

**City of Ann Arbor Employees' Retirement System  
Minutes for the Regular Meeting  
December 16, 2010**

The meeting was called to order by Nancy Sylvester, Chairperson, at 8:42 a.m.

**ROLL CALL**

Members Present:	Clark, Crawford, Flack, Hastie, Monroe, Nerdrum, Sylvester
Members Absent:	Fraser, Kaur
Staff Present:	Jarskey, Kluczynski, Powell, Refalo
Others:	Nancy Walker, Executive Director ( <i>effective January 3, 2011</i> ) Michael VanOverbeke, Legal Counsel Jack Ceo, City Retiree David Diephuis, City Resident Alan Panter, Abraham & Gaffney

Ms. Sylvester introduced and welcomed the newly-hired Executive Director, Nancy Walker. Nancy is scheduled to begin as the new director on January 3, 2011.

**AUDIENCE COMMENTS**

Mr. Diephuis stated that he appreciates the Board's hard work in the past year, especially with the various transitions and projects taken on to make the process better, more engaging, and run smoother and more understandable for both the residents and the members of the System. Ms. Sylvester thanked Mr. Diephuis for his involvement and interest as well.

**A. APPROVAL OF REVISED AGENDA**

It was **moved** by Nerdrum and **seconded** by Flack to approve the proposed agenda.

Ms. Sylvester requested that an additional discussion item be added to the agenda in order to discuss an extension of Mr. Powell's contract which expires on December 31, 2010. The Board agreed. Mr. Powell noted that the agenda has been revised as follows:

- D-1 Additional comments from Buck Consultants added to agenda packet
- D-4 Proposed Contract with Buck Consultants
- E-3 Benefit Calculation Software Options
- D-5 Contract Extension for Temporary Executive Director Position

It was **moved** by Flack and **seconded** by Nerdrum to approve the agenda as amended.  
**Approved as amended**

**B. APPROVAL OF MINUTES**

**B-1 November 18, 2010 Regular Board Meeting Minutes**

It was **moved** by Flack and **seconded** by Hastie to approve the November 18, 2010 Board Meeting minutes as presented.

**Approved**

**C. CONSENT AGENDA**

It was **moved** by Flack and **seconded** by Hastie to approve the following consent agenda:

**C-1 Purchase of Military Service Time**

**WHEREAS**, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

**WHEREAS**, Section 1:561(e) of the Retirement Ordinance, Chapter 18 of the Code of the City of Ann Arbor allows for prior Military Service Credit, and

**WHEREAS**, the Board is in receipt of an Application for Purchase of Military Service Time, therefore be it

**RESOLVED**, that the Board of Trustees hereby certifies that the following member(s) of the Retirement System have submitted the requisite documentation for the purchase of Military Service Time:

Name	Department	Requested Military Service Time	Requested Method of Payment	Cost for Purchase of Military Service Time
Roger Fraser	General	1 Year, 9 Months	Lump Sum Payment	\$ 12,718.54

**FURTHER RESOLVED**, that the applicant(s) purchasing Military Service Time be notified of the amount of money necessary to buy the Military Service Time, and upon full payment, the member(s) shall be credited the service time.

**C-2 EDRO Certification – Vicky Dziubinski v. Edwin J. Dziubinski**

**WHEREAS**, the Board of Trustees is in receipt of an Eligible Domestic Relations Order (“EDRO”) dated September 29, 2010, wherein Vicky Dziubinski, the Alternate Payee, is awarded certain rights to the benefits of Edwin J. Dziubinski, the Participant, and

**WHEREAS**, the Alternate Payee is entitled to claim a portion of the Participant’s retirement benefit which is subject to the Alternate Payee filing an application for same, and

**WHEREAS**, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as applicable, therefore be it

**RESOLVED**, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to an application being filed by the Alternate Payee or the Participant seeking payment, and further

**RESOLVED**, that upon application of either the Alternate Payee or the Participant this file be forwarded to the Pension Board’s actuary for calculation of the benefits, and further

**RESOLVED**, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and

**RESOLVED**, that copies of this resolution be sent to Karen Quinlan Valvo, Esq., attorney for the Alternate Payee; Lori A. Buiteweg, Esq., attorney for the Participant; and the Board's actuary.

**Consent agenda approved**

**D. ACTION ITEMS**

**D-1 Member Interest Credits for Calendar Year 2011**

Ms. Nerdrum presented the letter from Gabriel, Roeder, Smith & Company which calculates the rate of investment return for crediting interest to member account for the coming year. The letter indicates that the computed rate of return for the fiscal year ending June 30, 2010 is 6.6%, with the equivalent quarterly return being 1.61%, which should be credited to member accounts for the quarter ending March 31, 2011 and each of the remaining three quarters in calendar year 2011.

Ms. Nerdrum stated that Mr. Langer of Buck Consultants was provided with this information and has submitted his comments as part of the revised agenda:

- *In our experience, many retirement systems have adopted a fixed rate of 3% to 5% as the crediting rate for member contributions. That being said, I have encountered market-based crediting as seen here.*
- *Our understanding is that if a member voluntarily leaves the member contribution balance within the retirement system, these rates are credited to the account. So a member with a balance in the system now is guaranteed to receive 6.6% per year for the upcoming year. A 6.6% returns is generally higher than other risk free returns. Certainly the 9.2% credited during 2009 was higher than risk free returns. Actuarial smoothing takes much of the volatility out of the amount credited to member accounts, while allowing the members to receive the risk premium.*
- *Under the current methodology, there is a (remote) chance that a negative crediting rate can occur. That is generally undesirable for member contribution balances.*

The Board discussed the comments and decided that no changes will be made at this time due to the timing of the letter, and that the Board will acknowledge receipt of the Member Interest Credits letter from Gabriel, Roeder, Smith & Company and leave it as it stands. Ms. Nerdrum stated that she believes that Mr. Langer's comments are relevant and the Audit Committee should consider looking into those suggestions in the coming year.

It was **moved** by Flack and **seconded** by Crawford to accept Gabriel, Roeder, Smith & Company's interest crediting calculation.

**Approved**

**D-2 Designation of Individuals Authorized to Represent the City of Ann Arbor Employees' Retirement System with Respect to The Northern Trust Company (Powell)**

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Board of Trustees is required to act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims, and

WHEREAS, Section 1:556(3) of Chapter 18 of the Code of Ordinances, City of Ann Arbor, Michigan, provides that the Retirement System assets may from time to time be placed with a custodial service provider designated by the Board of Trustees, and

WHEREAS, Section 20(f) of Public Act 314 of 1965, as amended, provides that an investment fiduciary may use 1 or more nominees to facilitate transfer of the Retirement System's securities and may hold the securities in safekeeping with the federal reserve system, a clearing corporation, or a custodian bank which is a member of the federal reserve system, and

WHEREAS, the Board of Trustees and City Treasurer have heretofore determined that The Northern Trust Company, an Illinois corporation, is a firm with the professional expertise and capability to provide services permitted pursuant to Section 20(f) of Public Act 314 of 1965, as amended, and

WHEREAS, Section 13(4) of Public Act 314 of 1965, as amended, permits the Board of Trustees to use a portion of the income of the Retirement System to defray the costs of investing, managing, and protecting the assets of the Retirement System; and may retain investment and all other services necessary for the conduct of the affairs of the Retirement System; and may pay reasonable compensation for those services, and

WHEREAS, The Board of Trustees and The Northern Trust Company entered into a Master Custody Agreement regarding the assets of the City of Ann Arbor Employees' Retirement System effective February 1, 1998, and

WHEREAS, from time to time, the Board of Trustees, by resolution, needs to advise The Northern Trust Company of the individuals authorized to represent the City of Ann Arbor Employees' Retirement System with respect to The Northern Trust Company, therefore it be

RESOLVED, that any two of the following individuals: Nancy R. Walker, Judith Refalo, and N. Gail Jarskey are authorized to act for and on behalf of the Board of Trustees from time to time in taking all such action under the Master Custody Agreement as may be necessary to carry out the intent and meaning of the Agreement, including effecting intra account transfers, in writing, for all Northern Trust Company trust accounts as related to the Retirement System; and

FURTHER RESOLVED, that any two of the following individuals: Nancy R. Walker, Judith Refalo, and N. Gail Jarskey are authorized to instruct in writing The Northern Trust Company to effect wire transfers from the aforementioned trust accounts on behalf of the Board of Trustees, and

FURTHER RESOLVED, that any two of the following individuals: Nancy R. Walker, Judith Refalo, N. Gail Jarskey are authorized to instruct in writing The Northern Trust Company to effect wire transfers from the Ann Arbor-Cash Account to the City of Ann Arbor JP Morgan Chase wire payment account when specified as City of Ann Arbor Employees' Retirement System reimbursement to the City Retirement System staff wages and fringe benefits on behalf of the Board of Trustees, with the limitation that all such wires must be signed and co-signed by at least two of the following individuals: Nancy R. Walker, Judith Refalo, or N. Gail Jarskey, and

FURTHER RESOLVED, that this resolution supersedes any previous representations to The Northern Trust Company relating to the designation of individuals authorized to represent the City of

Ann Arbor Employees' Retirement System with respect to The Northern Trust Company, and

FURTHER RESOLVED, that this resolution, beginning January 3, 2011, shall be in full force and effect and binding upon the Board of Trustees until it is repealed and until written notice of a repeal is delivered to The Northern Trust Company at its office in the City of Chicago, Illinois.

It was **moved** by Crawford and **seconded** by Nerdrum to approve the resolution for the Designation of Individuals Authorized to Represent the City of Ann Arbor Employees' Retirement System with Respect to The Northern Trust Company.

**Approved**

**D-3 Investment Consultant Recommendation from the Investment Policy Committee**

Mr. Flack stated that the IPC interviewed six of the investment consulting finalists at the Committee meeting on December 7<sup>th</sup>. The Committee continued their discussion before this Board meeting, and narrowed the list down to four finalists that will be asked to come in for a second interview on January 4, 2011. Mr. Flack anticipates making a recommendation to the Board at the January 20<sup>th</sup> regular meeting.

**D-4 Proposed Contract with Buck Consultants**

Ms. Nerdrum stated that she has been working with Mr. VanOverbeke and Mr. Langer on the various changes as discussed at the last meeting, which have been incorporated into the proposed contract. Mr. VanOverbeke noted a minor change to one of the captions, which will be corrected prior to execution of the contract. Mr. VanOverbeke also stated that the benefit calculator software and the web calculator are still being resolved, and those issues could be incorporated into the document at a later date in time. Mr. Crawford noted a minor language correction in the contract.

It was **moved** by Flack and **seconded** by Clark to approve the proposed contract with Buck Consultants.

**Approved**

**D-5 Contract Extension for Temporary Executive Director Position**

Ms. Sylvester stated that Mr. Powell's contract ends on December 31<sup>st</sup>, and perhaps there should be another extension added in order for Mr. Powell to continue so that he is able to train Ms. Walker, who is scheduled to begin as the new Executive Director on January 3, 2011. It was decided that the current contract will be further extended for 30 days (until January 31<sup>st</sup>), and Ms. Walker will be asked to provide a status report at the January 20<sup>th</sup> Board meeting.

It was **moved** by Nerdrum and **seconded** by Monroe to extend Mr. Powell's current contract up to January 31, 2011.

**Approved**

**E. DISCUSSION ITEMS**

**E-1 Credit Service Request**

Mr. VanOverbeke stated that the Board has received a letter regarding a service credit request from a firefighter, and the practice of the Board over the years has been that once an individual is engaged as a full-time employee, the service is looked at as hours worked on a per-calendar-month basis and it has to be hours worked as regular hours and not overtime hours. This individual did get

suspended but was able to work overtime hours in a given month and that overtime at time and a half got him to the requisite number of hours to have gotten service credit but because it required the use of overtime hours to get him there, he was not given a month of service credit. Mr. VanOverbeke understands that this is how the Board has uniformly administered this as far back as Ms. Refalo is aware and so the request for service credit is inconsistent with the practices of the Board. The current Ordinance does not speak to this practice, but the rewrite of the Ordinance should clarify this issue. Mr. VanOverbeke stated that once the Ordinance is passed, the APC should work on drafting an FAC of Service Credit Policy that spells out all the nuances of how these situations should be handled. Mr. VanOverbeke stated that this individual did in fact get suspended for one month and received a loss of service credit for that month.

It was **moved** by Crawford and **seconded** by Hastie to acknowledge receipt of the correspondence from Matt Schroeder dated November 15, 2010 and to indicate the Board's denial of this request for the additional month of service, which is inconsistent with the current and past administrative practices.

**Motion passes 6-1 (Flack abstained)**

**E-2 Fiduciary Liability Insurance**

Ms. Sylvester stated that this issue was brought for discussion because the Board is part of the City's liability insurance with a \$10 million cap, so she questioned that if there is an issue within a given year that drains \$8 million for example, would that mean that there is \$2 million left for the rest of the City and is \$10 million enough insurance given the size of our Plan, as well as a concern about the premiums being paid out of Plan assets. Ms. Sylvester understands from training sessions that if the insurance is paid out of Plan assets, it is not a valid coverage.

Mr. VanOverbeke stated that there are a lot of plans in the state that do not carry fiduciary liability insurance, and the cost of insurance versus the coverage is a business decision in the end, and the incidents of fiduciary liability in the State of Michigan in public sector plans is very rare. The most important fiduciary insurance that the Board carries has been to hire an investment consultant that does portfolio monitoring, a custodial bank that has custody of the assets, an attorney that specializes in public plans, an actuary, and Trustees that conduct due diligence visits to new managers and vendors. Where there would be a fiduciary claim would be if a Trustee does something that a prudent trustee acting in like circumstances with similar goals and aims would never have done. Mr. VanOverbeke stated that this Board is at the forefront and doing better than most of its peers, and on that level he believes a \$10 million policy of fiduciary liability is appropriate.

Mr. VanOverbeke stated that with regards to the payment of the premiums out of the assets of the Plan, it comes out of the Department of Labor ruling in the private sector and doesn't apply to public sector plans although we do look to the Department of Labor sometimes for guidance. Mr. VanOverbeke continued to say that if you pay for a fiduciary liability policy out of plan assets, that policy needs to have a right of the insurance carrier to come after a trustee individually for a true gross negligent breach of their fiduciary responsibility. Mr. Powell stated that he did contact the insurance company regarding the current cap, and they indicated that \$10 million is within the standard and they do not recommend obtaining more than what we have based upon our plan assets. Mr. Crawford stated that this Board and the VEBA Board are the only fiduciaries covered under the policy. Ms. Nerdrum believes that the contract should specifically name the two boards in the contract rather than read as the City of Ann Arbor and its Subsidiaries. Mr. VanOverbeke stated that within the policy, the two Boards are named, but not in the heading. Mr. Powell stated that he will contact Matt Horning, the City Treasurer, and ask if the policy could be adjusted to only name the two Boards in the title. Mr. Hastie suggested finding out if the policy would be cheaper if only the two Boards were named.

### **E-3 Benefit Calculation Software Options**

Mr. Powell stated that staff has met with both Pension Gold and Buck Consultants to view their benefit calculation software. Ms. Nerdrum asked what will happen at the end of this year with regards to GRS' current services. Mr. Powell stated that Mr. Langer of Buck Consultants recommends signing the short-term contract as submitted by GRS. Mr. Powell stated that his only concern is with the current GRS calculator and the pending Ordinance rewrite which includes the new Option IV benefit (period-certain) that the calculator has not been programmed to calculate. Mr. Powell stated that even though Buck Consultants could do the calculation for that option separately, staff usually prefers to indicate the amount of the option ahead of time when explaining benefits to employees looking to retire. Mr. VanOverbeke stated that in his experience, an individual choosing the period-certain option is very rare and is typically only used by someone who is divorced or single and retiring with minor children or children in college, and usually the calculations are done after someone requests the option or wants further information. The issue is that GRS has indicated that they will no longer certify the calculations being performed on the current program as being accurate after the first of the year; the software will remain the same and will not need to be modified until the pending Ordinance rewrite is approved by City Council. Mr. VanOverbeke stated that in speaking with Buck Consultants, they feel it is totally appropriate, in the interim, that once the final calculations are created on the GRS software, that those finals are forwarded to Buck Consultants for review and certification. Buck Consultants has also agreed to provide any period-certain calculations when needed throughout the transitional period. Mr. VanOverbeke suggested requesting a sample illustration from Buck Consultants to show an employee who is interested in choosing Option IV.

Mr. Powell compared and explained costs and services that could be provided by each of the two firms. Mr. Powell stated that if the Board chooses to go with Buck Consultants, it would require a lot of transition work by the City's I.T. Unit, and they are not available until after the first quarter of 2011 due to the moving in the new building downtown, but Pension Gold would not require services from I.T. because that program already has all of the data needed for their calculation software. Mr. Powell indicated that staff is already familiar with the Pension Gold program and believes it would be easier to use and could be implemented faster than the Buck Consultants software. Ms. Nerdrum stated that she feels she does not have enough information to make a decision of one firm over another at this time, and with this being a long-term decision, a selection should not be made quickly. Ms. Nerdrum suggested that an additional meeting be scheduled to further explore the two programs in-depth. The Board decided to combine the January Administrative Policy Committee and Audit Committee meetings in order to have both firms come in on Tuesday, January 11, 2011 at 1:00 p.m. to provide an additional presentation of their programs. Mr. VanOverbeke expressed an interest in attending this meeting, and the Board agreed.

## **F. REPORTS**

### **F-1 Executive Report**

#### **NEW EXECUTIVE DIRECTOR**

The level 2 background investigation results on the new Executive Director conducted by Fifer Investigations, LLC were very clean. The Executive Director has signed and returned the contract. She is slated to begin work on January 3, 2011.

#### **SEPTEMBER 30, 2010 EMPLOYEE CONTRIBUTION STATEMENT**

It came to our attention in early December that the interest rate applied to the 9/30/2010 statements

was incorrect. The interest rate is set each year and the quarterly calculation is verified for accuracy during the first quarter of the year. Since the interest rate is not changed during the year once it is verified it is set. Due to a faulty date in the set up of the 9/30/2010 statements the system defaulted to an earlier interest rate. The interest rate has been corrected and revised statements have been sent out. We have instituted an additional review process that will have a second person reviewing the statements for accuracy to ensure that this will not happen again.

**RMP INVESTMENTS**

RMP Investments, the developer and manager, of the condominium units of this complex has voluntarily gone into a friendly receivership. The receivership was appointed by the lender and not the courts. Broder & Sachse Real Estate Service has been appointed as property manager of the premises. Staff communicated with Broder & Sachse Real Estate Service by phone and is expecting to meet with a company representative in the near future. Broder & Sachse will be putting together a budget to maintain the properties soon and the Retirement System will be expected to begin paying its share of the association fees. A discussion ensued regarding past association fees because the System has not paid any association fees since moving into the space in October 2008. There was no conclusion on the payment of past fees. A discussion will take place in the near future regarding the past fees.

**TRANSITION LETTER FROM GABRIEL ROEDER & SMITH**

Please see the transition letter below from Judith A. Kermans, EA, MAAA, FCA, Midwest Regional Director from Gabriel, Roeder, Smith & Company, regarding an extension of actuarial services.

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*GRS Transition Discussion:* The Board discussed the transition letter submitted by Gabriel, Roeder, Smith & Company regarding an extension of actuarial services. Ms. Nerdrum stated that she was extremely discouraged by GRS' lack of willingness to partner for a relationship that lasted 60+ years, and feels they could have offered to do a little more to make everyone's job a little easier but chose not to. After further discussion, the Board decided to continue to use the GRS benefit calculation software in the interim, with the final calculations to be certified by Buck Consultants, and that the letter submitted by GRS will not be signed, rather, correspondence should be sent to GRS from staff indicating what data Buck Consultants will require in the transition. A discussion ensued regarding the on-line web calculator being hosted by GRS, and it was decided that the System will pay the \$750 hosting fee in order to continue to keep the web calculator active until June 30, 2011.

It was **moved** by Nerdrum and **seconded** by Flack to direct the Executive Director to contact Buck Consultants to verify the data that they need as part of the transition services with Gabriel, Roeder, Smith & Company, and to forward correspondence indicating that documentation as well as indicating that we agree to pay \$750 for continued hosting of the web calculator through June 30, 2011, and that a response is requested by December 27, 2010.

**Approved**

**F-2 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended November 30, 2010**

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended November 30, 2010, to the Board of Trustees:

11/30/2010 Asset Value (Preliminary)	\$387,566,918
10/31/2010 Asset Value (Audited by Northern)	\$381,684,986



Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$36,781,891
Percent Gain <Loss>	10.1%
<b>December 15, 2010 Asset Value</b>	<b>\$392,661,183</b>

### **F-3 Investment Policy Committee Report – December 7, 2010**

Following are the Investment Policy Committee minutes from the meeting convened at 12:05 p.m. on December 7, 2010:

Member(s) Present: Flack, Hastie, Monroe, Sylvester (dep. 5:13)  
Member(s) Absent: None  
Other Trustees Present: Clark (dep. 5:13), Crawford (12:20)  
Staff Present: Kluczynski, Powell  
Others Present: Various Candidates

#### **INVESTMENT CONSULTANT INTERVIEWS**

The Committee interviewed the following six investment consulting firms throughout the afternoon:

##### **Asset Consulting Group**

George A. Tarlas, CFA, Managing Director  
John P. Jackson, CFA, Director

##### **Gregory J. Schwartz & Co., Inc.**

Edward A. Schwartz, President  
Matthew J. Whitty, Associate Director Institutional Services  
Gregory J. Schwartz, Sr., Chairman of the Board, Founder

##### **Morgan Stanley Smith Barney / The Holycross Group**

Michael W. Holycross, CIMA, Sr. Vice President, Senior Institutional Consultant  
Brian C. Green, Consulting Group Analyst  
Glenn Regan, CFA, Director of Investment Advisor Research  
Nicolas Richard, CFA, Director of Strategic Asset Allocation

##### **New England Pension Consultants**

Richard M. Charlton, Chairman & CEO  
Kristin R. Finney-Cooke, Senior Consultant  
Jeffrey O. Pickett, CFA, CAIA, Consultant

##### **Meketa Investment Group**

W. Fran Peters, CFA, CAIA, Principal  
Henry Jaung, Associate Principal

##### **Gray & Company**

Laurence O. Gray, President & Chief Executive Officer  
Christopher J. Kuhn, CFA, Senior Consultant  
Robert C. Hubbard IV, Senior Consultant & Chief Operating Officer

(Ms. Sylvester and Mr. Clark departed at 5:13 p.m.)

## DISCUSSION

The Committee held a lengthy discussion regarding the six finalist presentations and decided that an additional IPC meeting should be scheduled in order to further discuss the options with the full Committee and any interested Board members before the next regular Board meeting. Mr. Hastie stated that he would draft the notes from the discussion and forward them to the full Board for review before the next IPC meeting on Thursday, December 16, 2010 at 7:00 a.m.

## ADJOURNMENT

It was ***moved*** by Monroe and ***seconded*** by Hastie to adjourn the meeting at 6:30 p.m.  
**Meeting adjourned at 6:30 p.m.**

F-4 **Administrative Policy Committee Report – No Report**

F-5 **Audit Committee Report – None**

F-6 **Legal Report**

Mr. VanOverbeke updated the Board on the pending PA 314 legislation.

### **G. INFORMATION**

G-1 **Communications Memorandum**

The Communications Memorandum was received and filed.

G-2 **January Planning Calendar**

The January Planning Calendar was received and filed, noting the adjustments to the IPC, APC, and AC meetings for that month.

G-3 **Board Tracking Report**

The Board Tracking Report was received and filed.

G-4 **Record of Paid Invoices**

The following invoices have been paid since the last Board meeting.

	<b>PAYEE</b>	<b>AMOUNT</b>	<b>DESCRIPTION</b>
1	<b>DTE Energy</b>	<b>76.58</b>	Monthly Gas Fee dated November 9, 2010
2	<b>DTE Energy</b>	<b>199.68</b>	Monthly Electric Fee dated November 9, 2010
3	<b>AT&amp;T</b>	<b>112.27</b>	Monthly Long-Distance Telephone Service
4	<b>Gray &amp; Company</b>	<b>8,746.95</b>	Investment Consultant Retainer – October 2010
5	<b>Levi, Ray &amp; Shoup, Inc.</b>	<b>337.50</b>	Hourly support fees - Pension Gold
6	<b>Gabriel, Roeder, Smith &amp; Co.</b>	<b>7,675.00</b>	Normal actuarial/cons. services – 10/1/10-12/31/10
7	<b>Fisher Investments</b>	<b>40,907.83</b>	Investment Mgmt. Fees – 7/1/10 – 9/30/10
8	<b>Ann Arbor.com</b>	<b>19.13</b>	Newspaper overage payment
9	<b>State Street Global Advisors</b>	<b>778.35</b>	Investment Mgmt. Fees – 7/1/10 – 9/30/10
10	<b>AT&amp;T</b>	<b>79.76</b>	Monthly toll-free telephone service

11	Coverall North America, Inc.	140.00	Office Cleaning Services for December 2010
12	Staples Advantage	119.62	Misc. Office Supplies
13	Judi Refalo	359.32	Travel reimbursement for IFEBP Cert Series - 10/2010
14	Comcast	75.92	Monthly Cable Fee
15	Levi, Ray & Shoup, Inc.	375.00	Pre & Post Tax Contribution Changes
<b>TOTAL</b>		<b>60,002.91</b>	

### G-5 Retirement Report

The following employees have completed their paperwork for retirement

Name	Type of Retirement	Effective Date	Group	Years of Service	Service Area
George Coval	Age & Service	January 1, 2011	General	18 years, .5 months <i>(2 years, 7 months military service credit)</i>	Public Services/ Street Maintenance
Michael Rankin	Age & Service	January 15, 2011	General	35 years, 2.5 months <i>(28 years, 7 months reciprocal credit)</i>	Public Safety / Community Standards
Allan Perry	Early/Age & Service	January 24, 2011	Fire	20 years	Public Safety / Fire
Steven Copeland	Age & Service	January 28, 2011	General	31 years, 2.5 months <i>(10 years, 4 months reciprocal credit)</i>	Public Services/ Field Operations
Miriam Quinzy	Age & Service	January 31, 2011	General	25 years, 7.5 months	Administration/ Clerk's Office

### G-6 2011 Board & Committee Schedule

#### Retirement Board Meetings:

- Thursday, January 20, 2011 – 8:30 a.m.
- Thursday, February 17, 2011 – 8:30 a.m.
- Thursday, March 17, 2011 – 8:30 a.m.
- Thursday, April 21, 2011 – 8:30 a.m.
- Thursday, May 19, 2011 – 8:30 a.m.
- Thursday, June 16, 2011 – 8:30 a.m.
- Thursday, July 21, 2010 – 8:30 a.m.
- Thursday, August 18, 2011 – 8:30 a.m.
- Thursday, September 15, 2011 – 8:30 a.m.
- Thursday, October 20, 2011 – 8:30 a.m.
- Thursday, November 17, 2011 – 8:30 a.m.
- Thursday, December 15, 2011 – 8:30 a.m.

**Retiree Health Care Benefit Plan & Trust (VEBA Trust) Meetings:**

- Directly following each of the monthly Retirement Board Meetings above

**Committee Meetings:** *(Dates and times subject to change)*

- Investment Policy Committee – 1st Tuesday of every month, 3:00 p.m.
- Administrative Policy Committee – 2nd Tuesday of every month, 3:00 p.m.
- Audit Committee – 2nd Tuesday of every month, 4:00 p.m.

**Retirement System Board Retreat** – *Undetermined at this time.*

**H. TRUSTEE COMMENTS**

Ms. Sylvester wished the Board and staff a happy holiday.

Mr. Hastie suggested that a review of internal controls be added as a future agenda item which would benefit the newer Trustees and Executive Director. The Board agreed.

**I. PRESENTATION - Financial Audit for the Fiscal Year Ended June 30, 2010 - Abraham & Gaffney**

Mr. Panter from Abraham & Gaffney presented the Financial Audit for the fiscal year ended June 30, 2010. Mr. Panter stated that the Audit went well this year, and thanked Mr. Powell and Ms. Jarskey for their assistance throughout the process. Mr. Panter indicated that A&G encountered no significant difficulties in dealing with management in performing and completing this year's audit.

**J. ADJOURNMENT**

It was **moved** by Crawford and **seconded** by Flack to adjourn the meeting at 10:31 a.m.  
**Meeting adjourned at 10:31 a.m.**

**Nancy R. Walker, Executive Director  
City of Ann Arbor Employees' Retirement System**