

**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 19, 2005, at 1:00 p.m. at City Hall, City Council Committee-of-the-Whole Room, with the following in attendance:

TRUSTEES & ALTERNATES	Daniel Hall – Chairperson, Douglas Bingaman, Daniel Coffield, Robert Erlenbeck, Sandra Kidd, Amy Lindman, Donald Phillips, Georgia Steinhoff
ABSENT	Peggy Cook, Mark Horrigan, Janice Kehoe, Alvern Lock, Robert Rosenberger, Edward Taylor, Cass Wisniewski
ALSO PRESENT	Ivory Day, Jr., Senior Consultant, Gray & Company Gwelda Swilley-Burke, Consultant, Gray & Company Habeeb Ghattas, Attorney for the Retirement Board (arrived at 2:15 p.m.)

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

Chairman Daniel Hall called the meeting to order at 1:03 p.m. He noted that a Special Retirement Board Meeting had been scheduled for 9:30 a.m. for the purpose of a hearing on the denial of disability retirement for Jill Higginson; however, that meeting was cancelled at the request of Ms. Higginson’s attorney. Chairman Hall also stated that Attorney Ghattas is unable to attend today’s board meeting.

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

Bernice Calvin, President, AFSCME Local #825 (representing HMC LPNs) addressed the Board regarding concerns about retiring from Hurley. The members have been told that, from now on, employees will retire through MERS. However, all of the funds are still with FERS. How long might these funds be withheld from MERS? How long will MERS be willing to make the pension payments without the funds being transferred? Will the pension payments eventually be withheld until the transfer is completed? She has heard the term “pay-as-you-go” regarding new retirees through MERS – how does that work?

Chairman Daniel Hall noted that, usually, issues brought to the Board by the Public are referred to a Committee for response at a later time; however, the Board may choose to respond or discuss the MERS issue at this time.

Daniel Coffield, CFO for Hurley Medical Center, responded that he reported at the last Board Meeting that, effective with the new fiscal year, the employer and employee contributions for the seven units that voted to transfer their pensions to MERS would be sent to MERS. Therefore, with the first pay of the fiscal year, the funds were split and sent to MERS and FERS accordingly. In order to implement the bargaining unit contracts, as advised by the attorneys, employees who wish to retire will be able to meet with MERS retirement counselors, who will be on-site at Hurley once a week, beginning tomorrow. The retirement money will come from Hurley Medical Center, which will be on a “pay-as-you-go” basis until the “principal” funds accrued for each employee are transferred to MERS. As noted in the minutes of the June Regular Board Meeting, all of the attorneys, including the Board’s Attorney, agree that the bargaining unit contracts, under PERA, supercede the Ordinance and ultimately regulate this issue. However, actuarial calculations must be made and verified. The Board asked Attorney Ghattas to schedule a meeting with all of the attorneys involved (HMC, Unions, City, FERS, etc.) so that all understand and are in agreement with the legal steps that must be taken, including the Ordinance changes by City Council, before the transfer can be made.

Chairman Daniel Hall referenced the minutes of the June 21<sup>st</sup> Board Meeting, noting that the second Actuary has completed their review and verified the actuarial methods used by Gabriel Roeder. However, both Actuaries agree that the data needs to be updated so that it is not more than six months old when the final calculations are made and the transfer takes place. Chairman Hall stated that Attorney Ghattas sent a letter on June 27, 2005, to Attorney William Smith at Hurley requesting a meeting of all attorneys involved to discuss the issues and make recommendations. Their offices are currently working together to schedule this meeting. Also, a motion was passed at the last Regular Board Meeting to consider filing an injunction or a lawsuit against Hurley for withholding contributions to FERS. It is important that all documentation and information regarding the MERS transfer be given to the Board of Trustees, the attorneys, and the City Council members, as they meet to resolve the issues. Currently, the goal is to make the transfer by December 31<sup>st</sup>, 2005. Chairman Hall noted that there have been many questions and concerns expressed by bargaining unit members and retirees and it is the Board’s desire to resolve these issues so that the transfer can be made properly. As fiduciaries of the assets of the System, the Trustees “...must ensure that all provisions of the Retirement Plan shall be met and all monies and other assets of the System shall be held for the sole purpose of making payments authorized by the provisions of the Retirement Plan and shall be used for no other purpose.”

Discussion followed. Dan Coffield stated, for the record, that there are no additional written agreements beyond the Letters of Understanding that were copied to the Trustees last year, along with the Membership Agreement between Hurley and MERS. Chairman Hall noted that the proposed Ordinance changes have not yet been completed and presented to the Legislative Committee of the City Council. Bob Erlenbeck stated that his office has sent all requested information to the Actuary for the completion of the FY04 Actuarial Valuation. Dan Coffield noted that the completed FY05 valuation report is not needed for the MERS transfer, only the relevant funding percentage as of June 30, 2005.

### **3. APPROVAL OF THE JUNE 21, 2005 REGULAR BOARD MEETING MINUTES**

Chairman Daniel Hall asked for any corrections or modifications to the Minutes of the June 21 Regular Board Meeting.

Gwelda Swilley-Burke and Ivory Day, Jr. noted the following corrections on pages 9186-9187, under #3, Training Session with Gray & Co.:

Original Entry: Ivory Day, Jr., of Gray & Company gave a presentation, “The Basics of Asset Allocation.” The Board discussed the report and Mr. Gray answered their questions.

Corrected Entry: Ivory Day, Jr., of Gray & Company gave a presentation, “The Basics of Asset Allocation.” The Board discussed the report and Mr. *Day* answered their questions.

Original Entry: Ivory Day, Jr., of Gray & Company gave two presentations entitled “FERS Asset Allocation Analysis” and “FERS Active vs. Passive Investment Management.” The Board discussed the reports and Mr. Gray answered their questions.

Corrected Entry: Ivory Day, Jr., of Gray & Company gave two presentations entitled “FERS Asset Allocation Analysis” and “FERS Active vs. Passive Investment Management.” The Board discussed the reports and Mr. *Day* answered their questions.

It was also noted that the minutes state, “Respectfully submitted, Peter Dobrzeniecki, Secretary.” Mr. Dobrzeniecki was not employed by the City and, therefore, he was not the Secretary of the System on June 21<sup>st</sup>. However, Mr. Dobrzeniecki has been re-employed by the City; therefore, he is the Secretary of the Retirement System as of this date when the June 21 minutes are being presented to the Board for review and approval.

**It was moved by Amy Lindman, and supported by Daniel Coffield, to approve the minutes of the June 21, 2005, Regular Board Meeting, as corrected.**

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

**4. APPLICATIONS FOR VOLUNTARY RETIREMENT**

Bob Erlenbeck stated that Sheryl Merriam’s retirement application was tabled at the June Meeting; however, it does not appear on this agenda for reconsideration. Chairman Hall stated that Ms. Merriam’s application could be addressed under “Other Board Business.”

**Georgia Simpson**

**HMC/1603**

Final Average Compensation:	\$ 45,117.43
Accumulated Contributions:	Non-Cont
DRET:	.00
Effective Date of Retirement	06/04/2005
Service: 15 Years, 2 Months	

The retiree elected the Option Straight Life in the amount of \$969.40

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Georgia 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 Straight Life, in the amount of \$969.40, for as long as she lives.

**It was moved by Georgia Steinhoff, and supported by Amy Lindman, to approve the Application for Voluntary Retirement for Georgia Simpson.**

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

**5. APPLICATIONS FOR DEFERRED RETIREMENT**

**Karen Allen**

**HMC/1603**

Final Average Compensation:	\$ 30,791.78
Accumulated Contributions:	Non-Cont
DRET:	.00
Effective Date of Retirement	06/12/2005
Service: 16 Years, 3 Months	

The retiree will elect an Option prior to 02/01/2021

**Brenda Harris**

**HMC/825**

Final Average Compensation:	\$ 36,984.49
Accumulated Contributions:	Non-Cont
DRET:	.00
Effective Date of Retirement	06/17/2005
Service: 10 Years, 5 Months	
The retiree will elect an Option prior to 05/01/2013	

**Bethany Pendell**

**HMC/Exempt**

Final Average Compensation:	\$ 53,700.28
Accumulated Contributions:	Non-Cont
DRET:	.00
Effective Date of Retirement	06/12/2005
Service: 20 Years, 7 Months	
The retiree will elect an Option prior to 12/01/2022	

**It was moved by Georgia Steinhoff, and supported by Amy Lindman, to approve the Applications for Deferred Retirement for Karen Allen, Brenda Harris, and Bethany Pendell.**

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

**6. OPTIONS PICKED BY DEFERRED & DISABILITY RETIREMENTS**

Donna Lee/City	Option Straight Life \$ 1,518.63
Carol Kerry/City Of Flint	Option B w/pop-up \$613.39
Valsa Erinjeri/HMC	Option B \$598.41
Joyce Lanckton/HMC	Option C w/pop-up \$772.15

**REVISED OPTION**

For information only.

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

- 7.1 Oppenheimer, How to Survive Volatile Markets, August 17, 2005, Shap's Restaurant, Flint, MI.
- 7.2 Strategic Research Institute, Inflation Hedging for Real Returns, September 15-16, 2005, Chicago, IL.
- 7.3 MAPERS, 2005 Fall Conference Western Roundup, September 25-27, 2005, Grand Traverse Resort, Acme, MI.
- 7.4 UNC Kenan-Flager, Mid-Sized Pension Management Conference, October 23-26, 2005, Chicago, IL.
- 7.5 Institute for International Research, The 14<sup>th</sup> Annual Public Fund Boards Forum, December 4-7, 2005, San Francisco, CA.

**A motion was made by Amy Lindman, and supported by Daniel Coffield, to add the stated conferences to the list of authorized conferences.**

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

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

- 8.1 Ernest P. Chiodo, M.D., J.D., M.P.H., C.I.H., Resume for Medical Director, July 2005.
- 8.2 Lerach Coughlin Stoia Geller Rudman & Robbins, Corporate Governance, 3<sup>rd</sup> Quarter 2005.
- 8.3 Independent Investments, Independent Thought, 2<sup>nd</sup> Quarter 2005.
- 8.4 Northern Trust, Third-Party Mutual Fund Processing, June 30, 2005.
- 8.5 Babson Capital, The Babson Staff Letter, June 24, 2005.
- 8.6 Russell Investment Group, Letter to Lisa DeDolph re: Russell awarded top honors in 2005 Transition Management Survey, June 17, 2005.
- 8.7 Russell Investment Group, Letter to Lisa DeDolph re: Commission Recapture Program, June 23, 2005.

- 8.8 CRA Fund Advisors, Learn how we can help accomplish your goals, July 2005.
- 8.9 Gabriel, Roeder, Smith & Co., Invitation to a Dessert Party on June 27, 2005 in San Antonio, Texas, June 15, 2005.
- 8.10 NCPERS, Minutes of the NCPERS Membership Meeting, July 2005.
- 8.11 City of Flint Employees' Retirement System, Revised Letter to State Street Global Advisors re: Termination of SSGA Fund Participation for Index & Passive Investments, June 15, 2005.
- 8.12 City of Flint Employees' Retirement System, Revised Letter to Northern Trust re: Opening 3 new NTGI Accounts and 1 Custodian Account to receive SSGA Index & Passive Investment Funds, June 15, 2005.
- 8.13 City of Flint Employees' Retirement System, Revised Letter to Northern Trust re: Retaining NTSI for Execution Services to Transition SSGA Portfolio, June 15, 2005.
- 8.14 City of Flint Employees' Retirement System, Revised Letter to Northern Trust Securities, Inc. re: Effecting SSGA Portfolio Liquidation, June 15, 2005.
- 8.15 BNY Brokerage, Notification of our acquisition of Lynch, Jones & Ryan, Inc., June 16, 2005.
- 8.16 BNY Brokerage, Notification of our acquisition of Lynch, Jones & Ryan, Inc., July 5, 2005. (Enclosed)
- 8.17 City of Flint Employees' Retirement System, Draft Benefit Estimate and sign off signatures, July 6, 2005. (Enclosed)
- 8.18 USA Today, Gain may depend on riding out pain, Article per Ed Taylor, June 3, 2005. (Enclosed)
- 8.19 Trachelle Young, Letter to Northern Trust re: Signature Authority, June 23, 2005. (Enclosed)
- 8.20 Plante & Moran, Letter to Daniel Hall re: 2004 and 2005 Retirement System Audits, June 21, 2005. (Enclosed)

**A motion was made by Amy Lindman, and supported by Robert Erlenbeck, to receive the communications and place them on file.**

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

- 9.0 REPORTS RECEIVED** (All items were placed on file in the Retirement Office; if noted, a copy was given to Board Members in their agenda packets also.)
- 9.1 LSV Asset Management, Account Performance as of May 31, 2005.
  - 9.2 Lynch, Jones & Ryan, Trading Summary as of May 31, 2005.
  - 9.3 Magna Securities, Commission Recapture Report as of May 31, 2005.
  - 9.4 Wentworth, Hauser & Violich, Statement of Assets as of May 31, 2005.
  - 9.5 State Street Global Advisors, Transaction Activity Report as of June 17, 2005.
  - 9.6 State Street Global Advisors, Transaction Activity Report as of June 21, 2005.
  - 9.7 Northern Trust Reports – May 2005. (Enclosed)
  - 9.8 Retirement Fund Employee/Employer Contributions. (Enclosed)

**A motion was made by Amy Lindman, and supported by Georgia Steinhoff, to receive the reports and place them on file.**

Discussion followed. Chairman Daniel Hall, referring to #9.8, noted that Hurley contributions should be reported to the Board on this report also.

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

**Motion made by Robert Erlenbeck, supported by Georgia Steinhoff to consider “Other Board Business” at this point in the agenda; specifically, the retirement application for Sheryl Merriam.**

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



**28. OTHER BOARD BUSINESS**

**Sheryl Merriam**

**Utilities/1799**

Final Average Compensation:	\$ 46,688.62
Accumulated Contributions:	47,878.59
DRET:	2,367.30
Effective Date of Retirement	05/01/2005

Service: 22 Years, 9 Months

The retiree elected the Option Straight Life in the amount of \$ 2,148.65.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Sheryl Merriam 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 \$2,148.65, for as long as she lives.

Georgia Steinhoff stated that the Professional Services Committee and Attorney Ghattas reviewed the issues regarding Ms. Merriam at their meeting yesterday. Ms. Steinhoff reported that the Committee and Attorney Ghattas are satisfied, after receiving information from Labor Relations, that the settlement agreement with Ms. Merriam was, in fact, a grievance resolution, enabling Board approval of her retirement application.

**It was moved by Robert Erlenbeck, and supported by Amy Lindman, to approve the Application for Voluntary Retirement for Sheryl Merriam.**

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

**10. STATISTICAL REPORT OF BENEFITS**

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Number Retired	3,001	3,002	3,025
Annualized Payroll	\$ 61,357,283	\$ 62,627,143	\$ 64,511,479

For informational purposes only.

**11. APPROVAL OF THE AUGUST 1, 2005 PENSION PAYROLL TRANSFER**

Chairman Daniel Hall reported that the estimated gross pension for August 1, 2005, is \$4,874,700.00, with \$21,592.97 to be provided from the General Fund for Charter pension and \$708.83 to be provided from the General Fund for a settlement. The cash balance in the Citizens Bank account as of 7/13/05 is \$541,554.19. Of this amount, \$151,681.55 is set aside for outstanding checks and \$50,000.00 is set aside as a buffer, leaving a balance of \$339,872.64. The additional amount needed to cover pension for August 1<sup>st</sup> is \$4,534,827.36.

**A motion to approve a transfer for the August pension payroll in the amount of \$4,534,827.36, from the Northern Trust S & P 500 Index Fund to Citizens Bank, for payment of the August 1, 2005 pension payroll of \$4,874,700.00, was made by Daniel Coffield, and supported by Sandra Kidd.**

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

**12. RESOLUTION AUTHORIZING THE TRANSFER OF ALL DATA FOR CERTAIN ACTIVE MEMBERS AND RETIREES OF HURLEY MEDICAL CENTER**

Tabled by Chairman Daniel Hall.

**13. RESOLUTION AUTHORIZING THE TRANSFER OF RELATED ASSETS AND LIABILITIES FOR CERTAIN ACTIVE MEMBERS AND RETIREES OF HURLEY MEDICAL CENTER.**

Tabled by Chairman Daniel Hall.

**14. RECEIVING OF THE 59<sup>TH</sup> ANNUAL ACTUARIAL VALUATION**

Tabled by Chairman Daniel Hall.

**15. ADOPTION OF THE P.A. 728 CERTIFICATION (AS CONTAINED IN THE 59<sup>TH</sup> ANNUAL ACTUARIAL VALUATION)**

Tabled by Chairman Daniel Hall.

**16. ADOPTION OF EMPLOYER CONTRIBUTION RATES – CITY OF FLINT**

A resolution was presented to the Trustees for adoption of the estimated rates calculated by Larry Langer (Actuary for Gabriel, Roeder, Smith & Company) for budgeting purposes for fiscal year 2006, which began July 1, 2005. The City wishes to begin making the contributions at the higher, estimated rates instead of the rates adopted for fiscal year 2005. Tabled by Chairman Daniel Hall until the August Regular Board Meeting with Actuary Larry Langer in attendance.

**17. STATUS OF EMPLOYER CONTRIBUTION RATES – HURLEY MEDICAL CENTER**

Tabled by Chairman Daniel Hall.

**18. AUDIT COMMITTEE REPORT**

Chairman Daniel Hall will be scheduling an Audit Committee meeting soon with Beth Bialy of Plante & Moran.

**19. 13<sup>th</sup> CHECK PROGRAM**

Tabled by Chairman Daniel Hall. Georgia Steinhoff noted that the Ordinance changes were approved by City Council last week. Another Committee Meeting will be scheduled; however, the Committee requests Larry Langer's attendance at that meeting.

**20. INVESTMENT COMMITTEE REPORT**

Chairman Daniel Hall asked for Gray & Company's recommendations for payment of pension payroll prior to the next Board Meeting. Mr. Coffield noted that the Investment Committee is being "re-invented" now that Gray & Company has assumed many of the Committee's former responsibilities. He asked Gray & Company to work with the Committee to determine what issues they should address and when. Gray & Company has recommended that the Committee meet quarterly instead of monthly.

**21. GRAY & COMPANY**

Chairman Daniel Hall postponed their report until the end of the meeting.

## **22. PROFESSIONAL SERVICES COMMITTEE REPORT**

Georgia Steinhoff reported that the Committee met yesterday, July 18<sup>th</sup>, and addressed the following issues:

Colleen Belanger Reevaluation for Disability Retirement (latex allergy): The Committee received an opinion letter from Dr. Roth, which they referred to Attorney Ghattas to forward to her attorney. Dr. Roth has recommended that Ms. Belanger be evaluated by a specialist/allergist at the University of Michigan and have further allergy testing.

Jill Higginson Appeal: The hearing scheduled for this morning was cancelled.

Denise Lamson: She has requested reconsideration of the denial of her disability retirement application based on the submission of new information from an independent exam. The Committee forwarded the information to Dr. Roth for a review and written response.

Sheryl Merriam Retirement Application: After review and discussion, the Committee recommended that her retirement application be approved.

Lorna Woods-Johns' Letter: She requested a review regarding her purchase of prior service time. Bob Erlenbeck reviewed her history with the Committee and, after discussion, the Committee concluded that she was given ample opportunity to purchase time or question the numbers. Bob Erlenbeck will respond to her that she did not take advantage of offers that later expired. Regarding the calculation of generic time, the Committee believes that the rules then in place appear to have been complied with, and that she is not eligible to purchase additional time as she has requested.

**A motion was made by Amy Lindman, supported by Georgia Steinhoff, to authorize Robert Erlenbeck to respond to Lorna Woods-Johns in accordance with the Professional Service Committee's recommendations.**

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

Ken Davis: His application for disability retirement was denied; however, he has submitted new medical information, which the Committee referred to Dr. Roth for a review and written response.

Jeff Shurter: The City asked him to work beyond his retirement date to finish a project. This affected his retirement calculation, costing him one pay period of higher pay that was to be calculated into his pension, which resulted in a decreased pension. The Committee recommended that a Settlement Agreement be negotiated between Mr. Shurter and the City.

Pension Recalculations: The Committee asked that the pension recalculations be presented to the Board soon. Bob Erlenbeck noted that Wanda Twitty is working with the Actuary on a review of the recalculated pensions, which will then come before the Board.

Milberg Weiss, Attorneys: They have requested FERS historical data from Northern Trust. Chairman Daniel Hall is working with Northern Trust and Milberg Weiss regarding the data needed and any research fees to be charged by Northern.

**23. FINANCE COMMITTEE**

Chairman Daniel Hall stated that a meeting would be scheduled soon. He also noted that there will be a MAPERS conference at the Grand Traverse Resort this year and any Trustees wishing to attend need to contact Julie Sadler about their paperwork.

**24. ELECTION RULES COMMITTEE**

Chairman Daniel Hall stated that the Hurley Medical Center election of Trustees is scheduled in August:

August 12 – Primary (if needed)

August 26 – General Election

At this time, only two petitions have been received for each of the two positions. If no other petitions are submitted, no primary election will be needed. Chairman Hall noted that an Election Commission must be appointed: three names must be submitted and certified at the next Board Meeting to count the votes.

**25. FOIA REQUESTS**

Chairman Daniel Hall stated that an information request came from Charlotte Novak regarding MERS. Attorney Ghattas will speak on proper procedures for FOIAs and requests for information at the next meeting. Chairman Hall and Attorney Ghattas believe these requests should be given to the Secretary of the System, who should then notify the Attorney and the Board.

**26. RETIREMENT ORDINANCE REVISION COMMITTEE**

Tabled by Chairman Daniel Hall.

## 27. LEGAL COUNSEL UPDATES

Tabled by Chairman Daniel Hall.

## 21. GRAY & COMPANY

Ivory Day, Jr. distributed an updated report, “FERS Asset Allocation Analysis” which reflects a change in the actuarial return assumption to 7.75% from 8%. This report was reviewed at the last meeting. Discussion followed.

Ivory Day, Jr. distributed and presented an updated version of the report, “FERS Investment Manager Search Quantitative Analysis,” which was originally distributed at the June meeting. He noted that FERS’ only small cap manager at this time is Wellington. He stated that there are three major styles of small cap managers: value, growth and core. They are recommending adding an additional small cap value manager as a complement to Wellington (core).

Attorney Habeeb Ghattas entered the meeting at 2:15 p.m.

**A motion was made by Amy Lindman, supported by Georgia Steinhoff, to schedule presentations by three prospective small cap managers in August: Keeley, Allegiant and Lee Munder.**

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

Discussion followed. The Board asked the Consultants to schedule presentations for the international manager and small cap manager searches in August. The four prospective international managers [Boston (value), LSV (value), Manning & Napier (core), Fischer (core)] will be scheduled on Tuesday, August 9<sup>th</sup>, at 1:00 p.m., at Hurley Medical Center. The presentations by the three small cap managers’ will be scheduled on Tuesday, August 30<sup>th</sup>, at 1:00 p.m. (also at Hurley Medical Center). It was noted that the August Regular Board Meeting is scheduled for Tuesday, August 23<sup>rd</sup>, at 1:00 p.m., at City Hall.

Gwelda Swilley-Burke presented a revised draft of the Investment Policy Statement. She reviewed the differences in comparison to the previous policy. She recommended that the Trustees read the policy prior to the August meeting, then plan to discuss it and vote on adoption at that time. Once the policy is adopted, it should be sent to each money manager for review, along with three copies of a signature acceptance page signed by FERS officials. Each manager should sign the acceptance pages, keep one on file and return the others to FERS (one for the files and one for the records of Gray & Company).

Chairman Daniel Hall asked Attorney Ghattas to review the Investment Policy before the next meeting.

Gwelda Swilley-Burke reviewed the revised FERS First Quarter 2005 Report with the Board. She noted that the consultants recently interviewed Wentworth Hauser & Violich and were impressed with their presentation. She stated that the FERS Second Quarter 2005 Report would be presented at the August meeting. That report will reflect that all transactions approved by the Board, for transfers and funding of new money managers, were completed before June 30.

## **28. OTHER BOARD BUSINESS**

Bob Erlenbeck reported that his office received a telephone call from M-Works regarding Kimberly Davis' request for reconsideration of the denial of her disability retirement application. Dr. Roth stated that the additional paperwork she submitted did not change his opinion; however, he recommended a sleep study at the University of Michigan, if the Board approves. Chairman Daniel Hall asked Mr. Erlenbeck to find out the cost of the sleep study and report back to the Professional Services Committee for further discussion.

Bob Erlenbeck also reported that M-Works contacted him regarding Holly Duncan's request for reconsideration of the denial of her disability retirement. Dr. Roth is recommending an EMG of the upper extremities.

**A motion was made by Georgia Steinhoff, supported by Daniel Coffield, to authorize an EMG test for the reevaluation of Holly Duncan, to be paid for by FERS.**

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

## **29. ADJOURNED**

**There being no further business to discuss, it was moved by Amy Lindman, and supported by Georgia Steinhoff, to adjourn the meeting at 3:15 p.m.**

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

Respectfully submitted,

Peter Dobrzeniecki, Secretary