

**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, December 16, 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, Ehren Gonzales (*by conference call*), Michelle Kirkwood, Mark Stratman, Cass Wisniewski (*arrived @ 2:05*)

*ABSENT* Darryl Buchanan, John Erwin, Janice Kehoe, Kerry Nelson

*ALSO PRESENT* Suzi Bye, Retirement Supervisor  
Trachelle Young, City Attorney/Attorney for Retirement Board  
Julie Sadler, Recording Secretary  
Christopher Kuhn, Gray & Company  
Harland Abraham, Northern Trust

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

Acting Chair Douglas Bingaman called the meeting to order at 1:07 p.m.

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

**A motion was made by Mary Bland, and supported by Mark Stratman, to table the appointments of a permanent Board Chair and Vice Chair.**

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

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

Susan Jarema (68<sup>th</sup> District Court retiree) asked the Board about the status of her request at the November meeting to check her retirement calculations. Chairman Bingaman stated that the Board requested a legal opinion and will contact her as soon as the legal opinion is received and she is on the agenda for discussion at a subsequent board meeting.

**4. APPROVAL OF THE NOVEMBER 18, 2008 REGULAR BOARD MEETING MINUTES**

**A motion was made by Mark Stratman, and supported by Denise Bingaman, to approve the minutes of the November 18, 2008 Regular Board Meeting.**

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

Chairman Bingaman distributed the minutes of the closed session of the November 18<sup>th</sup> Board Meeting for review, discussion, and possible approval.

**A motion was made by Mary Bland, and supported by Robert Erlenbeck, to go into closed session for the purpose of discussing the minutes of the November 18<sup>th</sup> closed session.**

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

The Board went into closed session to review the November 18<sup>th</sup> closed session minutes.

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to move out of closed session.**

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

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to table approval of the closed door session minutes for November 18<sup>th</sup>, 2008.**

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

The Board agreed to table approval of the minutes in order to allow time for Board Members to review the transcript of the meeting in the Legal Office.

**5. APPLICATIONS FOR VOLUNTARY RETIREMENT**

**Lloyd Anderson / Fire/352**

Final Average Compensation: \$ 69,758.89

Accumulated Contributions: 15,883.65

DRET: 49,507.69

Effective Date of Retirement: 11/08/2008

Service: 23 Years, 10 Months

The retiree elected the Option B w/pop-up in the amount of \$2,996.58.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Lloyd Anderson 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 \$2,996.58, for as long as he lives.

**Kathleen Grasel / HMC/Exempt**

Final Average Compensation:	\$ 74,873.49
Accumulated Contributions:	26,824.35
DRET:	52,407.17
Effective Date of Retirement:	10/01/2008
Service: 24 Years, 5 Months	

The retiree elected Option B w/pop-up in the amount of \$3,074.00.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Kathleen Grasel 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 \$3,074.00, for as long as she lives.

**Patricia Kelsey / HMC/Exempt**

Final Average Compensation:	\$ 81,775.15
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement:	11/08/2008
Service: 27 Years, 3 Months	

The retiree elected Option B w/pop-up in the amount of \$2,453.75.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Patricia Kelsey 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 \$2,453.75, for as long as she lives.

**Gerard Miller / HMC/1603**

Final Average Compensation:	\$ 58,709.03
Accumulated Contributions:	20,873.66
DRET:	36,731.45
Effective Date of Retirement:	10/18/2008
Service: 27 Years, 2 Months	

The retiree elected Option Straight Life in the amount of \$2,894.68.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Gerard Miller 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 \$2,894.68, for as long as he lives.

**Phillip Smith / Police/Lts & Cpts**

Final Average Compensation:	\$ 97,898.64
Accumulated Contributions:	53,398.49
DRET:	19,955.92
Effective Date of Retirement:	11/14/2008

Service: 27 Years, 9 Months

The retiree elected Option B w/pop-up in the amount of \$4,992.94.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Phillip 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 B w/pop-up in the amount of \$4,992.94, for as long as he lives.

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

**Lloyd Anderson - Option B w/pop-up - \$2,996.58**  
**Kathleen Grasel – Option B w/pop-up - \$3,074.00**  
**Patricia Kelsey – Option B w/pop-up - \$2,453.75**  
**Gerard Miller – Option Straight Life - \$2,894.68**  
**Phillip Smith – Option B w/pop-up - \$4,992.94**

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

**6. APPLICATIONS FOR DEFERRED RETIREMENTS**

**Ramona Filipovich / HMC/1603**

Final Average Compensation:	\$ 34,856.76
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement:	12/02/2007

Service: 26 Years, 6 Months

The retiree will elect an Option prior to 04/01/2017.

**Tyania Hall / HMC/1603**

Final Average Compensation: \$ 26,935.25  
Accumulated Contributions: .00  
DRET: .00  
Effective Date of Retirement: 11/07/2008  
Service: 11 Years, 5 Months  
The retiree will elect an Option prior to 09/01/2020.

**Juliet Kamidoi / HMC/Exempt**

Final Average Compensation: \$ 44,714.60  
Accumulated Contributions: .00  
DRET: .00  
Effective Date of Retirement: 07/16/2007  
Service: 14 Years, 0 Months  
The retiree will elect an Option prior to 04/01/2033.

**Erica Leverette / HMC/1603**

Final Average Compensation: \$ 33,658.92  
Accumulated Contributions: .00  
DRET: .00  
Effective Date of Retirement: 09/10/2008  
Service: 15 Years, 0 Months  
The retiree will elect an Option prior to 04/01/2026.

**Krista Roth / HMC/Exempt**

Final Average Compensation: \$ 51,270.13  
Accumulated Contributions: .00  
DRET: .00  
Effective Date of Retirement: 10/12/2008  
Service: 12 Years, 10 Months  
The retiree will elect an Option prior to 08/01/2032.

**Tracey Weiss / Assessments/1600**

Final Average Compensation: \$ 36,170.95  
Accumulated Contributions: 7,720.80  
DRET: 6,659.87  
Effective Date of Retirement: 10/03/2008  
Service: 11 Years, 2 Months  
The retiree will elect an Option prior to 05/01/2027.

**Jacqueline Williams / HMC/1603**

Final Average Compensation: \$ 34,468.15  
Accumulated Contributions: .00  
DRET: .00  
Effective Date of Retirement: 02/22/2008  
Service: 16 Years, 5 Months  
The retiree will elect an Option prior to 11/01/2028.

The application of Tracey Weiss was separated, due to her request that her deferred retirement be rescinded. Mr. Erlenbeck noted that the Board has a previous legal opinion from Attorney Habeeb Ghattas that a deferred retirement can be rescinded any time prior to the retiree collecting pension payments.

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to approve the applications for deferred retirements for Ramona Filipovich, Tyania Hall, Juliet Kamidoi, Erica Leverette, Krista Roth, and Jacqueline Williams.**

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

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to table Tracey Weiss' application for deferred retirement until the next Board Meeting.**

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

**7. OPTIONS PICKED BY DEFERRED RETIREMENTS**

**Michael Mansfield/Engineering/1799** Option B \$1,156.65  
File Audit – FAC \$54,954.75 Retirement Date: 06-08-1996

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to approve the option picked by deferred retiree Michael Mansfield.**

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

**8. APPROVAL OF PENSIONS PREVIOUSLY REPORTED**

**Raymond Poli/IS/1799** Option Straight Life \$ 2,121.50  
Pop-up Option due to divorce

**Diane Welker/HMC/Exempt**  
File Audit – FAC \$90,383.85

Will pick option prior to 8-1-2017  
Original \$89,953.54  
Retirement Date: Aug 19, 2006

**Revised to include additional HMC payroll information & multiplier**

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to approve the adjustments to the pensions previously reported for Raymond Poli and Diane Welker.**

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

**REVISED PER JUDGE YUILLE RULING**

**Tony Golden/1799**  
File Audit – FAC \$70,473.04  
Original \$71,161.59  
Pension Overpayment \$ 32,232.10  
**Yrs of Service -25 yrs**  
**Revised Yrs of Svc - 23 yrs, 4 mos**

Option Straight Life \$3,288.74  
Original - \$3,429.85  
Retirement Date – Jan 13, 2001

**David Plewes/1799**  
File Audit – FAC \$73,994.36  
Original \$73,573.02  
Pension Overpayment \$ 16,820.27  
**Yrs of Service – 25 yrs**  
**Revised Yrs of Svc – 23 yrs, 7 mos**

Option C w/pop up \$3,314.39  
Original - \$3,492.17  
Retirement Date – Jan 13, 2001

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to table the revisions to the pensions of Tony Golden and David Plewes and discuss under Professional Services.**

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

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

- 9.1 PEI Conferences, The Private Equity International CFOS and COOS Forum, January 21-22, 2009, New York, NY.

- 9.2 Financial Research Associates, Marketing Client Servicing for Hedge Funds, February 24-25, 2009, New York, NY.
- 9.3 Stanford Law School, Directors' College, June 21-23, 2009, Stanford, CA.
- 9.4 Institutional Investor Institute, 2009 Public Funds Roundtable, April 22-24, 2009, San Diego, CA.
- 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 Intercontinental Real Estate Corp., Letter to Daniel Hall re: Distribution, November 19, 2008.
- 10.2 NCPERS, Research Series, Newsletter, November 2008.
- 10.3 Northern Trust, Strategy, Newsletter, December 2008.
- 10.4 Northern Trust, Letter to Douglas Bingaman re: Financial Market, November 25, 2008.
- 10.5 ICON Advisers, Inc., Letter to FERS re: Financial Crisis, December 3, 2008. *(Enclosed)*
- 10.6 Letter to FERS from Tracey Weiss re: Cancellation of Deferred Retirement, December 1, 2008. *(Enclosed)*
- 10.7 Gabriel Roeder Smith & Co., Letter to FERS re: Contract for Annual Actuarial Valuations/ Services, November 21, 2008. *(Enclosed)*
- 10.8 FERS Guideline & Procedure Resolution re: Correction of Errors – Overpayments/ Underpayments, Adopted: October 21, 2008. *(Enclosed)*
- 10.9 FERS Administration Employees Charged *(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 Douglas Bingaman re: December 1, 2008 Pension transfer, November 18, 2008.
- 11.2 Suzi Bye, Letter to James Maxwell re: Recalculation of Retirement, November 13, 2008. *(Enclosed)*



- 11.3 FERS, Letter to Eugene Davis re: Pension Correction, December 9, 2008. *(Enclosed)*
- 11.4 FERS, Letter to Norma Stevens re: Pension Correction, December 9, 2008. *(Enclosed)*
- 11.5 FERS, Letter to Leslie Young re: Pension Correction, December 9, 2008. *(Enclosed)*
- 11.6 FERS, Letter to Scot Zoumbaris re: Pension Correction, December 9, 2008. *(Enclosed)*
- 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 LJR Recapture Services, Trading Summary, October 31, 2008.
- 12.2 Magna Securities, Commission Recapture Report, October 31, 2008.
- 12.3 Wentworth, Hauser & Violich, Appraisal Summary, September 30, 2008.
- 12.4 Wentworth, Hauser & Violich, Appraisal Summary, October 31, 2008.
- 12.5 Northern Trust Reports – October 2008. *(Enclosed)*
- 12.6 Retirement Fund Employee/Employer Contributions. *(Enclosed)*
- 12.7 Hurley Employer/Employee Contributions FY 2008. *(Enclosed)*

After discussion, the following motions were made:

**A motion was made by Mary Bland, and supported by Robert Erlenbeck, to discuss #10.7 and #11.2 under Professional Services.**

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

**A motion was made by Robert Erlenbeck, and supported by Denise Bingaman, to receive the 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.**

## 17. LEGAL COUNSEL UPDATES

Attorney Trachelle Young reported on the following pending legal issues:

- ◆ **Claude Miller Update (26/27 pays)** – Pensions have been recalculated per Judge Yuille’s ruling. The Board’s agenda packets included letters notifying some retirees of overpayments and their options, according to the Overpayment & Underpayment Guidelines. Discussion followed.
- ◆ **Take Two Interactive** – No new report. The defendant made several motions to dismiss various claims in the case. The Judge did dismiss some claims, and others were upheld; the case should now move forward.
- ◆ **Status of Hearings for Pension Calculation Errors – Tereau, Kelly & Cherwinski** – The parties filed briefs in these cases on procedural issues concerning the hearings; i.e., whether board members who didn’t attend all hearings had a right to vote, etc. All objections raised during the hearings were outlined in motions filed before the court, which stated that those issues were violations of their rights. A motion was also filed for partial summary disposition on constitutional due process claims. Motions were scheduled to be heard, but were adjourned, because enough time was not allowed for the City to respond to the motions. No new court date has been set.
- ◆ **FERS to MERS Transition** – Last month, the Board voted to have the securities transferred into the transition account on Friday, January 16. The City is compiling the applicable Hurley retiree information, as needed for MERS. The City Ordinance amendment was approved for first reading at the City Council Meeting on Monday, December 8, 2008. Because of publication concerns, the public hearing for the second reading for the ordinance could not be scheduled until Monday, January 12, 2009.

Chairman Bingaman reported a timing problem in Finance for compiling the asset information from the money managers, Custodian, etc. as of December 31<sup>st</sup> due to the staff’s current involvement in the City’s annual financial audit and the amount of time needed to collect the necessary information. Instead, they will compile the information as of November 30<sup>th</sup>.

- ◆ **IRS Regulations for Beneficiaries** – Attorney Heckemeyer previously issued an opinion. Mr. Erlenbeck stated that the opinion did not fully address the issue, but did mention the need for a limitation and that the Ordinance and contracts should be changed. Attorney Young stated that more research would be done.

- ◆ **Burns/Wiggins/Doerr** – These lawsuits are on “hold” pending the outcome of the previous hearing lawsuits.
- ◆ **FAC Calculation Policy** – Attorney Robbins is working with staff on a policy. This policy is needed not only for calculating retirements, but when writing settlement agreements to indicate what should be included/excluded from FAC.

### 13. GRAY & COMPANY

Chris Kuhn distributed and reviewed the Manager Allocation and Rebalancing Schedule, which also showed the sources of funds for the upcoming MERS transfer. The securities are to be transferred from the money managers to Northern Trust on January 16th. After the transfer is completed, the fund will need to be rebalanced. Discussion followed.

Mr. Abraham noted that Northern Trust is hosting a conference on February 18-20 in Santa Monica, California.

*Cass Wisniewski entered the meeting at 2:05 p.m.*

### 14. APPROVAL OF THE JANUARY 1, 2009 PENSION PAYROLL TRANSFER

Chairman Douglas Bingaman reported that a transfer of \$4,180,700 was needed for the payment of the January 1<sup>st</sup>, 2009 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 December 15, 2008, was \$12,060,369.

**A motion to approve the transfer of \$4,180,700 for payment of the January 1<sup>st</sup>, 2009 pension payroll, from the Northern Trust Flint - Drawdown Account #26-19617 to Citizens Bank, was made by Cass Wisniewski, and supported by Mary Bland.**

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

### 15. GABRIEL ROEDER SMITH & CO – ACTUARIAL ISSUES

No issues were discussed.

**16. BOARD MEMBER VACANCIES**

The Board discussed the Hurley vacancies and the letters that were sent to Hurley in September requesting interim appointments. No responses have been received from Hurley. Mary Bland stated that she wished to recommend to the Board the appointment of retiree Sherry Murphy as the Retiree Alternate. Chairman Bingaman asked that Ms. Murphy send a letter to the Board expressing her interest. Discussion followed

**18. PROFESSIONAL SERVICES COMMITTEE**

Committee Chair Robert Erlenbeck reported that the Committee met on December 9<sup>th</sup> and discussed the following:

Letters were sent for the pension corrections of four individuals who received overpayments (see #11.3-11.6). Two subsequently called the office and were asked to put their concerns in writing to the Board.

There were no new disability applications to discuss.

No further communications have been received from Eddie Holmes, or from Hurley Medical Center, who had indicated that his position was available.

PSC has requested a number of legal opinions:

- 1) Purchase of time and refunds; for example, issues involving Sue Jarema.
- 2) The Ordinance language that was applied to James Maxwell (who addressed the Board at the November meeting) regarding interpretation of contract coordination of disability calculation language and workers' compensation.
- 3) Pulling files for Hurley, for employees transferring to MERS, and the creation of a document authorizing transfer of those files and accepting responsibility.
- 4) Formulas for purchase of time – the formula is being written out so that it can be calculated manually.
- 5) Proposed GRS contract for 2009, which includes the annual actuarial study. The quote includes attendance by a GRS representative at one Board Meeting to present the annual valuation. Attendance at other meetings would be billed to the Board at an hourly rate plus travel time (approximately two additional hours). The Committee recommends that GRS representatives attend any other meetings by conference call only, if needed. Board discussion followed. Chairman Bingaman stated that he would check with Finance regarding previous actuarial costs and report back at the January Meeting.

**A motion was made by Robert Erlenbeck, and supported by Cass Wisniewski, that the proposed one-year contract with Gabriel, Roeder, Smith & Company be referred to Legal for review.**

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

The Board discussed the need for legal opinions regarding issues reviewed at the closed session:

Correction of errors in calculating time, which would disqualify a retiree, after the fact, for the “five free years” retirement incentive. Attorney VanOverbeke had given his opinion at a previous meeting that a retiree should still receive the five free years, but their service credits should be corrected.

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to request a legal review of all applicable union contracts and the Ordinance, and render a legal opinion whether an individual, as a result of an identified error, is deemed not to have had enough service credits to be eligible to receive any type of early retirement or other incentive, such as the five “free” years given with 20 years’ seniority, and whether that individual should retain those free years and the pension be recalculated on the amount of the reduction of the errors or become ineligible for a pension.**

Discussion followed.

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

Mr. Erlenbeck noted that the individual pension files now include all supporting documentation; i.e., applicable ordinance sections, union contract language, legal opinions, etc., to document the pension calculations for each retiree.

**A motion was made by Robert Erlenbeck, and supported by Denise Bingaman, to request a review and legal opinion as to whether or not the Ordinance provision which stipulates that in no case shall less than 10 days equal a month should affect service credits; specifically, for David Plewes and Tony Golden whether their service credits should be recalculated.**

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

Discussion followed regarding the appropriate procedures for handling retiree requests for review of their pensions and the extent to which their files should be audited under those circumstances. Chairman Bingaman noted that Attorney I'Lanta Robbins is drafting a document, with assistance from outside counsel, to send to retirees who request a review of their files. In that document, the retiree will be told that a review could result in errors being found and corrected, which could raise or lower their pension, and that if they do not respond within a specified length of time, the file will be opened and reviewed. A draft of the letter will be discussed by the Professional Services Committee and then referred to the Board.

Agenda #11.2, regarding James Maxwell, was discussed and referred to Legal.

**A motion was made by Robert Erlenbeck, and supported by Mary Bland, to authorize the City Attorney's office, whenever a legal opinion is requested by the Board, to consult with outside attorneys/experts, at their discretion.**

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

## **19. FINANCE/INVESTMENT COMMITTEE**

Chairman Bingaman stated that no Committee Meeting has been held since the last Board Meeting.

- ◆ **Budget Issues & Payroll Allocations** – Budget and payroll information was included in the packets, which was reviewed and discussed by the Board. It was noted that the Finance Director has determined the staff wage percentage allocations to charge to the retirement system. The actuarial valuation study determines the percentage for administrative costs to be included in the contributions by the City and Hurley. As discussed previously, 35% of Attorney I'Lanta Robbins' time will be charged to the Retirement System in Fiscal Year 2009.

Mary Bland requested job descriptions for each individual charged to the System. Other retirement systems should be researched to compare their payroll costs. The Finance Committee should meet with the Finance Director during the budget process to review the budget for the next fiscal year and discuss allocations for payroll, expenditures, etc. Chairman Bingaman will review previous actuarial studies and compare administrative charge percentages. He will also ask Deputy Finance Director David Cramer to attend the next Board Meeting to answer the Trustees' accounting questions.

- ◆ **FERS to MERS Transfer** – As discussed previously, all Hurley asset information will be compiled in Finance as of November 30, 2008 and adjusted to January 16, 2009, the transition date for the transfer of the securities to Northern Trust. The actuary needs the asset information by January 8<sup>th</sup> to make the necessary calculations before January 16<sup>th</sup>. The Board discussed the logistics of the transfer with Harland Abraham and Ivory Day. Northern Trust, as Transition Manager, will liquidate the securities and transfer cash to MERS within 30 days after January 16<sup>th</sup>. Approximately \$44 million is expected to be transferred. Chairman Bingaman will schedule a Finance Investment Committee Meeting/Conference Call with all involved parties after January 1<sup>st</sup>. The next Regular Board Meeting is scheduled for January 20<sup>th</sup>.
  
- ◆ **IRS Tax Determination Letter** - Attorney Meg Hunter had a conflict of interest; Attorney Michael VanOverbeke will work with the Board instead.

*The Board recessed for a break from 3:15 to 3:25 p.m.*

## **20. RETIREMENT ORDINANCE REVISION COMMITTEE**

Chairman Bingaman led a Committee-of-the-Whole Ordinance Revision Committee meeting to discuss possible Ordinance changes.

Ehren Gonzales presented language which would add a statute of limitations clause to amend Ordinance Section 35-42, Correction of Errors in Records:

*The City shall have one (1) year from the effective date of retirement to correct any errors in the computation of the pension amount. After one (1) year NO change shall be made, except by court order as a result of litigation.*

Discussion followed.

**A motion was made by Mary Bland, and supported by Denise Bingaman, to request that Legal Counsel write a resolution to amend Ordinance Section 35-42, as presented, with additional language to reflect that Retirees would also have only one year to correct errors, and bring the recommended language back to the Board in January for approval and submission to City Council.**

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

Chairman Bingaman stated that the Ordinance Committee will address one issue per monthly meeting and that 13<sup>th</sup> check issues will be discussed at the January meeting.

Councilman/Trustee Ehren Gonzales reported on the status of the FERS to MERS Ordinance revision language, noting that the changes passed the City Council for 1<sup>st</sup> reading on December 8<sup>th</sup>, and the 2<sup>nd</sup> reading is scheduled for January 12<sup>th</sup>. Due to publication times, the language could not be on the agenda for December 17<sup>th</sup>. The language must be approved by January 16<sup>th</sup>, when the assets are to be transferred to Northern Trust. Discussion followed.

**21. DB/DC CONVERSION**

Mr. Erlenbeck reported that the ICMA Actuary requested further information, which has been provided. Meetings with employees should occur during the first half of 2009. Discussion followed. It was noted that the transfer should not be affected by the market since the transfer methodology has stayed the same.

**22. 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

*Robert Erlenbeck left the meeting at 3:25 p.m.*

**23. OTHER BOARD BUSINESS**

Ms. Bingaman led a discussion of the GRS proposal for a benefit calculator, which was distributed at the last Board Meeting. The proposal notes that GRS would require 8-10 weeks for development of the calculator, with a cost of \$23,000, not to exceed \$29,000.

**A motion was made by Denise Bingaman, and supported by Cass Wisniewski, to enter into a contract with Gabriel Roeder Smith & Co. to write an online web-based benefit calculator program for the City of Flint Employees' Retirement System, for a cost not to exceed \$29,000, plus 10% of the initial cost (up to \$2900) for maintenance fees per year.**



Discussion followed. GRS will be asked for a recommendation regarding whether the 1971 or 1994 actuarial mortality tables should be used in the benefit calculator. It was noted that the annual maintenance fees include a maximum of five hours for software development and five hours for technical support.

*Bob Erlenbeck returned at 3:40 p.m.*

**Upon being put to a vote, the motion carried 5-0, with Mr. Erlenbeck abstaining because he was not present during the Board's discussion.**

**24. ADJOURNED**

**A motion was made by Mary Bland, and supported by Denise Bingaman, to adjourn the meeting at 3:42 p.m.**

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

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Douglas Bingaman  
Acting Retirement Board Secretary