update (26/27 Pays)** – No further court dates or correspondence. Denise Bingaman stated that there are 32 recalculations finished. However, there are issues surrounding seven “problem” files, which could possibly be pension overpayments, for which guidance is needed. Bob Erlenbeck noted that the Professional Services Committee has been working with the Attorney on an Overpayment & Underpayment Policy, which needs to be finalized and approved to allow the Board to make recommendations under the Policy. Discussion followed. Ms. Bingaman noted that the Board previously requested a summary of the “problem” files to make them aware of the errors. This has not yet been done. Attorney Robbins stated that there are several important issues involved that the Board needs to address, since some of these problems were identified as early as January and those files have been on hold since that time.

**A motion was made by Amy Lindman, and supported by Mary Bland, that a summary of the error situations and questions, without names, be submitted to the Board at the next Regular Board Meeting.**

Board Members were asked to review the Overpayment & Underpayment Policy and give their comments to Attorney Robbins two weeks prior to the next Board Meeting to allow time for her to draft a recommended policy for review by the Professional Services Committee and possible approval at the August Board Meeting. Denise Bingaman was assigned to the Professional Services Committee.

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

**Take Two Interactive** – No decisions have been made by the Judge on the pending motions. Attorney George Peck plans to update the Board in the near future.

**Status of Hearings for Pension Calculation Errors (Judge Farrah)** – There has been a scheduling order from the Court and dates will be set for the presentation of arguments.

**FERS to MERS Transition** – Previously discussed.

**Daniel Coffield** – His attorney, Mr. Schiller, previously addressed the Board regarding FAC issues. Revised numbers were sent to GRS and the FAC was revised for both Daniel Coffield and Daniel George, under the grandfather limitations. There is a limitation on both for 2005, which included the fold-in pay for sick and annual time.

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to approve the revised FAC of \$296,520.25, under the grandfathered limitation, for Daniel Coffield.**

Discussion followed. Bob Erlenbeck noted that, due to the IRS 415 limits, the Retirement System will pay less than the grandfathered amounts. All payments over and above the 415 limits are the responsibility of Hurley Medical Center.

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

During further discussion, it was noted that Mr. Coffield and his attorney may still have issues with his pension/FAC. Attorney Robbins will continue to be in contact with Attorney Schiller regarding these issues.

**Burns/Wiggins/Doerr – Pending Hearing Dates** – The plaintiffs and their attorney are waiting for Judge Farrah’s determinations on the previous hearings before scheduling these hearings.

**17. 13<sup>th</sup> CHECK**

No report.

**18. TRUSTEE APPOINTMENTS**

Previously discussed.

**19. FINANCE/INVESTMENT COMMITTEE**

No meeting. The Committee, chaired by Peter Dobrzeniecki, will be meeting to discuss the following issues: 1) Updating the Guidelines for Auditing Pension Files; 2) the cost of the MERS Transfer and where the funds should come from; 3) IRS Tax Determination Letter; 4) Audit of the System.

**20. PROFESSIONAL SERVICES COMMITTEE REPORT**

**Disability Retirement Policy** – The policy was adopted by the Board on May 27, with corrections as discussed. Those corrections were reviewed and approved and the Board requested that the final policy be included in the August agenda packets.



**Board Election Rules** – A new policy was adopted at the May Board Meeting; however, additional issues have since been identified regarding primary elections. Suzi Bye noted that a final policy needs to be available before the next election can proceed. The Board discussed eliminating primary elections, as future elections are to be conducted by mail, with the candidate receiving the most votes becoming the Trustee and the candidate receiving the second highest number of votes becoming the Alternate. Attorney Robbins identified other issues, which were also discussed by the Board.

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to adopt the Election Policy with changes as discussed, with the Attorney to incorporate the changes and include the adopted revised policy in the August agenda packets.**

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

**Terminated/Vested Employees** – Attorney Robbins stated that a legal opinion was previously given to the Board on this issue.

**Daniel Coffield / Daniel George** – FAC issues are still pending.

**IRS Regulations for Beneficiaries** – This issue was given to Attorney Robbins to review and discuss with Attorney Chat Heckemeyer at Keller Thoma. There may be limitations on beneficiaries other than spouses, based on age differences.

**IRS Tax Determination Letter** – Attorney Robbins referred the Letter to the Finance Committee, noting there have been changes in the IRS regulations. Discussion followed.

**21. RETIREMENT ORDINANCE REVISION COMMITTEE**

No meeting.

**22. GRAY & COMPANY**

Chris Kuhn gave a brief update on the second quarter returns noting that they are down about 5½ %, which is slightly better than the first quarter. Discussion followed. The Board requested that the Investment Policy, with the amendments that were discussed at a previous meeting, be presented for adoption at the next meeting. The Board also asked whether FERS was invested in any countries that support terrorism and Mr. Kuhn stated that he would ask Ivory Day to review and report at the next meeting.

**24. DB/DC CONVERSION (*City Of Flint*)**

Robert Erlenbeck reported that the conversion is on hold, pending finalized actuarial numbers. The preliminary numbers were found to have some errors; i.e., service credits wrong, etc. Once the final and corrected actuarial numbers are available, a “window” will be scheduled for employees (Locals #1600 and #1799 and Exempts) to voluntarily sign up to transfer from the defined benefit to the defined contribution plan.

**25. OTHER BOARD BUSINESS**

Acting Chair Douglas Bingaman noted that the MAPERS Fall Conference is being held on September 14-16 and asked that interested Board Members contact Julie Sadler to create the necessary paperwork to obtain approvals and advances.

**A motion was made by Amy Lindman, and supported by Mary Bland, for the Secretary of the Retirement System to provide information in the next agenda packets detailing the payroll allocation to the Retirement System (name, department, salary, position, amount/percent charged to the System), along with information for costs charged – supplies, travel, lawsuits, etc. for the past year, as well as current budget information.**

Discussion followed.

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

**26. ADJOURNED**

**There being no further business to discuss, it was moved by Robert Erlenbeck, and supported by Amy Lindman, to adjourn the meeting at 3:17 p.m.**

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

Respectfully submitted,

Peter Dobrzeniecki, Secretary