

CITY OF FLINT EMPLOYEES' RETIREMENT SYSTEM
Board of Trustees Regular Meeting Minutes
Tuesday, January 18, 2011

A regular meeting of the Board of Trustees of the City of Flint Employees' Retirement System was held on Tuesday, January 18, 2011, at 1:00 p.m. in the Committee-of-the-Whole Room, 3rd Floor, City Council Chambers, at City Hall, with the following in attendance:

TRUSTEES & ALTERNATES Douglas Bingaman – Chair; Denise Bingaman, Bryan Bond, Debra Bridges, Robert Erlenbeck, Scott Kincaid, Mark Kovach, Sherry Murphy, Mark Stratman, Michael Townsend, Cass Wisniewski

ABSENT Mary Bland, Gregory Eason, Duane Kelley, Sheldon Neeley, Patricia Ramirez

ALSO PRESENT David Kausch, Actuary, Gabriel Roeder Smith & Company
Christopher Kuhn, Consultant, Gray & Company
I'Lanta Robbins, Assistant City Attorney
Julie Sadler, Staff Assistant to FERS

1. CHAIRPERSON CALLS THE MEETING TO ORDER

Acting Chair Douglas Bingaman called the meeting to order at 1:06 p.m.

2. ROLL CALL (Attendance)

Roll was called and members were present or absent as recorded above.

3. MEMBERS OF THE PUBLIC WISHING TO ADDRESS THE BOARD

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

4. APPROVAL OF AGENDA

Motion by Robert Erlenbeck, supported by Scott Kincaid, to approve the agenda as presented at the meeting. The motion carried unanimously.

5. APPOINTMENT OF PERMANENT BOARD CHAIR & VICE CHAIR

A motion to table the appointment of a permanent Chair and Vice Chair was made by Robert Erlenbeck, supported by Scott Kincaid. The motion carried unanimously.

6. APPROVAL OF MINUTES – *December 14, 2010 Regular Board Meeting*

Motion made by Robert Erlenbeck, supported by Cass Wisniewski, to approve the minutes for the December 14th 2010 Regular Board Meeting, as written. The motion carried unanimously.

7. APPROVAL OF APPLICATIONS FOR VOLUNTARY RETIREMENT – *See Attached*

Moved/Resolved by Scott Kincaid, supported by Robert Erlenbeck, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for the Applications for Voluntary Retirement for Rodney Clay, David Miller and Diane Wager be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension, as indicated, for life or until such chosen option shall require. Motion carried unanimously.

8. APPROVAL OF APPLICATIONS FOR DEFERRED RETIREMENT – *NONE*

9. APPROVAL OF DISABILITY PENSIONS – *NONE*

10. APPROVAL OF CHANGES TO PENSIONS PREVIOUSLY REPORTED – *See Attached*

Motion made by Michael Townsend, supported by Mark Stratman, to approve the changes to the Pensions Previously Reported for Charles Griffin, James Hill, Dennis McCann, Sherry Murphy, John Rogers, Jr., Ronald Rutherford, John Strickert, and Theron Stuart. Motion carried unanimously.

A motion was made by Robert Erlenbeck, supported by Bryan Bond, that an Over-payment & Underpayment Policy Letter be sent to Dennis McCann giving him 30 days to choose a repayment option. Motion carried unanimously.

11. APPROVAL OF OPTIONS PICKED BY DEFERRED RETIREMENTS – *See Attached*

A motion was made by Robert Erlenbeck, supported by Sherry Murphy, to Approve the Option Picked by Deferred Retiree Debra Watkins. Motion carried unanimously.

12. INFORMATIONAL CHANGES TO PENSIONS – *NONE*

13. UPCOMING CONFERENCES

(Placed on file in the Secretary's office and available for Board review.)

- 13.1 MAPERS & Bernstein Litowitz Berger & Grossmann, MAPERS One-Day Seminar Series, February 10, 2010, Ypsilanti, Michigan.
- 13.2 University of North Carolina at Chapel Hill, Mid-Sized Retirement & Pension Plan Management Conference, March 27-30, 2011, San Francisco, California.
- 13.3 Information Management Network, Conference Schedule 2011.
- 13.4 International Foundation, Public Sector – 2011 Educational Programs.

14. COMMUNICATIONS RECEIVED *(Placed on file in the Secretary's office and available for Board review or copy may be requested; *if noted, copy included with Agenda.)*

- 14.1 Circuit Judge Joseph J. Farah, Order of Remand – Case of William O. Kelly, Plaintiff, vs. City of Flint, et al, Defendant, November 19, 2010. *
- 14.2 Gabriel, Roeder, Smith & Company, Five-Year Contract with FERS for Actuarial Services 2011-2015 *(signed)*.
- 14.3 Gabriel, Roeder, Smith & Company, Information Collection Request for June 30, 2010 FERS Actuarial Valuation, December 16, 2010.

- 14.4 Bernstein Litowitz Berger & Grossman, Letter of Agreement re: Portfolio Monitoring Services, January 11, 2011 (*signed*).
- 14.5 Donna Poplar, HR Director, City of Flint, Letter to Suzi Bye re: No position available for Bruce Schneder, December 13, 2010.
- 14.6 Veronica Robinson RN, Hurley Medical Center, Letter to Suzi Bye re: No position available for Terry Harris, January 5, 2011.
- 14.7 Attorneys VanOverbeke, Michaud & Timmony, Memo re: Application to IRS for FERS' Qualified Plan Determination Letter, including Form 5300 & Attachments, January 13, 2011.

15. COMMUNICATIONS SENT (*Placed on file in the Secretary's office and available for Board review or copy may be requested; *if noted, copy included with Agenda.*)

- 15.1 Bingaman/Townsend, Letter to Northern Trust re: January 1 Pension Payroll Transfer, December 17 2010.
- 15.2 Bingaman, Letter to Northern Trust re: CB Richard Ellis incoming wire \$241,854, December 3, 2010.
- 15.3 Bingaman/Townsend, Letter to Northern Trust re: Drawdown Account Rebalance Instruction, December 16 2010.
- 15.4 P'Lanta Robbins, Letter to Labaton Sucharow re: Board declined offer of portfolio monitoring services, January 6, 2011.
- 15.5 Suzi Bye, Letter to Mark Kovach re: Appointment as Alternate for Police/Fire Board Representative, December 16, 2010.
- 15.6 Suzi Bye, Letter to James V. Hill re: Claude Miller Class Action Lawsuit – Retirement Office findings of retiree selection of final average compensation, December 9, 2010.
- 15.7 Suzi Bye, Letter to Charlotte Billings re: Transportation arrangements for appointment with Dr. Roth for application for disability retirement, January 7, 2011.

16. REPORTS RECEIVED (*Placed on file in the Secretary's office and available for Board review or copy may be requested; *if noted, copy included with Agenda packets.*)

- 16.1 BNY ConvergEx Group, FERS Commission Recapture Trading & Activity Summary, January 1-November 30, 2010.

- 16.2 ICON Advisers, ICON Portfolio Update, December 2010.
- 16.3 Piedmont Investment Advisors, FERS Monthly Portfolio & Transaction Report, November 2010.
- 16.4 Wentworth, Hauser and Violich, FERS Appraisal Summary & Asset Statement, November 2010.
- 16.5 Dodge & Cox, FERS Brokerage Commission Report, October 1-December 31, 2010.

A motion was made by Robert Erlenbeck, supported by Cass Wisniewski, to receive and place on file all documents listed in Agenda Item #s 13, 14, 15 and 16. It was noted that #14.1 would be discussed later in the agenda (Legal Counsel Updates) and #14.5 and #14.6 would be discussed under Professional Services. **The motion carried unanimously.**

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

	<u>2009</u>	<u>2010</u>	<u>2011 YTD</u>
Number Retired	2,849	2,880	2,879
Payroll	\$64,959,885	\$63,205,866	\$5,334,553

18. GRAY & COMPANY – CONSULTANT’S REPORT/RECOMMENDATIONS

- ◆ **Schedule of Asset Classes, Manager Allocation & Re-Balancing** – *Chris Kuhn*
The Board reviewed and discussed the report.
- ◆ **Real Estate Manager Update** – Chris Kuhn reported that contracts are currently under review by Legal Counsel.
- ◆ **4th Quarter Performance Report** – *To be presented at February 15 Board Meeting*
- ◆ **Proxy Voting Policy (Attachment)** – *Presentation by Ivory Day scheduled for February 15 Board Meeting*

Mr. Kuhn gave a brief overview of proxy voting and the Board discussed the need to develop their own policy. Currently, proxy voting for FERS is included in the money managers’ fiduciary responsibilities. Mr. Kincaid requested that copies of proxy voting policies from other retirement systems be obtained and discussed as part of Mr. Day’s presentation at the February Board Meeting.

NORTHERN TRUST – RELATIONSHIP REVIEW OF CUSTODY – Harland Abraham
(postponed until the February 15 Board Meeting)

19. APPROVAL OF THE FEBRUARY 1, 2011 PENSION PAYROLL TRANSFER

A motion was made by Robert Erlenbeck, and supported by Bryan Bond, to approve a transfer of \$5,141,300 for payment of the February 1, 2011 pension payroll (total estimated payroll - \$5,156,440), from the Northern Trust Flint – Drawdown Account #26-19617 to Citizens Bank. The motion carried unanimously.

20. ACTUARIAL ISSUES PENDING

- ◆ **Five-year Contract with Gabriel Roeder Smith & Co. – Signed (Agenda Item #14.2)**
- ◆ **Fiscal Year 2010 Actuarial Valuation – Status - data collection (Agenda Item #14.3)**

- ◆ **Fiscal Year 2009 Actuarial Valuation - *Presentation of Draft* – David Kausch**
The FY09 Actuarial Valuation was presented and reviewed. Mr. Kausch noted that the System's funded status (assets compared to liabilities) has declined, particularly for General Employees (#1600, #1799, exempt), with the unfunded liability continuing to increase due to the number of early retirements (which increase liabilities), market declines, and the decreasing number of employees (which decreases employee contributions). The unfunded liability is expected to grow more rapidly over the next three years. Discussion followed. The possibility of changing the amortization for Hurley was also discussed.

A motion was made by Scott Kincaid, supported by Michael Townsend, to accept the Draft Fiscal Year 2009 Actuarial Valuation. The motion carried unanimously.

The Board discussed issues regarding the transfer of Hurley employees from FERS to MERS when they transfer from #1603 into other bargaining units. Attorney Robbins stated that, according to the FERS to MERS transition agreement and city ordinance, the same procedures/methodology followed in the first transfer will continue, including payment by Hurley for GRS calculations of asset transfers. Chairman Bingaman asked GRS and HMC to work together to resolve any issues.

21. LEGAL COUNSEL UPDATES – I’Lanta Robbins, Attorney

- ◆ **Take Two Interactive Lawsuit** – *Securities Fraud Loss \$176,505 –Settlement pending.*
- ◆ **Capital BidCo** – *Pending completion of State of Michigan investigation.*
- ◆ **Pension Calculation Errors Lawsuits – Kelly** – *Remand Order (Agenda Item #14.1)*
Attorney Robbins reported that Judge Farah remanded this case back to the Board and specifically ruled that Robert Erlenbeck and Peter Dobrzeniecki cannot take part in the Board’s decision (Mr. Dobrzeniecki is no longer a member of the Board). The Judge also ruled that the burden of proof will be on the City. Ms. Robbins noted that the Board has a fiduciary duty to consider all records, testimony and documentation, basing their decisions on the testimony of the evidence. The issue is whether or not there was an error. Mr. Kelly’s attorney will be contacting her regarding availability dates for his hearing. The hearings should be scheduled with the Board in the order the requests were received.
- ◆ **Pension Calculation Errors Lawsuits - Burns/Wiggins/Doerr** – The mediation proposals were rejected and the hearings stayed until the conclusion of the Kelly hearing.
- ◆ **Susan Jarema - Purchase of Time** – The mediation proposal was rejected and a hearing must be scheduled.
- ◆ **FAC Calculation Policy** – *Draft submitted to the Retirement Office for review.*
- ◆ **Hurley Requests for Additional Transfers to MERS (after 2009 deadline)** – *A response letter was previously sent to Hurley.*

22. PROFESSIONAL SERVICES COMMITTEE

- ◆ **Reports/Recommendations** – Bob Erlenbeck reported that the Committee met and discussed the following:
- ◆ **Cost Saving Measures**
 - ◆ **Pension Advice Mailing** –*in process*
 - ◆ **Website** www.cityofflint.com – *Retirement Dept. – all forms now available*
- ◆ **Hurley Employee Transfers to Exempt Status & MERS (ongoing)** – Board discussion. Attorney I’Lanta Robbins stated that the ordinance is clear that the same method used for the original transfer will be used for all subsequent transfers.

- ◆ **Lesa Keeley** – The Board previously approved the error recalculations. The GRS actuarial reduction calculations for the repayment have been received (\$5169.24 - \$36.08/month deduction). A letter will be sent to her outlining the repayment options and indicating that the Board is not involved in any contract negotiations and is moving forward with their obligation to correct errors, per the Ordinance.
- ◆ **Flint Housing Commission (FHC) Employee** – An individual whose job was eliminated when the FHC separated from the City was given a severance and allowed to purchase generic time to add onto his years of service to reach the ten-year vesting, pursuant to the Local #1600 contract provision. The calculation used for purchasing his generic time used age 55 as his collection age. However, the early retirement job elimination provision also allows individuals to begin collecting a pension when they would have had 20 years of service. He did not indicate his intention to do so. If he begins collecting a pension in 2014 (the 20 years of service date), he should have paid an additional \$10,100 to purchase this time using the younger retirement collection age as a factor. The Professional Services Committee recommends that a letter be sent to the individual informing him that he is vested in the Retirement System and, with the amount he paid for the generic time, he is eligible to begin collecting a ten-year pension at age 55. If he wishes to pay the additional amount for the generic time based on an earlier age of pension collection, he can begin collecting in 2014. Discussion followed.

A motion was made by Sherry Murphy, supported by Scott Kincaid, that a letter be sent to this individual to give him the option of collecting a pension at age 55, as originally calculated, or paying the additional funds to receive a pension when he would have had 20 years of service. Motion carried unanimously.

22.1 DISABILITY RETIREMENT APPLICATIONS

- ◆ **Duty**
- ◆ **Non-Duty – 4 pending (2 Hurley & 2 City)** (*Agenda Item #15.7 re transportation issue; other 3 waiting for appointments*)
- ◆ **Non-Duty Disability Applications - Discussion/Determination**
 - ◆ **Bruce Schneder – City of Flint** (*Agenda Item #14.5*) – Dr. Roth’s report stated that Mr. Schneder could work with restrictions; however, the City’s Human Resources Director has stated that there are no positions available for an employee with those restrictions. Based upon the Board’s past practice of granting disability retirement requests when there are no positions available, the Committee recommends that Mr. Schneder be approved for a non-duty disability retirement.

A motion was made by Mark Stratman, supported by Sherry Murphy, to approve a non-duty disability retirement pension for Bruce Schneder based upon physician restrictions and the City’s Human Resources Department stating that no positions are available with his restrictions. The motion carried 7-1.

- ◆ **Amy Rogers – City of Flint/Police Dept.** (*Response received from Dr. Roth*)

Dr. Roth was waiting for additional medical information regarding Ms. Rogers due to her ongoing rehabilitation; he has now recommended approval for a disability pension.

A motion was made by Scott Kincaid, supported by Bryan Bond, to approve a non-duty disability pension for Amy Rogers. Motion carried unanimously.

- ◆ **Terry Harris – Hurley Medical Center** (*Agenda Item #14.6*)

Dr. Roth’s report stated that Terry Harris could work with restrictions; however, HMC Human Resources has indicated that there is no position available for an employee with those restrictions. The Committee recommends that a non-duty disability pension be approved.

A motion was made by Michael Townsend, supported by Mark Stratman, to approve a non-duty disability retirement pension for Terry Harris based upon physician restrictions and Hurley’s Human Resources Department stating that no positions are available with those restrictions. The motion carried 7-1.

22.2 STATUS OF RETIREE SELECTION OF CORRECTION OPTION FOR OVERPAYMENT

- ◆ **David Plewes – On hold** (*pending outcome of other lawsuits*) – Attorney Robbins stated that Mr. Plewes is no longer represented by Attorney Gregory Gibbs. She will contact Mr. Plewes regarding his legal representation and inform him that hearings are being scheduled in the order of requests received.

23. FINANCE/INVESTMENT COMMITTEE – No Meeting

- ◆ **Financial Updates – YTD/2nd Quarter reports attached**
- ◆ **Portfolio Monitoring/Securities Litigation Attorney – Bernstein Litowitz Berger & Grossman – Letter of Agreement completed** (*Agenda Item #14.4*)
- ◆ **Private Equity Investments – Under review**
- ◆ **IRS Tax Determination Letter – Sent to IRS by Attorney Michael VanOverbeke** (*Agenda Item #14.7*)

Chairman Bingaman reported that IRS regulations require that, in conjunction with the application, a “Notice to Interested Parties” must be posted for active Retirement System members to read and respond, if they have any concerns relating to whether the Plan meets the qualification requirements of the Internal Revenue Code. This notice will be posted at City Hall and Hurley Medical Center locations.

- ◆ **Independent Audit of FERS** – *RFP in process for FY11*
- ◆ **Plante & Moran City of Flint Audit (including Retirement System)** – *Completed – Fiscal Year 2010 Financial Statements issued and available for review online.*

24. RETIREMENT ORDINANCE REVISION COMMITTEE (of-the-Whole)

- ◆ **§35-16.4 “13th Check” Issues** – *remove from future agendas*
 - **Five-Year Rolling Average**
 - **Changes in Eligibility/Calculations: Age, Contributory/Non-contributory, Deferred, Straight Life Pension Factor, Beneficiaries**
 - **Alternative Cost of Living Option**
- ◆ **Apply IRS Regulations for Beneficiaries** – *Legal, R. Erlenbeck, GRS*
- ◆ **Defined Contribution/Defined Benefit Change for Exempts** – *Draft under review*
- ◆ **§35-31/31.1/32/32.1 Firefighters/Police Officers – Death in the Line of Duty** – *Legal, Mark Stratman, Suzi Bye*

25. OTHER BOARD BUSINESS

- ◆ **Pending Michigan Legislation** – *NO REPORT*
 - **Distressed Municipal Pension System Act (SB 1239/1240 & HB 5976/5982)** – *Status Update - still pending in Michigan Senate Appropriations Committee (3/23/10 – 2010 SJ 26) & House Appropriations Committee (3/23/10 - 2010 HJ 29 & HJ 30) - Amends Sec. 36 of 1984 PA 427 (MCL 38.1536).*
 - **PA 314 Revision (HB 5323)** – *Pension Fund Investing – Hearing to be scheduled after November 30*
- ◆ **Vacancies (Ord. §35-8 & §35-10)**
 - **Alternate for Cass Wisniewski** – *Appointment by Hurley President/CEO*
 - **Alternate for Hurley** - *Board to Appoint (replacement for Juliann Fairbrother) – Letter sent by Suzi Bye; no response to date*

◆ **Payroll issues**

Denise Bingaman reported that City Administration is considering converting active payroll to a direct deposit/paycard system and asked whether the Board would support a similar system for retiree payroll. Currently, only 300 out of 2800 retirees receive checks, with the rest receiving advice statements. It would save a considerable amount of money if retiree payroll were converted (with retirees' agreement): 1) advice statements could be eliminated and the information provided online, 2) checks could be eliminated and paycards offered for those who do not want direct deposit. A big advantage for the retirees would be that the paycards would allow the funds to be available on the first day of the month, the same as direct deposits. Paychecks are currently mailed on the first of the month and received a few days later. The new procedure would involve each retiree setting up a secure online account with the City and, once they can access their payroll information, we could discontinue sending them an advice statement. Discussion followed. This could be mandatory for new retirees. Forms are already available online for completion and can be e-mailed to the Retirement Office. City Ordinance language requires "pay" without specifying the form and State law now allows employers to choose to pay by paycheck or direct deposit or paycard. Attorney Robbins will review legal issues. Could the retirees be given the option to individually access their advice statements online or accept paycards if they do not wish to receive their pension by direct deposit?

A motion was made by Michael Townsend, supported by Cass Wisniewski, authorizing correspondence to be sent to retirees offering the option to receive their advice statements online and to receive their pension payments via direct deposit or paycard. Motion carried unanimously.

26. ADJOURNMENT

Upcoming Board Meetings:

Regular Board Meeting – Tuesday, February 15, 2011, 1:00 p.m.

Regular Board Meeting – Tuesday, March 15, 2011, 1:00 p.m.

Regular Board Meeting – Tuesday, April 19, 2011, 1:00 p.m.

A motion was made by Scott Kincaid, supported by Robert Erlenbeck, to adjourn the meeting at 2:48 p.m. The motion carried unanimously.

Michael A. Townsend
Secretary

CITY OF FLINT EMPLOYEES' RETIREMENT SYSTEM - BOARD OF TRUSTEES

Approval of Pension Calculations

January 18, 2011 Board Meeting

7. APPLICATIONS FOR VOLUNTARY RETIREMENT

Last Name	First Name	Unit	Union	Final Avg. Comp. (FAC)	Accum. Contrib.	DRET (Before Tax Contrib.)	Effective Retirement Date	Service Years/ Months	Option Elected	Monthly Pension Payment	Notes
Clay	Rodney	COF	1799	\$60,382.81	\$28,676.38	\$14,665.58	12/18/10	23 yrs, 10 mos	Option C	\$2,692.75	
Miller	David	COF	1600	\$10,280.12	\$5,376.00	\$1,078.69	11/23/10	11 yrs, 5 mos	Option B	\$174.80	Non-Duty Death, deceased 11-24-10, includes 1 yr, 11 mos per settlement agreement
Wager	Diane	HMC	1603	\$38,100.57	\$0.00	\$0.00	12/01/10	30 yrs, 3 mos	Option B w/pop-up	\$1,211.97	

Moved/Resolved by Scott Kincaid, supported by Robert Erlenbeck, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for the Applications for Voluntary Retirement for Rodney Clay, David Miller and Diane Wager be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension, as indicated, for life or until such chosen option shall require. Motion carried unanimously.

8. APPLICATIONS FOR DEFERRED RETIREMENT - NONE

9. APPROVAL OF DISABILITY PENSIONS - NONE

10. APPROVAL OF PENSIONS PREVIOUSLY REPORTED

Last Name	First Name	Unit	Union	Revised FAC	MERC FAC Revision (if applicable)	Original FAC	Pension Over/Under-Payment	Option Elected	Retirement Date	Notes
Griffin	Charles	COF	1799	\$61,563.13	\$60,150.33	\$63,023.84	\$12,852.19	SSRA	05/14/94	Revised for employee FAC pick per Yuille ruling
Hill	James	COF	1600	\$59,116.75	\$58,054.61	\$60,934.86	\$8,910.06	Option B	03/19/94	Revised for employee FAC pick per Yuille ruling
McCann	Dennis	COF	1799	\$67,375.66	\$67,332.27	\$69,069.23	\$1,832.78 (overpayment)	SSRA	06/21/97	Revised for employee FAC pick per Yuille ruling
Murphy	Sherry	COF	1600	\$47,595.72	\$48,116.97	\$48,637.45	\$151.44 (overpayment)	SSRA	04/13/96	FAC only reviewed per board motion on 09-21-10 at employee's request

Rogers Jr.	John	COF	1600	\$45,008.16	\$44,073.98	\$45,264.60	\$6,855.12	Straight Life	02/03/96	Revised for employee FAC pick per Yuille ruling
Rutherford	Ronald	COF	Sgts	\$88,553.26	\$87,780.19	\$90,225.76	\$3,607.74	Option B w/pop-up	09/26/97	Revised for employee FAC pick per Yuille ruling
Strickert	John	COF	Sgts	\$98,730.42	\$96,836.68	\$100,466.22	\$11,186.79	Option B w/pop-up	08/15/98	Revised for employee FAC pick per Yuille ruling
Stuart	Theron	COF	1799	\$69,285.20	\$66,091.43	\$69,372.08	\$35,910.35	Option B w/pop-up	07/11/92	Revised for employee FAC pick per Yuille ruling

Motion made by Michael Townsend, supported by Mark Stratman, to approve the changes to the Pensions Previously Reported, for Charles Griffin, James Hill, Dennis McCann, Sherry Murphy, John Rogers, Jr., Ronald Rutherford, John Strickert, and Theron Stuart. Motion carried unanimously.

11. OPTIONS PICKED BY DEFERRED RETIREES

Last Name	First Name	Unit	Union	Revised FAC	Original FAC	Monthly Pension	Option Elected	Retirement Date	Effective Date	Notes
Watkins	Debra	HMC	RN	\$64,606.38	\$62,628.80	\$1,524.01	Straight Life	06/06/03	01/01/11	audited prior to receipt of 1st

Motion made by Robert Erlenbeck, supported by Sherry Murphy, to Approve the Option Picked by Deferred Retiree Debra Watkins. Motion carried unanimously.

12. INFORMATIONAL CHANGES TO PENSIONS - NONE