

**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, September 23, 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, Janice Kehoe, Michelle Kirkwood, Amy Lindman, Cass Wisniewski

*ABSENT* Darryl Buchanan, Peter Dobrzeniecki, Ehren Gonzales, Kerry Nelson

*ALSO PRESENT* Suzi Bye, Retirement Supervisor  
Christopher Kuhn, Gray & Company  
I'Lanta Robbins, Assistant City Attorney/Attorney for Retirement Board  
Julie Sadler, Recording Secretary

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

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

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

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

**3. APPROVAL OF THE JUNE 17, 2008 REGULAR BOARD MEETING MINUTES**

**4. APPROVAL OF THE JULY 22, 2008 REGULAR BOARD MEETING MINUTES**

**5. APPROVAL OF THE AUGUST 19, 2008 REGULAR BOARD MEETING MINUTES**

**A motion was made by Amy Lindman, and supported by Robert Erlenbeck, to approve the minutes of the June 17, July 22, and August 19, 2008 Regular Board Meetings.**

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

## **EXECUTIVE SESSION**

Attorney Robbins requested an Executive Session for the purpose of discussing open litigation, and consulting with the Board regarding trial and settlement strategy in the matter of Theron Wiggins v. City of Flint and the City of Flint Retirement System, as an open session would have a detrimental financial effect on the litigating or settlement position of the Board.

**A motion was made by Amy Lindman, and supported by Robert Erlenbeck, to move into Executive Session for the purpose of discussing pending litigation.**

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

Chairman Bingaman declared that the Board was in closed session at 1:15 p.m.

**A motion was made by Robert Erlenbeck, and supported by Amy Lindman, to end the Executive Session.**

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

The Board came out of Executive Session at 1:27 p.m.

## **APPROVAL OF THE AUGUST 27, 2008 SPECIAL BOARD MEETING MINUTES (ADD-ON)**

Chairman Bingaman distributed copies of the minutes of the August 27<sup>th</sup> Special Board Meeting.

**A motion was made by Cass Wisniewski, and supported by Robert Erlenbeck, to approve the minutes of the August 27, 2008 Special Board Meeting, as presented.**

Discussion followed regarding the second and third motions made on August 27<sup>th</sup>. It was generally decided that the second motion (page 9794), which mentions calculating the last 2 in the Claude Miller lawsuit exactly like the first 40, seems to contradict the third motion on page 9795, which reflected the Board's intent to consider as "past procedures" most issues found when auditing previously calculated pensions, other than the issues of using wrong wages or wrong multipliers. Also, the original number of pensions that were to be audited or recalculated because of this lawsuit was actually 55 (13 + 42), with approximately 18 still remaining to come before the Board as of the August 27<sup>th</sup> meeting.

**Upon being put to a vote, the motion to approve/accept the Minutes of the August 27<sup>th</sup> Special Board Meeting carried unanimously.**

**A motion was made by Amy Lindman, and supported by Mary Bland, to rescind the motion made on Wednesday, August 27, 2008, at the Special Board Meeting (see Minutes, page 9794) by Peter Dobrzeniecki, and supported by Amy Lindman, that the two remaining pensions from the Claude Miller Lawsuit be computed exactly the same as the first 40 have been computed.**

Discussion followed. It was noted that the pension recalculations, per the lawsuit, that identified overpayments to retirees have not yet been brought to the Board.

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

## **6. APPLICATIONS FOR VOLUNTARY RETIREMENT**

### **William Abrams / HMC/Exempt**

Final Average Compensation:	\$ 74,736.89
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement:	08/11/2008
Service: 25 Years, 7 Months	

The retiree elected the Option B in the amount of \$2,190.61.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for William Abrams 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 in the amount of \$2,190.61, for as long as he lives.

### **Linn Alexander / HMC/1603**

Final Average Compensation:	\$ 34,989.12
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement:	08/15/2008
Service: 10 Years, 0 Months	

The retiree elected Option B w/pop-up in the amount of \$440.45.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Linn Alexander 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 \$440.45, for as long as she lives.

**Dexter Blair / Parks & Forestry/1600**

Final Average Compensation:	\$ 40,860.21
Accumulated Contributions:	26,020.70
DRET:	7,095.91
Effective Date of Retirement:	08/16/2008

Service: 27 Years, 8 Months

The retiree elected the Option Straight Life in the amount of \$2,308.32.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Dexter Blair 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 \$2,308.32, for as long as he lives.

**Gary Hagler / Police/Lts & Cpts**

Final Average Compensation:	\$ 110,388.27
Accumulated Contributions:	72,967.42
DRET:	.00
Effective Date of Retirement:	06/28/2008

Service: 24 Years, 6 Months

The retiree elected the Option B w/pop-up in the amount of \$5,241.40.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Gary Hagler 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 \$5,241.40, for as long as he lives.

**Michael McGlown / 68<sup>th</sup> Dist Ct/1600**

Final Average Compensation:	\$ 46,552.50
Accumulated Contributions:	22,594.02
DRET:	8,261.49
Effective Date of Retirement:	07/23/2008

Service: 25 Years, 3 Months

The retiree elected the Option Straight Life in the amount of \$2,412.97.

RESOLVED, that the Service, Final Average Compensation, Accumulated Contributions and Effective Date of Retirement for Michael McGlown 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 \$2,412.97, for as long as he lives.

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

**William Abrams - Option B - \$2,190.61**  
**Linn Alexander - Option B w/pop-up - \$440.45**  
**Dexter Blair - Option Straight Life - \$2,308.32**  
**Gary Hagler - Option B w/pop-up - \$5,241.40**  
**Michael McGlown - Option Straight Life - \$2,412.97**

Discussion followed.

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

**7. APPLICATIONS FOR DEFERRED RETIREMENTS**

**Daniel Allen / Police/Sgts.**

Final Average Compensation: \$ 58,826.30  
Accumulated Contributions: 31,206.02  
DRET: 12,600.71  
Effective Date of Retirement: 09/09/2007  
Service: 18 Years, 5 Months  
The retiree will elect an Option prior to 04/01/2012.

**Pamela Artman / Transportation/1600**

Final Average Compensation: \$ 33,599.04  
Accumulated Contributions: 6,714.75  
DRET: 5,720.16  
Effective Date of Retirement: 07/26/2008  
Service: 10 Years, 3 Months  
The retiree will elect an Option prior to 08/01/2011

**Candice Glass / 68<sup>th</sup> District Court/1600**

Final Average Compensation:	\$ 33,566.66
Accumulated Contributions:	6,761.84
DRET:	5,540.30
Effective Date of Retirement	07/25/2008
Service: 10 Years, 2 Months	

The retiree will elect an Option prior to 09/01/2032.

**Brenda Mason / 68<sup>th</sup> District Court/1600**

Final Average Compensation:	\$ 40,116.91
Accumulated Contributions:	10,771.03
DRET:	6,743.84
Effective Date of Retirement	07/19/2008
Service: 13 Years, 7 Months	

The retiree will elect an Option prior to 12/01/2014.

**Felix Owens / 68<sup>th</sup> District Court /1600**

Final Average Compensation:	\$ 52,559.37
Accumulated Contributions:	16,029.58
DRET:	8,891.01
Effective Date of Retirement:	07/25/2008
Service: 15 Years, 3 Months	

The retiree will elect an Option prior to 04/01/2013.

**Barbara Rogers / HMC/Exempt**

Final Average Compensation:	\$ 79,208.58
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement:	07/16/2008
Service: 27 Years, 2 Months	

The retiree will elect an Option prior to 10/01/2019.

**Maria-Victoria Smith / HMC/Exempt**

Final Average Compensation:	\$ 70,205.88
Accumulated Contributions:	.00
DRET:	.00
Effective Date of Retirement:	07/09/2008
Service: 10 Years, 5 Months	

The retiree will elect an Option prior to 07/01/2026.

**Evaett Webb / 68<sup>th</sup> District Court/1799**

Final Average Compensation:	\$ 64,991.34
Accumulated Contributions:	20,469.85
DRET:	10,807.04
Effective Date of Retirement:	07/09/2008
Service: 18 Years, 6 Months	

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

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to approve the applications for deferred retirement made by Daniel Allen, Pamela Artman, Candice Glass, Brenda Mason, Felix Owens, Barbara Rogers, Maria-Victoria Smith, and Evaett Webb.**

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

**8. OPTIONS PICKED BY DEFERRED RETIREMENTS *(for information only)***

<b>Brenda Harris/HMC/825</b> File Audit – FAC \$38,008.76	Option Straight Life \$356.51 Retirement Date: 6-17-05
<b>Debra Koch/HMC/RN</b> File Audit – FAC \$42,080.83	Option B \$957.20 Retirement Date: 7-18-98
<b>Penny Saintjohn/HMC/1973</b> File Audit – FAC \$34,560.03	Option Straight Life \$752.61 Retirement Date: 5-22-04
<b>Theresa Somer/HMC/1603</b> File Audit – FAC \$22,669.53	Option C w/pop-up \$248.88 Retirement Date: 9-07-94
<b>David Sullivan/Fire/352</b> File Audit – FAC \$66,729.33	Option Straight Life \$3,241.01 Retirement Date: 1-19-08
<b>Carrie Sykes/HMC/1603</b> File Audit – FAC \$26,022.32	Option Straight Life \$370.42 Retirement Date: 3-01-97
<b>Diane Yocum/HMC/Exempt</b> File Audit – FAC \$124,146.27	Option C \$2,326.59 Retirement Date: 6-30-97





**A motion was made by Amy Lindman, and supported by Mary Bland, to approve the revisions to the pensions previously reported for Daniel George, Maureen McFarland, Joseph Weller, David Wolfenden, Timothy Young, and Tamey Plewes.**

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

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

- 11.1 Public Pension Financial Forum, 5<sup>th</sup> Annual Conference, October 19-22, 2008, Mobile, AL.
- 11.2 Hedge Fund Institutional Forum, Roundtable for Consultants & Institutional Investors, October 20-22, 2008, Chicago, IL.
- 11.3 Information Management Network, 12<sup>th</sup> Annual Plan Sponsor & Consultant Circle, October 27-28, 2008, Chantilly, VA.
- 11.4 International Foundation, 54<sup>th</sup> Annual Employee Benefits Conference, November 16-19, 2008, San Antonio, TX.
- 11.5 Institutional Investor, Global Shareholder Activism 8, December 4-6, 2008, New York, NY.
- 11.6 NCPERS, 2009 Legislative Conference, February 1-3, 2009, Washington, D.C.

**A motion was made by Amy Lindman, and supported by Mary Bland, to receive the information/documents listed under Agenda Items #11, #12, #13, and #14 and place all documents on file.**

#11.6 was discussed and it was suggested that someone from the Board should attend the NCPERS 2009 Legislative Conference. Robert Erlenbeck was asked to consider attending. Mr. Erlenbeck noted that #s 12.4, 12.5 & 12.6 would be discussed during the Professional Services Committee report.

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

**12. 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.)*

- 12.1 Northern Trust, Form letter re: EquiLend Holdings, July 2008, Newsletter.

- 12.2 Northern Trust Global Investments, Strategy, September 2008, Newsletter.
- 12.3 Gabriel Roeder Smith & Co., Letter to FERS re: Retirement System Experience Study, September 2, 2008. *(Enclosed)*
- 12.4 Letter to FERS from Kathleen Robinson re: Disability Retirement, August 14, 2008. *(Enclosed)*
- 12.5 Hurley Medical Center, Letter to Suzi Bye from Veronica Robinson re: Eddie Holmes, September 9, 2008. *(Enclosed)*
- 12.6 Memo to Retirement Board from Miles Gadola re: Deferred Retirement Status, September 12, 2008. *(Enclosed)*
  
- 13. 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.)*
  - 13.1 Letter to Northern Trust from Peter Dobrzeniecki re: September 1, 2008 Pension transfer, August 19, 2008.
  - 13.2 Letter to Gabriel Roeder from FERS re: Minute Master Services, September 9, 2008.
  - 13.3 Letter to Richard Shaink, Hurley Board of Hospital Managers, from FERS re: Vacancy on FERS Board of Trustees, September 9, 2008. *(Enclosed)*
  - 13.4 Letter to Patrick Wardell, CEO, Hurley Medical Center from FERS re: Vacancy on FERS Board of Trustees, September 9, 2008. *(Enclosed)*
  
- 14. 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.)*
  - 14.1 Fidelity Investments, Monthly Investment Update, August 31, 2008.
  - 14.2 Pyramid Global Advisors, Fidelity Real Estate Growth Fund II, 2<sup>nd</sup> Quarter 2008.
  - 14.3 Magna Securities, Commission Recapture Report, July 31, 2008.
  - 14.4 LJR Recapture Services, Commission Recapture Report, June 30, 2008.
  - 14.5 LJR Recapture Services, Commission Recapture Report, July 31, 2008.

- 14.6 Wentworth, Hauser & Violich, Investment Review, June 30, 2008.
- 14.7 Wentworth, Hauser & Violich, Investment Review, July 31, 2008.
- 14.8 Globalt Investments, Investment Review, June 30, 2008.
- 14.9 Piedmont Investment Advisors, Portfolio Appraisal, June 30, 2008.
- 14.10 CB Richard Ellis Investors, Investment Report, June 30, 2008.
- 14.11 Fisher Investments, Investment Portfolio Foreign Equity, 2<sup>nd</sup> Quarter 2008.
- 14.12 Intercontinental Real Estate Corp., IREIF II Report, 2<sup>nd</sup> Quarter 2008.
- 14.13 Northern Trust Reports – June 2008. (*Enclosed*)
- 14.14 Retirement Fund Employee/Employer Contributions. (*Enclosed*)
- 14.15 Hurley Employer/Employee Contributions FY 2008. (*Enclosed*)

## **15. GRAY & COMPANY**

Christopher Kuhn distributed and reviewed an updated Manager Allocation and rebalancing Schedule. Discussion followed regarding the current market and its impact.

The Northern Trust securities lending program was discussed. It was noted that Northern has announced that they are reducing their portion of the fee split. The split has been 50% Northern / 50% Clients. The new split will be 40% Northern / 60% Clients. In addition, Northern is making up a portion of the collateral deficiency in five securities lending collateral pools for its clients. This will result in a credit from Northern of \$182,754 to FERS Core USA account.

In further discussion, Chairman Bingaman expressed his appreciation to the Board's Consultants, Gray & Company, for the excellent job they have done for FERS. The portfolio is well diversified and market losses during the recent downturn were significantly less than the average. The consultants have recommended that investments remain with the current managers.

**16. APPROVAL OF THE OCTOBER 1, 2008 PENSION PAYROLL TRANSFER**

Chairman Douglas Bingaman reported that a transfer of \$5,084,900 was needed for the payment of the **October 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 September 19, 2008, was \$11,703,222.

**A motion to approve the transfer of \$5,084,900 for payment of the October 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.**

**17. GABRIEL ROEDER SMITH & CO – ACTUARIAL ISSUES – STATUS REPORT**

- ◆ **Social Security Death Check** – Denise Bingaman reported that she has found another 5 deceased pensioners and an additional 20 individuals who received health care only (usually spouses of deceased retirees who took straight life pensions), for a total of 25 for whom pension payments and/or retirement benefits should be discontinued. Discussion followed. It was noted that, unless fraud can be proven, there are only five banking days allowable to reverse a deposit. Attorney I’Lanta Robbins is currently working on an Overpayment and Underpayment Policy, which will include provisions to recoup pensions paid to deceased retirees. Ms. Bingaman noted that she is running the retiree records against the Social Security records through GRS before every month’s pension payroll. However, there are cases where Social Security has not been notified. Also, Police and Fire retirees may not be in the Social Security system.
- ◆ **Minute Master** – A letter was sent to GRS from Secretary Peter Dobrzeniecki stating that the Board had approved purchasing the Minute Master service. The Retirement & Finance Staff, with the assistance of Attorney I’Lanta Robbins, has begun the process of compiling the documents needed; i.e., minutes of meetings, union contracts, policies, legal opinions, etc.
- ◆ **FY 2007 Actuarial Valuation (Status)** – Suzi Bye reported that Gabriel Roeder has indicated that they have all of the information they need from the City and from Hurley to complete their reports for fiscal year 2007.

## 18. BOARD MEMBER VACANCIES

- ◆ **Police/Fire Election** – The ballots will be counted on September 26.

**A motion was made by Amy Lindman, and supported by Mary Bland, to approve the Police and Fire Representative Election Commission with members Ray Barton, Michael Witt, and Darwin Sparks.**

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

- ◆ **Hurley Board Vacancies** – Discussion. No responses have been received from Hurley to the letters sent from FERS requesting appointments to fill vacancies. Attorney Robbins stated that the CEO has been requested to inform the Board whether he or a designee will be the Trustee and who is appointed as the Alternate. She noted that the Ordinance does not specifically address the issue of alternates for the City Administrator, Finance Director, or the Hurley CEO/Designee. However, past legal opinions have allowed for alternates. A letter was also sent to the Hurley Board of Managers requesting that a trustee be appointed to fill the vacancy left by Daniel Hall and alternates be appointed for that position and for Janice Kehoe.
- ◆ **Election of Permanent Board Chair & Vice Chair** – Tabled until next Board Meeting.

## 19. LEGAL COUNSEL UPDATES

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

- ◆ **Claude Miller (26/27 pays)** – No additional information to report.
- ◆ **Take Two Interactive Lawsuit** – Per Attorney George Peck, the defendants filed a motion for dismissal. The Judge has now issued an opinion in which he upheld some claims and dismissed others. Another complaint must now be filed consistent with the Judge's ruling.
- ◆ **Status of Hearings for Pension Calculation Errors (Tereau/Cherwinski/Kelly)** – Plaintiffs and Defendants have submitted their transcripts and exhibits to Judge Farrah and are waiting for a date to be set for oral arguments.
- ◆ **FERS to MERS Transition** – Pending actuarial calculations.

- ◆ **Burns/Wiggins/Doerr Pension Calculation Errors** – Pending outcome of previous hearings.
  
- ◆ **IRS Regulations for Beneficiaries** – Keller Thoma will issue a written legal opinion. Mr. Erlenbeck noted that the major concern to be resolved is the implementation of IRS regulations that limit the pension amount that can be collected by a beneficiary, under the 100% survivorship option. The actuarial formula, which factors in the age of the beneficiary, may not allow for 100% of the monthly pension because the total amount that beneficiary could potentially collect would be much greater than the retiree would have received (retirement is calculated based on a formula that factors in the final average compensation, years of service and multiplier). A beneficiary's lower age requires a reduction factor, based upon the percentage of the retiree's pension they were to receive. Since the IRS is the governing body and the Ordinance states that the City Retirement System will abide by the IRS Code, the IRS regulations should supercede any Ordinance or Contract provisions. If the IRS limitations are not followed, there is the possibility that the IRS would not qualify the FERS Plan. Discussion followed. It was noted that the retirement calculation program may need to be modified to factor in the IRS age limitations and reduction factor and calculate the survivorship percentage correctly.

Further discussion was held regarding the need to rewrite the current retirement program from a DOS environment, which is no longer supported by GRS, to a Windows program. Staff asked the Board for authorization to contact the Actuary regarding program changes needed and the cost of conversion to Windows.

**A motion was made by Amy Lindman, and supported by Mary Bland, to request a quote from the Actuary (GRS) to rewrite the DOS retirement program to a Windows program and make the needed changes for survivorship issues, etc.**

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

Also, during discussion it was noted that there are various factors that may not be included, or need to be updated, in the GRS retirement calculation program; i.e., Social Security Equating Option calculations, various IRS regulations, Ordinances, union contract provisions, etc. Attorney Robbins stated that, per Keller Thoma, Ordinance amendments may be needed to ensure the System is in compliance with IRS regulations. Ms. Robbins noted that she has requested a copy of the IRS Tax Qualification Letter and documentation from the previous attorney, Habeeb Ghattas.

- ◆ **Overpayment/Underpayment Policy** – Attorney Robbins is working with the Professional Services Committee to draft a policy. The Board discussed under and overpayment issues and options that may be incorporated into the policy
- ◆ **FAC Calculation Policy** – Attorney Robbins is working with staff and the Professional Services Committee to draft a policy.
- ◆ ***Theron Wiggins vs. City of Flint and City of Flint Retirement System*** – The Board discussed Mr. Wiggins’ breach of contract lawsuit.

**A motion was made by Amy Lindman, and supported by Mary Bland, that the current case evaluation award in the Theron Wiggins’ lawsuit be rejected.**

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

## **20. PROFESSIONAL SERVICES COMMITTEE**

Mr. Erlenbeck reported that the Committee (Bob Erlenbeck, Michelle Kirkwood, Denise Bingaman, Amy Lindman, Suzi Bye) met and reviewed correspondence, including agenda item #s 12.4, 12.5, 12.6. Discussion followed.

**Item #12.4** - Request by Kathleen Robinson for reconsideration of a denial of a dis-ability retirement. A letter was sent in March indicating that, in order to be reevaluated, there must be a new medical condition or a significant change in the existing medical condition. Another letter will be sent detailing the requirements for a reapplication, including medical documentation.

**Item #12.5** - Response from HMC regarding Eddie Holmes, an employee who applied for a disability pension and was denied. Hurley has indicated that a job is available; therefore, no further Board action is required.

**Item #12.6** – Miles Gadola is requesting that his deferred retirement be rescinded. Since deferred retirements are not approved by the Board until their options are selected and they become eligible to draw a pension, a previous legal opinion from Attorney Ghattas indicated that a deferred retiree could rescind their deferred retirement at any time. The individual has been informed that the Retirement Board has no jurisdiction over his employment status.

**A motion was made by Amy Lindman, and supported by Cass Wisniewski, to accept the decision of Miles Gadola to rescind his application for deferred retirement.**

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

Further discussion was held regarding the issue of “permanent” job elimination provisions in union contracts and ordinances. There have been questions regarding what constitutes “permanent” elimination, which would allow those provisions to be applied, and whether a retirement can be rescinded if the job is reinstated. Chairman Bingaman referred the issue to Attorney I’Lanta Robbins for further review.

**21. FINANCE/INVESTMENT COMMITTEE**

Per Chairman Bingaman, no meeting of this committee has been held. Peter Dobrzeniecki is the Committee Chair.

**22. RETIREMENT ORDINANCE REVISION COMMITTEE**

Chairman Bingaman noted that the agenda will list issues that have been identified as problems to be addressed by the Ordinance Revision Committee. Committee membership will be discussed further at the October Board Meeting.

- ◆ Statute of Limitations for Correction of Errors
- ◆ HMC-MERS language
- ◆ MERS retirees cannot serve on the Board of Trustees
- ◆ Pension Retro Payments
- ◆ Payroll Errors (calculating FAC)
- ◆ Board Vacancies
- ◆ Board Membership Changes
- ◆ Trustees/Alternates
- ◆ Alternates – Election to Office
- ◆ 13<sup>th</sup> Check Issues
- ◆ Provision for Alternates for Administrative Trustees
- ◆ Elimination of Positions, Departments, etc. (five years)
- ◆ Pension Overpayments/Underpayments
- ◆ IRS Regulations for Beneficiaries
- ◆ Other Issues as reported by Staff and Board



**23. DB/DC CONVERSION**

- ◆ **Status Report** – Bob Erlenbeck reported that the City is waiting for ICMA and the Actuary to finalize the numbers and exchange all necessary documents.

**24. 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

**25. OTHER BOARD BUSINESS**

The Board discussed additional “errors” and “procedures” that may be found when it is necessary to review previously calculated pension files. Attorney Robbins stated that any new issues found, that have not previously been addressed, should be brought to the Board and Legal Counsel for review, on a case-by-case basis.

The Board further discussed the need to work with the Actuary to resolve various issues with the retirement program, including the calculation of the Social Security Equated Option.

Chairman Bingaman reported that the City Council approved the retirement fund contribution rates for fiscal year 2009 and the contributions will be corrected retroactively to July 1<sup>st</sup>, 2008.

**26. ADJOURNED**

**A motion was made by Amy Lindman, and supported by Robert Erlenbeck, to adjourn the meeting at 3:42 p.m.**

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

Respectfully submitted,

Peter Dobrzeniecki  
Retirement Board Secretary