

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, January 20, 2009 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 Douglas Bingaman – Acting Chairperson, Denise Bingaman, Mary Bland, Robert Erlenbeck, John Erwin (*arrived @ 1:11*), Janice Kehoe, Michelle Kirkwood (*arrived @ 1:11*), Mark Stratman, Cass Wisniewski

ABSENT Darryl Buchanan, Kerry Nelson, Ehren Gonzales

ALSO PRESENT Suzi Bye, Retirement Supervisor
Angela Watkins, City Attorney/Attorney for Retirement Board
Colleen McAuliffe, Retirement Specialist
Christopher Kuhn, Gray & Company
David Smith, Northern Trust
Michael VanOverbeke, Special Counsel

1. CHAIRPERSON CALLS THE MEETING TO ORDER

Acting Chair Douglas Bingaman called the meeting to order at 1:08 p.m.

3. MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD

Susan Jarema (68th District Court retiree, Exempt) stated that she is on the agenda for a response as to the status of her previous request for the city attorney's opinion and she will wait her turn for that. She also asked the Board if retirees have options for health care and if there is an annual stipend available for opting out of retiree health care. Robert Erlenbeck responded that health care benefits are available to her and there is no stipend for opting-out of retiree health care. Robert Erlenbeck also stated that she would either have to have a qualifying event where she lost other coverage or she would have to wait until the annual Open Enrollment period in order to be eligible to take the City's retiree health care. Chairman Bingaman stated that he had received an email this morning with the legal opinion for her but all the Board members had not received it yet so the matter will be addressed at the February 2009 Board meeting.

Tracey Weiss questioned the status of her request to rescind her deferred retirement, which was tabled last month. Discussion followed. Chairman Bingaman stated that this matter will be addressed at the February 2009 Board meeting as well.

Not hearing any more members of the public wishing to address the Board, Chairman Bingaman proceeded.

2. APPOINTMENT OF BOARD CHAIR & VICE CHAIR

Chairman Bingaman noted that there is a legal opinion stating that the appointment of Board Chair and Vice Chair should be trustees of the system. No motion having been made, Chairman Bingaman asked how the Board would like to proceed. Discussion followed.

A motion was made by Mary Bland, and supported by Cass Wisniewski, to table the nomination of a trustee, and not an alternate trustee, to the position of Chair.

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

4. APPROVAL OF THE OCTOBER 21, 2008 REGULAR BOARD MEETING MINUTES

A motion was made by Cass Wisniewski, and supported by Denise Bingaman, to approve the minutes of the October 21, 2008 Regular Board Meeting.

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

5. APPROVAL OF THE DECEMBER 16, 2008 REGULAR BOARD MEETING MINUTES

A motion was made by Cass Wisniewski, and supported by Jan Kehoe, to approve the minutes of the December 16, 2008 Regular Board Meeting.

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

6. APPLICATIONS FOR VOLUNTARY RETIREMENT

Brenda Brown

HMC/Exempt

Final Average Compensation:	\$ 78,024.61
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	12/13/2008

Service: 26 Years, 0 Months

The retiree elected the Option Straight Life in the amount of \$2,860.90.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Brenda Brown 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 \$2,860.90, for as long as she lives.

Lee Ann Gaspar

Police/Sgts

Final Average Compensation:	\$ 84,569.62
Accumulated Contributions:	30,602.57
DRET:	30,507.34
Effective Date of Retirement	12/13/2008

Service: 25 Years, 11 Months

The retiree elected Option C w/pop-up in the amount of \$4,358.52

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Lee Ann Gaspar 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 \$4,358.52, for as long as she lives.

MaryAnn Smith

HMC/1603

Final Average Compensation:	\$ 36,217.66
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	12/05/2008

Service: 15 Years, 7 Months

The retiree elected Option Straight Life in the amount of \$799.55

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for MaryAnn Smith 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 \$799.55, for as long as she lives.

Victoria Thompson

HMC/1603

Final Average Compensation: \$ 57,717.59

Accumulated Contributions: .00

DRET: .00

Effective Date of Retirement 12/01/2008

Service: 40 Years, 11 Months

The retiree elected Option C in the amount of \$2,830.06

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Victoria Thompson 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 \$2,830.06, for as long as she lives.

A motion was made by Mary Bland, and supported by John Erwin, to approve the Applications for Voluntary Retirement for the following persons (with monthly pensions as noted):

Brenda Brown - Option Straight Life - \$2,860.90

Lee Ann Gaspar – Option C w/pop-up - \$4,358.52

MaryAnn Smith – Option Straight Life - \$799.55

Victoria Thompson – Option C - \$2,830.06

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

7. OPTIONS PICKED BY DEFERRED RETIREMENTS

Rose Luster-Turner/HMC/Exempt Option Straight Life \$2,307.11
File Audit – FAC \$95,338.54 Retirement Date: 07-12-2002

Aaron McGee/HMC/1603 Option C w/pop-up \$521.64
File Audit – FAC \$21,746.10 Retirement Date: 07-24-2004

A motion was made by Jan Kehoe, and supported by Mary Bland, to approve the option picked by deferred retirees Rose Luster-Turner and Aaron McGee with the correction of Rose Luster-Turner to Exempt.

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

8. APPROVAL OF PENSIONS PREVIOUSLY REPORTED

Felix Beltran/HMC/Exempt

Revised FAC: \$193,822.83
Original FAC: \$192,674.17
Pension Underpayment: \$411.38

Revised Monthly Pension: \$ 7,835.86
Original Monthly Pension: \$ 7,789.42
Option B w/pop-up

Revised to include additional HMC payroll information

Gary Bitterman/HMC/2056

Revised FAC: \$29,700.88
Original FAC: \$29,602.27
Pension Underpayment: \$13.95

Revised Monthly Pension: \$ 468.19
Original Monthly Pension: \$ 466.64
Option A

Revised to include additional HMC payroll information

Gayle Boykin/HMC/RN

Revised FAC: \$57,156.15
Original FAC: \$56,563.63
Pension Underpayment: \$78.26

Revised Monthly Pension: \$580.67
Original Monthly Pension: \$574.65
Option Straight Life

Revised to include additional HMC payroll information

Sandra Bradshaw-Tidwell/HMC/1603

Revised FAC: \$32,274.52
Original FAC: \$31,945.20
Pension Underpayment: \$133.16

Revised Monthly Pension: \$1,152.94
Original Monthly Pension: \$1,141.18
Option B w/pop-up

Revised to include additional HMC payroll information

Carole Carpenter/HMC/Exempt

Revised FAC: \$109,719.09
Original FAC: \$106,462.53
Pension Underpayment: \$2,519.75

Revised Monthly Pension: \$ 5,099.90
Original Monthly Pension: \$ 4,948.52
Option B

Revised to include additional HMC payroll information

Antonino Cavaleri/HMC/Exempt

Revised FAC: \$ 53,397.19
Original FAC: \$ 52,477.62
Pension Underpayment: \$106.70

Revised Monthly Pension: \$ 562.99
Original Monthly Pension: \$ 553.29
Option B w/pop-up

Revised to include additional HMC payroll information

Ellen Clark/HMC/1603

Revised FAC: \$ 44,731.45
Original FAC: \$ 44,206.74

Retirement Date 1/1/2010

Revised prior to receipt of first pension check

Ann Crumpton/HMC/2056

Revised FAC: \$43,412.55
Original FAC: \$43,089.02
Pension Underpayment: \$137.72

Revised Monthly Pension: \$ 839.33
Original Monthly Pension: \$ 833.07
Option B w/pop-up

Revised to include additional HMC payroll information

Mark Folts/HMC/Exempt

Revised FAC: \$76,596.21
Original FAC: \$75,414.70
Pension Underpayment: \$890.28

Revised Monthly Pension: \$ 1,588.25
Original Monthly Pension: \$ 1,559.54
Option B

Revised to include additional HMC payroll information

Corine Freeborg/HMC/Exempt

Revised FAC: \$75,147.85
Original FAC: \$73,148.54
Pension Underpayment: \$2,105.00

Revised Monthly Pension: \$ 3,908.71
Original Monthly Pension: \$ 3,804.74
Option Straight Life

Revised to include additional HMC payroll information

Dean Frick/HMC/Exempt

Revised FAC: \$163,140.78
Original FAC: \$159,043.80
Pension Underpayment: \$1,089.10

Revised Monthly Pension: \$ 7,109.17
Original Monthly Pension: \$ 6,930.63
Option C w/pop-up

Revised to include additional HMC payroll information

Walterean Patrick/HMC/1603

Revised FAC: \$25,593.68

Original FAC: \$25,545.96

Pension Underpayment: \$2.48

Revised Monthly Pension: \$ 647.84

Original Monthly Pension: \$ 646.63

Option Straight Life

Revised to include additional HMC payroll information

A motion was made by Cass Wisniewski, and supported by Mary Bland, for the approval of pensions previously reported for Felix Beltran, Gary Bitterman, Gayle Boykin, Sandra Bradshaw-Tidwell, Carole Carpenter, Antonino Cavaleri, Ellen Clark, Ann Crumpton, Mark Folts, Corine Freeborg, Dean Frick and Walterean Patrick.

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

9. RETIREE SELECTION OF CORRECTION OPTION *(for information only)*

Eugene Davis – No selection yet, disputing the inclusion of a 27th pay in initial calculation(s)

Norma Stevens – Actuarially reduced over her lifetime – sent to actuary for calculation

Leslie Young – Decision pending calculation of actuarial reduction over lifetime (vs 24 months)– sent to actuary for calculation

Scot Zoumbaris – Overpayment to be spread over 24 months – 24 monthly deductions of \$80.84

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

10.1 NCPERS, 2009 NCPERS Legislative Conference, February 1-3, 2009, Washington, DC.

10.2 Informational Management Network, 15th Anniversary Beneficial Owners' International Securities Lending & Repo Summit, February 1-4, 2009, Scottsdale, AZ.

10.3 MAPERS & Muirfield Capital Management, One Day Seminar Series, February 6, 2009, Dearborn, MI.

10.4 CLSA Asia-Pacific Markets, 2nd Annual CLSA Asia Investors' Forum, February 9-11, 2009, Las Vegas, NV.

- 10.5 Northern Trust, 2009 Institutional Client Conference, February 18-20, 2009, Santa Monica, CA.
- 10.6 UC Berkeley, 16th Annual Mid-Sized Retirement & Pension Plan Management Conference, March 10-13, 2009, San Francisco, CA.
- 10.7 Chicago GSB, Portfolio Management, March 16-20, 2009, Chicago, IL.
- 10.8 Chicago GSB, Basics of Options, Futures, and Other Derivatives, April 1-3, 2009, Chicago, IL.
- 10.9 NCPERS, NCPERS 2009 Annual Conference and Exhibition, May 1-7, 2009, Beverly Hills, CA.
11. **COMMUNICATIONS RECEIVED** *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' packets also)*
- 11.1 NCPERS, The Monitor, October/November 2008.
- 11.2 Gabriel Roeder Smith & Co., News Scan and Research Memos, October/November 2008.
- 11.3 Gabriel Roeder Smith & Co., News Scan and Research Memos, December 2008.
- 11.4 Northern Trust, Strategy, Newsletter, January 2009.
- 11.5 Wellington Management, 2008 Year in Review, Newsletter, January 2009.
- 11.6 City of Flint Position Description – Finance Director (Enclosed)
- 11.7 City of Flint Position Description – Finance Administrative Assistant (Enclosed)
- 11.8 City of Flint Position Description – Deputy Finance Director (Enclosed)
- 11.9 City of Flint Position Description – Chief Auditor (Enclosed)
- 11.10 City of Flint Position Description – Auditor (Enclosed)
- 11.11 City of Flint Position Description – Chief Accountant (Enclosed)
- 11.12 City of Flint Position Description – Payroll Coordinator (Enclosed)

- 11.13 City of Flint Position Description – Payroll Pension Technician (Enclosed)
- 11.14 City of Flint Position Description – Receivables Administrator (Enclosed)
- 11.15 City of Flint Position Description – Risk & Benefit Administrator (Enclosed)
- 11.16 City of Flint Position Description – Retirement & Benefits Manager (Enclosed)
- 11.17 City of Flint Position Description – Retirement Specialist (Enclosed)
- 11.18 City of Flint Position Description – Employee Benefits/Risk Technician (Enclosed)
- 11.19 City of Flint, Letter to Susan Jarema from Suzi Bye re: deadline extension, November 13, 2008. (Enclosed)
- 11.20 MWorks, Letter to Bob Erlenbeck from LaVaughn Palma-Davis re: Discontinuation of Service, December 10, 2008. (Enclosed)
- 11.21 Gabriel Roeder Smith & Co., Letter to I'lanta Robbins re: FERS Board Over/Under Payment Policy, December 15, 2008. (Enclosed)
- 11.22 Hurley Medical Center, Letter to Suzi Bye re: Eddie Holmes, December 19, 2008. (Enclosed)
- 11.23 Letter to FERS from Scot Zoumbaris re: Repayment of pension overpayment, December 26, 2008. (Enclosed)
- 11.24 Letter to FERS from Eugene Davis re: Repayment of pension overpayment, December 19, 2009. (Enclosed)
- 11.25 Letter to FERS from Norma Stevens re: Repayment of pension overpayment, January 7, 2009. (Enclosed)
- 11.26 Gabriel Roeder Smith & Co., Letter to FERS re: FERS Transfer Valuation, January 13, 2009. (Enclosed)
- 11.27 Letter to FERS from Sherry Murphy re: Retiree Alternative Representative, January 13, 2009. (Enclosed)

- 12. COMMUNICATIONS SENT** *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' packets also)*
- 12.1 Letter to Northern Trust from Doug Bingaman re: January 1, 2009 Pension transfer, December 16, 2008.
- 12.2 FERS, Letter to Wentworth, Hauser & Violich, re: Rebalancing of portfolio, January 12, 2009.
- 12.3 FERS, Letter to Keeley Asset Management, re: Rebalancing of portfolio, January 12, 2009.
- 12.4 FERS, Letter to Allegiant Asset Management, re: Rebalancing of portfolio, January 12, 2009.
- 12.5 FERS, Letter to ICON Advisors, re: Rebalancing of portfolio, January 12, 2009.
- 12.6 FERS, Letter to Dodge & Cox, re: Rebalancing of portfolio, January 12, 2009.
- 12.7 FERS, Letter to Globalt, re: Rebalancing of portfolio, January 12, 2009.
- 12.8 FERS, Letter to Fisher Asset Management, re: Rebalancing of portfolio, January 12, 2009.
- 12.9 FERS, Letter to Piedmont Investment Advisors, re: Rebalancing of portfolio, January 12, 2009.
- 12.10 FERS, Letter to Wellington Management, re: Rebalancing of portfolio, January 12, 2009.
- 12.11 FERS, Letter to LSV Asset Management, re: Rebalancing of portfolio, January 12, 2009.
- 12.12 FERS, Letter to Northern Trust, re: Rebalancing of portfolio, January 12, 2009.
- 12.13 FERS, Letter to Northern Trust (Custodian), re: Rebalancing of portfolio, January 12, 2009.
- 12.14 FERS, Letter to JP Morgan Asset Management, re: Rebalancing of portfolio, January 12, 2009.

- 13. REPORTS RECEIVED** *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' packets also)*
- 13.1 LJR Recapture Services, Trading Summary, November 30, 2008.
- 13.2 Magna Securities, Commission Recapture Report, November 30, 2008.
- 13.3 Wentworth, Hauser & Violich, Appraisal Summary, November 30, 2008.
- 13.4 Piedmont Investment Advisors, Portfolio Performance, October 31, 2008.
- 13.5 Piedmont Investment Advisors, Portfolio Performance, November 30, 2008.
- 13.6 Northern Trust Reports – November 2008. *(Enclosed)*
- 13.7 Retirement Fund Employee/Employer Contributions. *(Enclosed)*
- 13.8 Hurley Employer/Employee Contributions FY 2009. *(Enclosed)*
After discussion, the following motions were made:

A motion was made by Cass Wisniewski, and supported by Denise Bingaman, to accept Agenda Items #10, #11, #12 and #13, excluding Items #11.26 to be moved to #16-Gabriel, Roeder, Smith & Company and #11.27 to be moved to #17-Board Member Vacancies

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

14. GRAY & COMPANY

Christopher Kuhn, of Gray & Company distributed an updated manager allocation and rebalancing schedule showing the market value of the assets as of the market closing on Friday, January 16, 2009. Mr. Kuhn stated that this was the market value that was used for the transfer from the FERS to the MERS account and that the actual transfer of the assets is going through today. He noted that David Smith from Northern Trust was there to answer any questions regarding the actual transition.

David Smith, Northern Trust, stated that they are trading as these assets are being transferred. He further stated that the fixed income securities will be traded over several days since they are not as liquid as equity securities, but that this will still occur well within the 30-day period.

Chairman Bingaman stated that he had received a form from LSV to be completed and returned. Mr. Bingaman noted that specific information is needed as to how much would be sent to LSV and the banking information. Mr. Smith recommended sending the form to Linda Elliott for completion.

Attorney Michael VanOverbeke stated that it was his understanding that the Ordinance regarding the FERS to MERS transfer had been adopted and that all the legal paperwork was resolved as far as the initial transfer. He noted that there will be an additional transfer once the window is opened to allow existing Retirees the option to transfer, but that this completes the requirements for the transfer of the current employees transferring to MERS.

Robert Erlenbeck noted that the actuarial calculations were based on the total assets in the system at a given point and that Hurley was withholding the employer contributions for members staying in the system. Mr. Erlenbeck questioned what Hurley's plans were to get the money into the system. Cass Wisniewski stated that a percentage of payroll contributions for the employer contributions would be significantly increased once the new actuary report is received.

Attorney VanOverbeke stated that Hurley owes the system a required contribution. He also stated that during the conference call, a recommendation was made to obtain a second actuary opinion. He noted that during an audit, it may be determined that an adjustment needs to be made, and there would be a second transfer. Mr. VanOverbeke also noted that the current actuary recommended that the Board have another actuary review the numbers. He stated that he feels the Board should follow up on the recommendation for the second actuary. Mr. VanOverbeke also stated that the Board understands that the second actuary report would not slow up the transfer process.

15. APPROVAL OF THE FEBRUARY 1, 2009 PENSION PAYROLL TRANSFER

Chairman Douglas Bingaman reported that a transfer of \$5,345,300 was needed for the payment of the February 1st, 2009 pension payroll, with funds to be taken from the Northern Trust Flint-Drawdown Account #26-19617.

A motion was made by Cass Wisniewski, and supported by Robert Erlenbeck, to approve the transfer of \$5,345,300 for payment of the February 1st, 2009 pension payroll, from the Northern Trust Flint - Drawdown Account #26-19617 to Citizens Bank.

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

16. GABRIEL ROEDER SMITH & CO – ACTUARIAL ISSUES

Chairman Douglas Bingaman stated that no representatives of Gabriel Roeder Smith & Company were present today. Chairman Bingaman referred to a letter from GRS, who is handling the FERS to MERS transfer, which recommended that the City of Flint obtain a more-detailed independent second actuarial opinion on this due to the large amount of money involved. Chairman Bingaman called for a motion to get a second actuarial opinion.

A motion was made by John Erwin, and supported by Mary Bland, to contract with a second actuary to review Gabriel Roeder Smith & Company's calculations regarding the FERS to MERS transfer.

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

17. BOARD MEMBER VACANCIES

The Board discussed the vacancies, the next scheduled election and the letter from Sherry Murphy, which is included in the packets, saying that she is willing to accept the alternate position.

A motion was made by Mary Bland, and supported by Jan Kehoe, to accept Sherry Murphy's appointment to the Board as the Alternate Retiree Trustee.

Upon being put to a vote, the results were as follows:

**Denise Bingaman – No
Mary Bland – Yes
Jan Kehoe – Yes
Robert Erlenbeck – No
Cass Wisniewski – No
John Erwin – No
Doug Bingaman – No**

6-2 No votes – the motion did not carry.

Discussion followed. Recommendations included sending a letter to all retirees informing them of the vacancy and asking that interested parties submit a signed petition, just like they do when we are having an election with the required number of signatures, as well as to submit a brief resume to the Board to be considered. More discussion followed.

A motion was made by Mary Bland, and supported by Jan Kehoe, to send a letter with February's pension payroll soliciting interest in the vacant Board position and requesting that interested parties send a petition and a brief resume.

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

The Board discussed the Hurley Board vacancies.

18. LEGAL COUNSEL UPDATES

Attorney Angela Watkins reported on the following pending legal issues:

- ◆ **Claude Miller Update (26/27 pays)** – Nothing new to report.
- ◆ **Take Two Interactive** – Nothing new to report.
- ◆ **Status of Hearings for Pension Calculation Errors – Judge Farrah – 3 cases** A motion was filed for a partial Summary Disposition on Constitutional Due Process of Claims and those motions will be heard on January 26, 2009.
- ◆ **FERS to MERS Transition** – This was covered earlier by the Board.
- ◆ **Burns/Wiggins/Doerr** – These were tabled hearings per opposing counsel.
- ◆ **IRS Regulations for Beneficiaries** – Attorney Watkins stated that Robert Erlenbeck will provide further information that needs to be reviewed to clarify on the previous legal opinion issued by Keller Thoma, that they see faulty in terms presented to the Retirement Office for review in August. Attorney Watkins also stated that Attorney Robbins will be the determining factor, on a weekly basis, to draft the opinion and to provide it to the board.

Attorney Michael VanOverbeke addressed the Board and stated that Attorney I'Lanta Robbins had contacted his office about filing a Qualified Plan Determination Letter for the Board. The IRS has set schedules and the City could use Schedule C, which is the current schedule. Schedule C has a deadline of January 31, 2009. Attorney Michael VanOverbeke recommended the use of Schedule E, which starts on February 1, 2010 and runs through January 31, 2011, to allow more time.

A motion was made by Mary Bland, and supported by Robert Erlenbeck, to accept Attorney Michael VanOverbeke's recommendation that the Board use Schedule E for the Qualified Plan Determination Letter.

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

- ◆ **FAC Calculation Policy** – Attorney Robbins is will work with the Retirement Office to draft this policy.
- ◆ **Tracey Weiss** – Attorney Angela Watkins noted that this was covered earlier by the Board.
- ◆ **Daniel Coffield** – Attorney I’Lanta Robbins will contact his attorney and provide an update next month.

19. PROFESSIONAL SERVICES COMMITTEE

Committee Chair Robert Erlenbeck reported that there were no new disability retirement applications. Susan Jarema and James Maxwell are awaiting finalization of a legal opinion, which was received, but not in time to put in this month’s packets. They will be in next month’s packets so the Board can take action on them next month.

Suzi Bye stated that she had received an email from Attorney I’Lanta Robbins requesting that Plewes and Golden be tabled until the next meeting.

Robert Erlenbeck also stated that although Eddie Holmes has provided new information, it is not specific enough to allow him to be re-evaluated. Discussion followed.

Committee Chair Robert Erlenbeck also stated that M-Works was pulling out of the Occupational Health industry but that he had been communicating with Dr. Roth and the possibility of Dr. Roth continuing to be the provider for these services. There is also a possibility that a Request for Proposals (RFP) would need to be sent out in the event that Dr. Roth does not remain the provider. Discussion continued.

Chairman Bingaman stated that he had seen the legal opinion from Attorney I’Lanta Robbins regarding James Maxwell. He also stated that James Maxwell had been in to see him today and he brought in additional documentation, which will be sent with the Board packets for the February meeting. Mr. Bingaman questioned whether the Board should get another opinion from a Workers’ Compensation attorney since this is not a “regular” retirement but a Disability Retirement. Discussion followed.

Committee Chair Robert Erlenbeck stated that he will abstain from any vote or anything coming up regarding James Maxwell, since he has had a personal friendship with Maxwell over the years.

A motion was made by Mary Bland, and supported by Denise Bingaman, to hire a Workers' Compensation attorney regarding an opinion for James Maxwell.

Attorney Watkins said that she does not know if Ms. Robbins has consulted with a Workers' Compensation attorney or not but pointed out that James Maxwell has an open award.

Mary Bland rescinded her motion.

20. FINANCE/INVESTMENT COMMITTEE

- ◆ Update/Recommendations
- ◆ Budget Issues & Payroll Allocations – Chairman Bingaman stated that job descriptions are in the packets and that any questions on numbers 15, 16, 17 and 18 should be directed to Robert Erlenbeck, and all the others should be directed to David Cramer, Deputy Finance Director.
- ◆ FERS to MERS Transfer – Chairman Bingaman stated that there was a conference call and that is moving along.
- ◆ IRS Tax Determination Letter – Mr. VanOverbeke addressed.

21. RETIREMENT ORDINANCE REVISION COMMITTEE

Chairman Bingaman asked Attorney Angela Watkins to report on Attorney I'Lanta Robbins recommendations. Attorney Watkins reported that Attorney Robbins recommended the following amendments to the ordinance which she feels would be beneficial to the system. They are as follows:

- 1) Provide a 3-6 year file review limitation. This would establish how far into the future a pension could be reviewed/adjusted.
- 2) Litigation concern(s). Attorney Robbins feels that the language may come across as an invitation to sue the system if the retiree is not happy with the outcome of the pension review.
- 3) Attorney Robbins would like to see a certain timeframe on determining whether the errors are favorable to the retiree and to provide an implementation date and she noted that it is the Board's intention to move forward and not retroactively.
- 4) Refer the issue back to the Ordinance Committee for further review and discussion.

A motion was made by Robert Erlenbeck, and supported by John Erwin, to table this issue until the February Board meeting so that the opinions can be placed in the packets and reviewed, and also, in the meantime, for it to be referred back to the Ordinance Revision Committee.

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

Chairman Bingaman would like to see limitations on payment of a 13th check. Specifically, he suggested that the system be a certain percentage funded before a 13th check would be allowed. Discussion followed.

A motion was made by Robert Erlenbeck, and supported by Mary Bland, that the ordinance for the 13th Check will be forwarded to the Ordinance Review Committee upon completion of the error ordinance review.

Discussion followed regarding the timeframe involved in waiting for these reviews. Robert Erlenbeck recommended that Gabriel Roeder Smith & Company let us know the method they use to determine the amount of payment. Denise Bingaman stated that other issues include contributory versus non-contributory and Straight Life versus survivorship pensions, as well as others, that must be discussed as well. She also stated that there should be some consideration as far as beneficiaries who are employed elsewhere and their rights to a 13th check.

Robert Erlenbeck rescinded the motion. Discussion followed.

A motion was made by Robert Erlenbeck, and supported by Cass Wisniewski, that the Ordinance Review Committee will be limited to the review of two items at any given time due to the complexity of the majority of the issues. Discussion followed.

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

Chairman Bingaman requested the issues surrounding the 13th check be submitted to either him or Ehren Gonzales.

22. DB/DC CONVERSION

Robert Erlenbeck stated that this issue is moving forward and he believes, albeit tentatively, that he will be able to report on educational sessions at the next meeting. He also stated that the final transfer would more than likely not take place prior to July 1, 2009.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number Retired	3,027	3,002	3,035
Annualized Payroll	\$ 64,850,497	\$ 65,084,806	\$ 66,151,541

24. OTHER BOARD BUSINESS

Upcoming conferences were discussed. Jan Kehoe asked about the NCPERS Conference to be held in Beverly Hills, California. Chairman Bingaman stated that he feels only one person should be allowed to attend this conference. Robert Erlenbeck agreed.

William Fowler, City Assessor, through Attorney Watkins brought up the issue of Tracey Weiss' rescission letter again. Several Board members recall a previous legal opinion from Habeeb Ghattas, which stated that anyone on deferred retirement status can request to have their deferred retirement rescinded. Attorney Robbins had previously stated that she wanted to review the opinion previously given to the Board. It was noted by several members of the Board that others, in the past, were allowed to rescind their deferred retirements. Discussion followed.

A motion was made by John Erwin, and supported by Mary Bland to rescind the deferred retirement of Tracey Weiss.

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

24. ADJOURNED

A motion was made by Mary Bland, and supported by Denise Bingaman, to adjourn the meeting at 3:10 p.m.

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

Douglas Bingaman
Acting Retirement Board Secretary