

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

*TRUSTEES & ALTERNATES* Daniel Hall – Chairperson, John Balsler, Douglas Bingaman, Peter Dobrzeniecki, Robert Erlenbeck, Janice Kehoe, Michelle Kirkwood, Amy Lindman, Robert Rosenberger, Cass Wisniewski

*ABSENT* Mary Bland, Darryl Buchanan, Ehren Gonzales, Kerry Nelson

*ALSO PRESENT* Harland Abraham, Northern Trust  
Denise Bingaman, Pension Payroll  
Suzi Bye, Retirement Supervisor  
Chris Kuhn, Gray & Company  
I'Lanta Robbins, Attorney for Retirement Board  
Julie Sadler, Recording Secretary  
Michael VanOverBeke, Consulting Attorney  
Trachelle Young, City Attorney/Attorney for Retirement Board

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

Chairman Daniel Hall called the meeting to order at 1:05 p.m.

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

Donald Phillips, President of U.R.G.E., expressed his concerns regarding Item #4. He stated that he could see no reason why the Board would need to develop guidelines for auditing of pensions in secret session; if pensions are being audited, then any discussion of how they are audited should be open to the public.

**3. APPROVAL OF THE NOVEMBER 20, 2007 SPECIAL & REGULAR BOARD MEETING MINUTES**

**A motion was made by John Balsler, and supported by Robert Erlenbeck, to approve the minutes of the November 20, 2007, Special and Regular Board Meetings.**

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

**4. CLOSED DOOR SESSION – Discussion of Miller Case/Judge Yuille Decision/ Guidelines for Audits of Pensions**

Due to outstanding litigation and the need for the Board to discuss certain aspects of the Claude Miller lawsuit and Judge Yuille's decision, Chairman Daniel Hall stated that he would entertain a motion to go into closed session. A closed session is needed because a public discussion of information pertaining to these issues could be a detriment to the Retirement System/Retirement Board.

**A motion to go into closed session was made by Robert Rosenberger, and supported by Peter Dobrzeniecki.**

Discussion followed. Chairman Hall noted that policy can be discussed in closed session but no policies can be adopted in closed session.

**Upon being put to a vote, the motion carried by a vote of 7 to 1 (John Balsler).**

Chairman Hall asked that staff members remain nearby in case they are needed for questioning during discussions.

The Board entered into closed session at 1:13 p.m.

**A motion was made by Robert Rosenberger, and supported by Amy Lindman, to end the closed session and return the meeting to open session.**

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

The Board returned to open session at 1:55 p.m.

**5. APPLICATIONS FOR VOLUNTARY RETIREMENT**

**Deborah Petriken / Hurley/1603 – Approved at the December 18, 2007 Meeting as add-on**

Final Average Compensation:	\$ 55,353.60
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	10/22/2007

Service: 27 Years, 11 Months

The retiree elected the Option Straight Life in the amount of \$1,395.30.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Deborah Petriken be approved and the Treasurer of the City of Flint Employees' Retirement System be authorized and directed to pay a monthly pension under the Option Straight Life in the amount of \$1,395.30, for as long as she lives.

**It was moved by Robert Erlenbeck, and supported by Amy Lindman, to approve the Application for Voluntary Retirement for the following person:**

**Deborah Petriken – Option Straight Life – \$1,395.30**

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

**6. APPLICATIONS FOR DEFERRED RETIREMENT**

**Nicola Beccia / Hurley/Exempt**

Final Average Compensation:	\$ 76,312.25
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	08/31/2006

Service: 27 Years, 10 Months

The retiree will elect an Option prior to 03/01/2010.

**Anshell Cole / Hurley/1603**

Final Average Compensation:	\$ 37,424.33
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	11/04/2006

Service: 20 Years, 2 Months

The retiree will elect an Option prior to 02/01/2014.

**Sheri Rawlings / Hurley/Exempt**

Final Average Compensation:	\$ 70,779.39
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement	09/27/2006
Service: 10 Years, 11 Months	

The retiree will elect an Option prior to 06/01/2027.

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to approve the Applications for Deferred Retirement for Nicola Beccia, Anshell Cole, and Sheri Rawlings.**

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

**7. OPTIONS PICKED BY DEFERRED RETIREMENT**

**Antonino Cavaleri / Hurley**

Option B w/pop-up \$553.29

File Audit – FAC \$53,870.88

Rev. \$52,477.62

Service Credit – 11 yrs, 4 months

**Revised FAC prior to 1<sup>st</sup> pension check.**

**Randall Talifarro / Fire**

Option A \$2,602.38

File Audit – FAC \$77,214.79

Dret \$ 31,502.42

Rev. \$75,210.64

Rev. \$ 31,518.59

Service Credit – 16 yrs, 2 months

**Revised FAC & Retirement Cont. prior to 1<sup>st</sup> check.**

**A motion was made by John Balsler, and supported by Amy Lindman, to approve payment of pensions to Antonino Cavaleri and Randall Talifarro, with the caveat that a letter must be sent with their first check stating that their files are currently under review.**

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

**8. APPROVAL OF PENSIONS PREVIOUSLY REPORTED**

**Michael Schwartz / Fire** Option Straight Life \$2,391.74  
File Audit – FAC \$38,929.64  
Rev. \$39,208.84  
Service Credit – 13 yrs, 10 months  
Rev Svc Credit – 30 yrs, 6 months  
**Revised FAC & Service Credits due to turning age 55 (per contract).**

**Christopher Caughlin / Fire** Option Straight Life \$3,402.50  
**Revised pension amount due to pop-up option (spouse deceased).**

**A motion was made by Peter Dobrzeniecki, and supported by Amy Lindman, to approve the revisions to the pensions previously reported for Michael Schwartz and Christopher Caughlin, with the caveat that a letter must be sent with their first check stating that their files are currently under review.**

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

**9. APPLICATION FOR DUTY & NON-DUTY DISABILITY RETIREMENTS**

**Sandra Bradshaw-Tidwell / Hurley/1603 / Non-Duty Disability**  
Age: 51 Years  
Service: 29 Years, 5 Months

The medical report and summary of Disability Determination dated December 27, 2006 from Dr. Victor Roth, Medical Director, does certify that Sandra Bradshaw-Tidwell is not totally and permanently disabled.

Chairman Daniel Hall reported that the Professional Services Committee reviewed Ms. Bradshaw-Tidwell's application and the Medical Report and Summary of Disability Determination from Dr. Victor Roth. The Committee concurs with Dr. Roth's recommendation that Ms. Bradshaw-Tidwell is not totally and permanently disabled; however, in a letter dated September 25, 2007, Hurley Medical Center indicated that they do not have a position available that can accommodate her restrictions. Therefore, the Committee recommends that Ms. Bradshaw-Tidwell be granted a non-duty disability retirement.

**A motion was made by Amy Lindman, and supported by Robert Erlenbeck, to grant a non-duty disability retirement to Ms. Sandra Bradshaw-Tidwell.**

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

**Jeffery Hall / Hurley/1603 / Non-Duty Disability**

Age: 53 Years  
Service: 14 Years, 0 Months

The medical report and summary of Disability Determination dated November 1, 2006 from Dr. Victor Roth, Medical Director, does certify that Jeffery Hall is not totally and permanently disabled.

Chairman Daniel Hall reported that the Professional Services Committee reviewed Mr. Jeffery Hall's application and the Medical Report and Summary of Disability Determination from Dr. Victor Roth. The Committee concurs with Dr. Roth's recommendation that Mr. Hall is not totally and permanently disabled; however, in a letter dated September 25, 2007, Hurley Medical Center indicated that they do not have a position available that can accommodate his restrictions. Therefore, the Committee recommends that Mr. Hall be granted a non-duty disability retirement.

**A motion was made by Amy Lindman, and supported by John Balsler, to grant a non-duty disability retirement to Mr. Jeffery Hall.**

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

**Valerie Humphries / Fire/352 / Duty Disability**

Age: 53 Years  
Service: 22 Years, 1 Months

The medical report and summary of Disability Determination dated November 14, 2007 from Dr. Victor Roth, Medical Director, does certify that Valerie Humphries is totally and permanently disabled.

Chairman Daniel Hall reported that the Professional Services Committee reviewed Ms. Humphries' application and the Medical Report and Summary of Disability Determination from Dr. Victor Roth. The Committee concurs with Dr. Roth's recommendation that Ms. Humphries is totally and permanently disabled and recommends that her application for duty disability retirement be approved.

**A motion was made by Amy Lindman, and supported by John Balser, to concur with Dr. Roth’s report that Valerie Humphries is totally and permanently disabled and should be granted a duty disability retirement.**

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

**Marvin Woodard / Hurley/1603 / Non-Duty Disability**

Age: 51 Years  
Service: 24 Years, 9 Months

The medical report and summary of Disability Determination dated December 12, 2007 from Dr. Victor Roth, Medical Director, does certify that Marvin Woodard is totally and permanently disabled.

Chairman Daniel Hall reported that the Professional Services Committee reviewed Mr. Woodard’s application and the Medical Report and Summary of Disability Determination from Dr. Victor Roth. The Committee concurs with Dr. Roth’s recommendation that Mr. Woodard is totally and permanently disabled and recommends that his application for non-duty disability retirement be approved.

**A motion was made by Amy Lindman, and supported by John Balser, to concur with Dr. Roth’s report that Marvin Woodard is totally and permanently disabled and should be granted a non-duty disability retirement.**

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

Chairman Hall stressed the need for an updated disability policy. Discussion followed. The policy is being revised by the Professional Services Committee and Attorney I’Lanta Robbins. Although the Ordinance and the contracts state “totally and permanently disabled” for determining disability retirements, many of the applicants would be considered only “partially disabled.” The new policy will outline the process of contacting the employer, whether the City or Hurley, and asking if a position is available for the disability retirement applicant, with their particular restrictions. This puts the onus on the employer to respond back to the Board with a letter stating that they have reviewed all the available jobs within their employment and have made determinations based upon union contracts and applicable state and/or federal disability laws, whether or not they can accommodate that person. If their response is that they cannot accommodate the person with their restrictions, then based upon the policies and the responsibility of the Board, the Professional Services Committee would recommend that the Board grant the person a disability retirement. It was noted that

the City of Flint has the Public Service Attendant (PSA) program to accommodate such situations. However, the police and fire contracts are very specific that a disability retirement must be granted when the employee can no longer perform their own job duties. Another issue to address is whether, if there is work available and the applicant turns the work down, they are still eligible for a disability pension. Chairman Hall stated that the Committee would submit the revised policy to the Board for review and approval within the next few weeks.

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

- 10.1 Strategic Research Institute, 10<sup>th</sup> Anniversary Alternative Investment Roundtable, January 27-30, 2008, Scottsdale, AZ.
- 10.2 Financial Research Associates, Risk Management – Investor Requirements – Tax Planning Investing in Energy Master Limited Partnerships, January 28, 2008, New York, NY.
- 10.3 International Foundation, Trustees and Administrators Institutes, February 11-13, 2008, Orlando, FL.
- 10.4 International Foundation, Benefits Conference for Public Employees, February 25-26, 2008, Savannah, GA.
- 10.5 Financial Research Associates, The Faith-Based Investors' Forum, February 27-28, 2008, New York, NY.
- 10.6 Institutional Investor Awards, 7<sup>th</sup> Annual Public Pension Fund, March 2, 2008, Huntington Beach, CA.
- 10.7 International Foundation, Investments Institute, April 14-16, 2008, San Francisco, CA.

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

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



**11. COMMUNICATIONS RECEIVED** *(All items were placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' packets also.)*

- 11.1 Fidelity Investments, Capital Contributions, December 19, 2007.
- 11.2 Northern Trust, Point of View, January 2008.
- 11.3 Coughlin Stoia Geller Rudman & Robbins, Corporate Governance, 1<sup>st</sup> Quarter 2008.
- 11.4 International Foundation, 2008 Certificate Programs for the Public Sector, January 2008.

**12. COMMUNICATIONS SENT** *(All documents have been placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' agenda packets also.)*

- 12.1 Letter to Northern Trust from Daniel Hall re: January 1, 2008 Pension transfer, December 18, 2007.
- 12.2 FERS, Letter to Northern Trust re: Wire out for Fidelity Real Estate Growth Fund II, December 21, 2007.

**13. REPORTS RECEIVED** *(All items have been placed on file in the Retirement Office; if noted, a copy was enclosed in the Board Members' packets also.)*

- 13.1 Fidelity Investment, Monthly Investment Update as of December 31, 2007.
- 13.2 Fidelity Investment, Real Estate Growth Fund II Capital Contribution, December 19, 2007.
- 13.3 Wentworth, Hauser & Violich, Appraisal Summary, October 31, 2007.
- 13.4 CB Richard Ellis Investors, Monthly Summary Report, November 2007.
- 13.5 LJR Recapture Services, Trading Summary as of October 31, 2007.
- 13.6 LJR Recapture Services, Trading Summary as of November 30, 2007.
- 13.7 LaSalle Investment Management, Investment Strategy Annual 2008, December 2007.
- 13.8 Northern Trust Reports – November 2007 *(Enclosed)*.

13.9 Retirement Fund Employee/Employer Contributions (*Enclosed*).

13.10 Hurley Employer/Employee Contributions FY 2008 (*Enclosed*).

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number Retired	3,032	3,027	3,004
Annualized Payroll	\$ 64,198,389	\$ 64,850,497	\$ 65,192,316

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

Chairman Daniel Hall reported that a transfer of \$4,043,700 was needed for the payment of the February 1<sup>st</sup>, 2008 pension payroll, with funds to be taken from the Northern Trust Flint-Drawdown Account #26-19617. The balance in the Northern Trust drawdown account, as of January 21, 2008, was \$18,109.717.

**A motion to approve the transfer of \$4,043,700 for payment of the February 1<sup>st</sup>, 2008 pension payroll, from the Northern Trust Flint - Drawdown Account #26-19617 to Citizens Bank, was made by Amy Lindman, and supported by Cass Wisniewski.**

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

**16. 13<sup>th</sup> CHECK COMMITTEE REPORT**

No report. Chairman Daniel Hall noted that he would be revising memberships on the various Committees.

**17. FINANCE COMMITTEE REPORT**

Committee Chair Robert Rosenberger stated that the Committee met last week and reviewed the issues that the Board discussed in closed session.

**18. PROFESSIONAL SERVICES COMMITTEE REPORT**

Chairman Daniel Hall reported that the Committee met and discussed the following:

**Disability Policy** - Chairman Daniel Hall stated that Attorney I'Lanta Robbins and Amy Lindman are working together to draft the revised policy, which will hopefully be available for the February meeting.

**Minute Master Options** – The Committee received a price quote and is also working on a short-term contract for Gabriel Roeder Smith (actuary).

**Actuary RFP** – Pending.

**Education Policy** – A recommended policy will be presented at the next Board meeting.

**Board Election Rules** – A recommended policy will be presented to the Board for adoption at the next Board meeting. Amy Lindman is drafting a policy that will cover all elections. The Committee is recommending a mail-in ballot for future elections.

**Letter from Bambi Rose dated June 28, 2007** – Pending.

**DOS-based Retirement Program** – Pending.

**19. RETIREMENT ORDINANCE REVISION COMMITTEE REPORT**

No report.

**20. INVESTMENT COMMITTEE REPORT**

No report.

**21. GRAY & COMPANY**

Chairman Hall reported that Ivory Day was unable to attend due to a snowstorm in Chicago. Chris Kuhn gave a brief report regarding market conditions and reviewed the latest rebalancing schedule. He also noted that the December fund rebalancing was complete and the balance in the drawdown account was sufficient. Discussion followed.

Chairman Hall stated that he received a letter from Fisher Investments asking if they could give a performance presentation to the Board. Mr. Hall asked Gray & Company to contact Fisher and determine whether the presentation was necessary.

Harland Abraham gave a brief overview of some of the services Northern Trust has been providing to FERS.

## **22. LEGAL COUNSEL UPDATES**

Attorney I’Lanta Robbins reported on the following pending legal issues:

**Claude Miller Update (26/27 pays)** – The City is in the process of recalculating the 41+ pensions to add a 27<sup>th</sup> pay, as ordered by Judge Yuille.

**Take Two Interactive** – The plaintiffs filed motions to have the case dismissed. There will be no oral arguments; the Judge will look at the written briefs and make a ruling. The Court is currently reviewing those motions. This process may take several months.

**Status of Hearings for Pension Calculation Errors** – A settlement conference is scheduled for tomorrow morning (January 23<sup>rd</sup>) before Judge Farah to discuss legal issues and objections. The attorneys will probably agree to present all transcripts and exhibits from the hearings to the Judge at that time. The Judge will then review all information and make a determination as to whether the Board’s decision was based on substantial evidence or was “arbitrary and capricious.” This will likely take a month or so. The Court may set oral argument dates also.

**FERS to MERS Transition – Pending Litigation** – The next hearing dates are scheduled for March 3<sup>rd</sup> and 10<sup>th</sup>. The Judge requested that the various legal issues be divided into separate motions to be heard on those dates. Attorney Michael VanOverbeke is representing the Board of Trustees. It is hoped that decisions on the motions will be received quickly.

**Dan Coffield** – A letter was received from Daniel Coffield’s attorney today with concerns relative to his compensation limitations. Attorney Robbins will review the letter with Attorney Heckemeyer and report back to the Professional Services Committee. Chairman Hall noted that no further information should be given to the Board regarding his case until the legal investigation is completed and reviewed with the Committee.

**Sherrie Jackson – Non-Duty Disability Application** – A hearing was held before the Board and her request was denied. Her attorney recently submitted other documents requesting reconsideration. The Professional Services Committee recommended that releases be sent to Ms. Jackson for her signature to allow the additional information and medical documentation to be sent to Dr. Roth at M-Works for further consideration. Bob Erlenbeck questioned her current employment status with Hurley. Chairman Daniel Hall asked Attorney Robbins to investigate. Her employment status would have a bearing on whether she can re-apply for non-duty disability.

**23. DB/DC CONVERSION**

Pending, per Robert Erlenbeck.

**24. OTHER BOARD BUSINESS**

The Board discussed the policy regarding add-ons to the agenda at the Board Meetings. Chairman Hall noted that they are allowed only if the issue is considered an “emergency.”

Chairman Daniel Hall stated that, in the future, if Peter Dobrzeniecki is unavailable to approve and sign the agenda, Doug Bingaman, as City Treasurer and Alternate for Peter as Trustee, can approve and sign it. If both are gone, staff is to contact the Chair.

**25. ADJOURNED**

**There being no further business to discuss, it was moved by Amy Lindman, and supported by Robert Rosenberger, to adjourn the meeting at 2:35 p.m.**

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

Respectfully submitted,

Peter Dobrzeniecki, Secretary