

**City of Ann Arbor Employees' Retirement System
Minutes for the Regular Meeting
June 18, 2009**

The meeting was called to order by Nancy Sylvester, Chairperson, at 8:30 a.m.

ROLL CALL

Members Present:	Flack, Fraser, Heatley, Hescheles, Kahan, Kaur, Nerdrum, Sylvester
Members Absent:	Crawford
Staff Present:	Kluczynski, Powell, Refalo
Others:	Michael VanOverbeke, Legal Counsel David Diephius, City Resident Jeanna M. Cullins, Ennis Knupp Saba Hashmi, Ennis Knupp Sam Gallo, Ennis Knupp Jamie Adkins, City Employee

AUDIENCE COMMENTS

Mr. Diephius commented on his desire to have the supporting documentation for general agenda items available to the public before the monthly Board meetings, and urged the Board to allow the public to review and understand the agenda items before any action is taken by the Board.

A. APPROVAL OF REVISED AGENDA

Mr. Powell stated that the following items have been revised since the distribution of the agenda packet:

- C-31 Authorization for Payment of Invoices – additional invoices received
- C-32 Reciprocal Retirement Act – Service Credit
- C-33 EDRO Resolution – Jennifer Hubbard v. Michael Roberts
- D-5 Approval of Merger of Independence Investments with Boston-Based Munder Capital

It was **moved** by Kahan and **seconded** by Heatley to approve the revised agenda.

Approved

B. APPROVAL OF MINUTES

B-1 April 16, 2009 Regular Board Meeting Minutes

It was **moved** by Heatley and **seconded** by Kahan to approve the April 16, 2009 meeting minutes as presented.

Approved

B-2 May 21, 2009 Regular Board Meeting Minutes

It was **moved** by Flack and **seconded** by Kahan to approve the May 21, 2009 regular Board Meeting minutes as presented.

Approved

C. CONSENT AGENDA

It was **moved** by Flack and **seconded** by Fraser to approve the following Consent Agenda:

Mr. Flack commented on item C-28, the preliminary approval for Samuel Hopkins' retirement, saying it was quite a shock to his department and he hopes that somehow he will change his mind about retiring. Mr. Fraser requested a momentary recess so that he could try to contact Mr. Hopkins, because he understood that Mr. Hopkins had agreed to postpone his retirement until the end of September 2009. Mr. VanOverbeke noted that if Mr. Hopkins cannot be reached, the Board can approve the retirement as is, and Mr. Hopkins would still have until June 29th to make any changes. The Board agreed to take a short recess at 8:35 a.m.

The Board reconvened at 8:45 a.m. Mr. Fraser was unable to reach Mr. Hopkins, and Ms. Sylvester stated that no changes will be made to the following consent agenda.

Preliminary Retirement Resolutions

C-1 Preliminary Approval for Service Retirement for Cornell Walker

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Cornell Walker (Applicant)**, dated May 5, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Cornell Walker** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-2 Approval of Service Retirement for Kristian Leyrer

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Kristian Leyrer (Applicant)**, dated May 6, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Kristian Leyrer** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-3 Approval of Service Retirement for Khurum Sheikh

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Khurum Sheikh (Applicant)**, dated May 6, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Khurum Sheikh** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-4 Approval of Service Retirement for Christopher Heatley

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Christopher Heatley (Applicant)**, dated May 7, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Christopher Heatley** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-5 Approval of Service Retirement for Bradley Hill

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Bradley Hill (Applicant)**, dated May 11, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Bradley Hill** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-6 Approval of Service Retirement for Ginamarie Sbroglia

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Ginamarie Sbroglia (Applicant)**, dated May 12, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Ginamarie Sbroglia** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-7 Approval of Service Retirement for Rebecca Stanford – See Action Item D-3

C-8 Approval of Service Retirement for James Williams

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **James Williams (Applicant)**, dated May 15, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **James Williams** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-9 Approval of Service Retirement for Richard Kinsey

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Richard Kinsey (Applicant)**, dated May 22, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Richard Kinsey** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-10 Approval of Service Retirement for Mark DeFrain

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Mark DeFrain (Applicant)**, dated May 22, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Mark DeFrain** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-11 Approval of Service Retirement for Michael Watchowski

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Michael Watchowski (Applicant)**, dated May 26, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Michael Watchowski** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-12 Approval of Service Retirement for Brian Zasadny

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Brian Zasadny (Applicant)**, dated May 27, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Brian Zasadny** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-13 Approval of Service Retirement for Mark Purcell

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Mark Purcell (Applicant)**, dated May 27, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Mark Purcell** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-14 Approval of Service Retirement for James Stephenson

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **James Stephenson (Applicant)**, dated May 28, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **James Stephenson** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-15 Approval of Service Retirement for Michael Logghe

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Michael Logghe (Applicant)**, dated May 28, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Michael Logghe** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-16 Approval of Service Retirement for Elizabeth Lindsley

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Elizabeth Lindsley (Applicant)**, dated May 26, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Elizabeth Lindsley** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-17 Approval of Service Retirement for Eddy Stuck

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Eddy Stuck (Applicant)**, dated June 1, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Eddy Stuck** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-18 Approval of Service Retirement for Brian Jatczak

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Brian Jatczak (Applicant)**, dated June 1, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Brian Jatczak** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the

retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-19 Approval of Service Retirement for Joseph Campbell

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Joseph Campbell (Applicant)**, dated June 2, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Joseph Campbell** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-20 Approval of Service Retirement for Thomas Tanner

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Thomas Tanner (Applicant)**, dated June 2, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Thomas Tanner** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the

applicable benefit amounts.

C-21 Approval of Service Retirement for Cynthia Avery – See Action Item D-4

C-22 Approval of Service Retirement for David Feeley

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **David Feeley (Applicant)**, dated June 8, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **David Feeley** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-23 Approval of Service Retirement for Tony Williams

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Tony Williams (Applicant)**, dated June 8, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Tony Williams** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-24 Approval of Service Retirement for Henry Forbes

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Henry Forbes (Applicant)**, dated June 4, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Henry Forbes** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-25 Approval of Service Retirement for Jeffrey Connelly

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Jeffrey Connelly (Applicant)**, dated June 1, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Jeffrey Connelly** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-26 Approval of Service Retirement for Paula Hoeft

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Paula Hoeft**

(Applicant), dated June 3, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Paula Hoefft** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-27 Approval of Service Retirement for Michael Anderson

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Michael Anderson (Applicant)**, dated June 10, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Michael Anderson** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-28 Approval of Service Retirement for Samuel Hopkins

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Samuel Hopkins (Applicant)**, dated May 29, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining

agreement, therefore be it

RESOLVED, that said application for service retirement of **Samuel Hopkins** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

C-29 Approval of Service Retirement for Michael Bergren

WHEREAS, the Board of Trustees is in receipt of an application for retirement from **Michael Bergren (Applicant)**, dated June 9, 2009, and

WHEREAS, it appears, based on preliminary information provided, that said Applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for service retirement of **Michael Bergren** is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary, and further

RESOLVED, that upon receipt of all required certificates/forms completed by said Applicant and following said Applicant's last date on the active payroll, a retirement calculation will be completed based upon the certified numbers from the City of Ann Arbor Finance Department, and further

RESOLVED, that the Board's actuarial program certified by the Board's actuary shall perform the retirement calculation and employer transfer to the retiree reserve fund to the Board of Trustees as soon as possible, and further

RESOLVED, that upon receipt of the retirement calculations completed by the Board's actuarial software, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts.

Final Retirement Resolutions

C-30 Approval for Early/Service Retirement for Kenneth Carlisle

WHEREAS, **Kenneth Carlisle** (Participant) has submitted an application for an early/service retirement to the Board of Trustees requesting an effective retirement date of May 16, 2009, and

WHEREAS, said Participant has been credited with 23 years and 6.5 months of service credit, and

WHEREAS, the Board of Trustees has verified that the aforesaid Participant meets all those

requirements for an early/service retirement as established pursuant to the provisions of the Retirement System and applicable collective bargaining agreement, and

WHEREAS, said Participant has provided all necessary data and certificates/forms to the Board of Trustees, and

WHEREAS, the Board of Trustees has provided all necessary personal and financial data to the Board of Trustees' actuary who has completed all necessary reports relating to Participant, and

WHEREAS, said Participant has elected to receive an Option III, 50% Joint & Survivor with pop-up form of benefit (and nominated Linda Carlisle, wife, as option beneficiary), and

WHEREAS, said Participant has requested no annuity withdrawal under the provisions of the Retirement System and collective bargaining agreement, therefore be it

RESOLVED, that an early/service retirement is hereby granted to **Kenneth Carlisle** (Participant), effective May 16, 2009, and further

RESOLVED, that benefits be paid consistent with the foregoing, and further

RESOLVED, that copies of this resolution be forwarded to said Participant and the appropriate City representatives.

Resolutions:

C-31 Authorization For Payment of Invoices (\$ 37,669.07)

WHEREAS, The Board of Trustees is vested with the general administration, management and operation of the Retirement System; and

WHEREAS, Section 13(4) of Public Act 314 of 1965, as amended, provides that an investment fiduciary may use a portion of the income of the system to defray the costs of investing, managing, and protecting the assets of the system, may retain services necessary for the conduct of the affairs of the system, and may pay reasonable compensation for those services; 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, the Board of Trustees has previously approved a resolution at its regular meeting of June 19, 1997 to have accounts payable services provided through its custodian bank, The Northern Trust Company; and

WHEREAS, the Board is of the opinion that prompt payment to service providers for services rendered is appropriate and in the best interest of the plan; therefore be it

RESOLVED, that the Board of Trustees' custodial bank, The Northern Trust Company, is authorized and directed to provide payment to the following vendors and providers of service in the amount as indicated upon receipt by the Board of appropriate invoices or as required by lease agreements, subject to (a) review and approval of said invoices and lease agreements by appropriate Board representatives and (b) payment authorization signed by Nancy Sylvester/Chairperson, Chris Heatley/Vice-Chairperson, or Jeffrey Kahan/Secretary, and Willie J. Powell/Executive Director.

PAYEE	AMOUNT	DESCRIPTION
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1	Gray & Company	7168.67	Investment Consultant Retainer – May 2009
2	Coverall North America, Inc.	140.00	Office Cleaning Services for June 2009
3	Comcast	75.85	Monthly Cable Fee
4	Afternoon Delight	517.15	Money Manager Forum – 5/29/2009
5	Gabriel, Roeder, Smith & Co.	1,378.75	Cost calculations for 2009 retiree benefit increase
6	Ennis Knupp & Associates	27,500.00	Consulting fee in connection with 1 st qtr of 110,000 fee
7	Abraham & Gaffney, P.C.	500.00	Prelim. Fieldwork for the year ended June 30, 2009
8	AT&T	100.58	Monthly Long-Distance Telephone Service
9	Arthur J. Gallagher Risk Mgmt. Svcs.	30.00	Notary Renewal Fee – Lora Kluczynski
10	DTE Energy	43.54	Monthly Gas Fee dated
11	DTE Energy	214.53	Monthly Electric Fee dated
TOTAL		37,669.07	

C-32 Reciprocal Retirement Act – Service Credit

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 acknowledges that, effective July 14, 1969, the City of Ann Arbor adopted the Reciprocal Retirement Act, Public Act 88 of 1961, as amended, to provide for the preservation and continuity of retirement system service credit for public employees who transfer their employment between units of government, and

WHEREAS, the Board acknowledges that a member may use service credit with another governmental unit to meet the eligibility service requirements of the Retirement System, upon satisfaction of the conditions set forth in the Reciprocal Retirement Act, and

WHEREAS, the Board is in receipt of requests to have service credit acquired in other governmental unit retirement systems recognized for purposes of receiving benefits from the Retirement System, 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 recognition of reciprocal retirement credit:

Name	Classification	Reciprocal Service Credit	Prior Reciprocal Retirement Unit
Michael Montgomery	Police	1 Year, 9 Months	Charter Township of Lansing
Lisa Mitchell	General	*11 Years, 2 Months	City of Detroit

RESOLVED, that the Board of Trustees notes that pursuant to the Reciprocal Retirement Act, said reciprocal retirement credit may only be used for purposes of meeting the retirement eligibility requirements of the Retirement System and that retirement benefits will be based upon actual service rendered to the City and shall be made payable consistent with the City Charter, applicable collective bargaining agreements, Retirement System policies/procedures, and applicable laws (specifically, MCL Public Act 88 of 1961, as amended), and further

RESOLVED, that a copy of this resolution shall be provided to the appropriate City and Union representatives and interested parties. **Corrected from December 2008 Reciprocal Resolution*

C-33 EDRO Resolution – Jennifer Hubbard v. Michael Roberts

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO") dated March 20, 2009, wherein Jennifer N. Hubbard, the Alternate Payee, is awarded certain rights to the benefits of Michael A. Roberts, 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 Jennifer N. Hubbard, the Alternate Payee; Michael A. Roberts, the Participant; Nancy Keppelman, Esq., and the Board's actuary.

Consent agenda approved

D. ACTION ITEMS

D-1 Investment Policy Committee Chairperson Nomination

Mr. Heatley nominated Mr. Flack as IPC Chairperson. Mr. Flack accepted. Ms. Sylvester entertained a motion to close nominations and cast a unanimous vote to Mr. Flack as Chair of the Investment Policy Committee.

It was **moved** by Kahan and **seconded** by Heatley to approve Jeremy Flack as the Chairperson of the Investment Policy Committee.

Approved

D-2 Executive Director Goals & Objectives for FY 2009/2010

Ms. Sylvester stated that the proposed Executive Director Goals and Objectives have been included in the packet, and Mr. Powell stated that he would like to add a succession plan for his replacement upon retirement, as well as adding more in-depth cross training to the listing.

It was **moved** by Heatley and **seconded** by Kahan to approve the Goals and Objectives as revised.

Approved

D-3 Rebecca Stanford, Preliminary Approval for Service Retirement, 25 Years and 2.5 Months Service Credit, No Refund of Accumulated Contributions, Effective July 1, 2009

Mr. Powell stated that this item, as well as D-4, has been taken off the consent agenda because staff had to confer with legal counsel with a question regarding how the calculations shall be conducted with respect to the early reduction factor because these employees do not have 25 years

of credit with the City. Mr. VanOverbeke stated that if an employee retires prior to retirement age, there is a reduction in the benefit which is reduced by 1/3 of 1% multiplied by the number of months in a period from the retirement date until the date the member will obtain voluntary retirement age. Mr. VanOverbeke explained the situation with the two members in the Police Early Out Program, who are not at voluntary retirement age:

There are both Ordinance amendments and collective bargaining amendments, and the language is not entirely consistent in both, but they both address the additional two years of service. The collective bargaining agreements provide that the City will provide to eligible employees two years of service credit as determined in accordance with reference to the Ordinance, which will be applicable to eligibility for retirement as well as calculation of pension benefits. Employees can also purchase, at an actuarially determined rate individual to each participant, up to one year of service credit which will be utilized only for the determination of benefit, not for purposes of eligibility. Mr. VanOverbeke stated that the issue is, if they buy that year of service, because that now brings them closer to 25 years of service, it reduces the amount of the reduction for their earlier retirement. Mr. VanOverbeke stated that his legal opinion concludes that it is used for benefit purposes; the language that it specifically refers to is under the calculation and benefit section, and not the eligibility section, and in his opinion it very clearly is used in the calculation. When that extra year is purchased, the full actuarial cost is paid, so when the full cost is calculated, the reduction factor is smaller and will cost more money to the member as well, so they are fully funding that additional reduction (because the reduction is less, the cost is higher). Mr. VanOverbeke stated that in this instance it clearly is within the Board's authority to interpret the Plan provisions.

It was **moved** by Fraser and **seconded** by Kahan to preliminarily approve the service retirement of Rebecca Stanford, consistent with Mr. VanOverbeke's legal opinion.

Approved

D-4 Cynthia Avery, Preliminary Approval for Service Retirement, 23 Years and 10 Months Service Credit, No Refund of Accumulated Contributions, Effective July 1, 2009

It was **moved** by Heatley and **seconded** by Nerdrum to preliminarily approve the service retirement of Cynthia Avery, consistent with Mr. VanOverbeke's legal opinion.

Approved

D-5 Approval of Merger of Independence Investments with Boston-Based Munder Capital

Mr. Heatley stated that last week the office received an announcement of a merger between Independence Investments and the Lee Munder Capital Group. Gray & Company has submitted a letter indicating that Independence currently manages a small cap growth portfolio for the Retirement System, and they recommend the Board sign the acknowledgment form provided by Independence. The action authorizes Independence/Lee Munder Capital to continue managing this portfolio. Gray & Company further recommends placing this manager on the watch list for the next six months as they assess the transition. Gray & Company will closely monitor the integration process and periodically report back to the IPC, as well as performing a due diligence trip to the new firm in the coming months to meet with the investment team.

It was **moved** by Heatley and **seconded** by Kahan to accept Gray & Company's recommendation to place Independence Investments on the watch list for six months, and to sign the acknowledgement form authorizing Independence/Lee Munder Capital to continue managing the portfolio.

Approved

E. DISCUSSION ITEMS

E-1 Review of Legal Counsel Request for Proposal (RFP)

Ms. Kaur suggested that this item be postponed until the July Board meeting so that Mr. Crawford can be present, and noted that the RFP is not scheduled to be issued until July 20, 2009. The Board agreed to postpone this item until the July 16, 2009 regular Board meeting.

F. REPORTS

F-1 Executive Report – June 18, 2009

REDEMPTION QUEUE UPDATE FROM PRINCIPAL GLOBAL INVESTORS

The Board of Trustees at its Regular Meeting on January 15, 2009 approved a resolution that requested a \$12 million withdrawal from the Principal Global Investors' portfolio. As of June 04, 2009 Principal's portfolio market value was \$14,723,187.00. The following is an excerpt from their May 2009 memorandum:

"On September 26, 2008, Principal Life Insurance Company (Principal Life) implemented a client redemption queue (the Queue) for the Principal U.S. Property Separate Account (the Account). The Queue was implemented in the interest of all investors in the Account in the face of challenging conditions in the real estate market compounded by the global credit crisis. Investor withdrawal queues are not uncommon, and nearly all U.S. core open-end private equity real estate funds currently have a client withdrawal queue. Since the implementation of the Queue, real estate space market fundamentals have deteriorated further as unemployment reached 8.9% in April and the U.S. recession deepened.

In addition, the property transaction market has slowed to a near standstill, making it difficult to sell properties. Given these conditions, no distribution has been made to investors in the Queue since its implementation. As of May 19, 2009, the outstanding amount in the Queue was \$1.13 billion (27% of the Account NAV). Given the current economic environment, distributions to investors in the Queue are unlikely to occur before late 2009, and will depend primarily on the ability to sell properties at prices consistent with the best interest of all Account investors. It is likely that multiple distributions over some period of time will be necessary in order to fully satisfy the Queue given its current size and the timing and volume of property sales. The Account continues to be managed for the benefit of those who remain invested as well as the orderly generation of cash to redeem investor interests in the Queue."

INTERCONTINENTAL

Intercontinental sent a letter announcing that the U.S. Real Estate Investment Fund, LLC made a gross distribution of \$79,100.38 to the Retirement System. After \$19,137.97 was deducted for management fees for the first quarter of 2009, the net distribution was \$59,962.41. As per the agreement, Intercontinental has reinvested the net distribution into US REIF.

RETIREE SIGNATURE VERIFICATION

Of the 800 plus signature verification forms sent out in the fall of 2008 ten (10) are still outstanding. On May 14, 2009 a 3rd notice was sent by certified mail to 19. Of the 10 outstanding, 6 certified signed receipts were received from the post office, 4 receipts returned unclaimed. Staff is prepared to send a final letter again by certified mail to the 10. Board policy states in part "...If the final notice is not returned to the Board within fifteen (15) days, then the Board may suspend or terminate the pension benefit payment..."

F-2 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended May 31, 2009

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended May 31, 2009, to the Board of Trustees:

5/31/2009 Asset Value (Preliminary)	\$312,814,814
4/30/2009 Asset Value (Audited by Northern)	\$305,278,768
Calendar YTD Increase/Decrease in Assets (excludes non-investment receipts and disbursements)	\$4,938,320
Percent Gain <Loss>	1.6%
June 17, 2009 Asset Value	\$ 317,419,428

F-3 Investment Policy Committee Report – June 2, 2009

Following are the Investment Policy Committee minutes from the meeting convened at 3:00 p.m. on June 2, 2009:

Member(s) Present: Heatley, Flack, Hescheles, Kahan (3:05), Sylvester
Member(s) Absent: None
Other Trustees Present: Crawford
Staff Present: Jarskey
Others Present: Larry Gray, Gray & Company
 Chris Kuhn, Gray & Company
 David Diephius, City Resident

CONFIRM CONFLATED BASIS POINTS

Mr. Kuhn stated that they are still working on this report and will bring it back to a future meeting.

MANAGED FUTURES DISCUSSION

Mr. Gray stated that at the last meeting the Committee heard two presentations from Steben & Company and United Investment Managers (UIM), and senses that the general feeling of the Committee is to move forward with searching for a manager in this allocation. Mr. Gray reviewed managed futures performance from 1/2003 through 12/2008. Mr. Kuhn submitted a letter explaining managed futures:

Gray & Company and the Investment Sub-Committee have been reviewing the System's asset allocation. In particular, we have focused on "basket clause" investments as defined by Michigan Public Act 314, as amended. Our objective has been to improve the expected risk-adjusted return of the Total Fund.

The System's current "basket clause" allocations are 4.5% to high yield and 2.5% to hedge funds of the 10% permitted by the Act. The high yield allocation is based on the current opportunity in lower credit quality fixed income; the hedge fund allocation is based on risk reduction within the equity allocation.

The Sub-Committee has reviewed other asset classes/investment strategies, including private equity, timberland, infrastructure, and managed futures. After educational presentations from Gray & Company, Steben & Company, and United Investment Managers, the Sub-Committee has selected managed futures for a portion of the "basket clause" allocation.

Managed futures offer compelling return expectations and diversification benefits. Historically, managed futures (represented by the Barclays Diversified Traders Index) have

returned over 11% since 1987 with a -0.06 correlation with the S&P 500 Index. These strategies employ a disciplined approach to investing (long and short) in the futures market (financial, energy, agricultural, and other commodity contracts). Gray & Company recommends a fund of funds structure; this approach provides additional diversification benefits by investing in multiple trading strategies.

In 2008, the Retirement System's total return was -25.7%; the Barclays Diversified Traders Index returned 26.6%. A 3.0% allocation to managed futures index would have improved the System's return by approximately 1.6% to -24.1% (equates to \$6 million).

The Committee further discussed managed futures and Gray's familiarity with various firms and their track records, and it was decided that Gray & Company will bring two new managers to the July APC meeting for presentations/interviews. It was also decided to schedule a due diligence meeting with Steben & Company and to recommend that the Board allocate 1.5% of the 3% to Steben. Mr. Hescheles stated that he can set up an educational meeting with someone he knows in Ann Arbor that deals with managed futures so that the Committee members can get a better sense of what is involved in the trading process.

*It was **moved** by Kahan and **seconded** by Sylvester to schedule a due diligence meeting with Steben & Company and to recommend that 1.5% of the 3% be allocated to Steben & Company.*

Approved

ADJOURNMENT

*It was **moved** by Kahan and **seconded** by Sylvester to adjourn the meeting at 4:15 p.m.*
Meeting adjourned at 4:15 p.m.

Mr. Heatley stated that since the Investment meeting, there has been correspondence between Trustees regarding the issue of allocating the 1.5% managed futures funds to Steben & Company with a feeling that at this point in time that they would like to hold off on doing so. Mr. Heatley stated that there is a motion in the minutes to recommend to the Board that 1.5% of the 3% be allocated to Steben & Company, so he will make that recommendation.

It was **moved** by Heatley and **seconded** by Kahan to recommend that the Board approve a 1.5% allocation (\$3 million) to Steben & Company for the managed futures account based on Gray & Company's recommendation.

Ms. Sylvester stated that she wasn't able to attend the last meeting where the two managers presented, and she was confused to whether they were making a presentation or providing an educational session on managed futures. Ms. Sylvester stated that the process is for managers to formally present to the Committee and then a selection is made, and she believes that in this case, the process was not followed because it was viewed as having education as opposed to presentations, and next month we will be bringing in two other firms, and she believes it would be a good time to have them all present on the same day and then the Committee could make their decision. Mr. Kahan stated that he concurs with Ms. Sylvester and that it would be reasonable to hold off on the decision with Steben & Company for now, and Steben was brought to the Committee by Gray & Company as a premier manager for managed futures, and he does not have a problem with this firm, but feels that the process needs to be very clear and transparent, and would be more comfortable with interviewing the other two managers before making further recommendations to the Board of Trustees.

Mr. Heatley stated that it gets frustrating sitting on the IPC when there is a lack of involvement in the processes that we use to try to move forward on investments, and after he leaves the Board, he recommends that everyone as much as possible, try to get involved in the investment process and

stay on top of what it is that we are doing and interact with Gray & Company because it does seem that for a number of years the Committee gets bogged down in the decision making process. Mr. Heatley agrees with having transparency and full due diligence, but when you have a recommendation from your investment consultant along with several meetings about an issue, it is important as a member of the Board and Committee to try to get involved and educated as much as possible on what the Committee is doing so as a group we can move forward quicker than we have in the past. Mr. Heatley stated that he will withdraw his motion and the Committee can move forward at their next meeting in July. Mr. Fraser suggested that the issue be referred back to the Investment Policy Committee for further review. The Board agreed.

F-4 Administrative Policy Committee Report – June 2, 2009

Following are the Administrative Policy Committee minutes from the meeting convened at 1:06 p.m. on June 2, 2009:

<i>Committee Members Present:</i>	<i>Crawford, Kaur, Sylvester</i>
<i>Members Absent:</i>	<i>None</i>
<i>Other Trustees Present:</i>	<i>None</i>
<i>Staff Present:</i>	<i>Kluczynski, Powell</i>
<i>Others Present:</i>	<i>David Diephius, City Resident</i>

REVIEW OF THE LEGAL COUNSEL RFP AND PROCESS

The Committee reviewed the proposed Legal Counsel Request for Proposal as submitted by Mr. Powell, and made various corrections and language changes throughout the document. The Committee discussed the timeline for conducting the RFP process, and decided to set the issue date as July 20, 2009 with a due date of September 21, 2009. After the office has received the proposals, Mr. Powell will create an executive summary and comparison of the RFPs and present it at the November 3rd APC meeting so that the Committee may decide who to bring in for interviews, preferably at the December 1, 2009 APC meeting. Mr. Powell stated that the staff has expressed an interest in being involved in the interview process since they conduct business with legal counsel regularly, and the Committee agreed to include staff in the process. The Committee decided to create questions and scenarios for the December interviews during the August APC meeting.

*It was **moved** by Kaur and **seconded** by Sylvester to recommend approval of the revised Request for Proposal at the June 18th regular Board meeting.*

Approved

PROPOSED EXECUTIVE DIRECTOR GOALS & OBJECTIVES

The Committee discussed Mr. Powell's proposed Goals & Objectives for fiscal year 2009/2010, which resulted in the following listing for approval by the Board of Trustees:

- I. Manage RFP Process & hiring of Legal Counsel*
- II. Complete the Fiduciary Audit Process*
- III. Codify all Board policies in three general categories, namely: Benefit Administration, Investment Policy, and Governance*
- IV. Conduct 0-5 Year and Mid-Career Workshops for Active Employees*
- V. Provide Presentation Dates for Actuarial and Audit Reports*

*It was **moved** by Sylvester and **seconded** by Kaur to recommend approval of the proposed*

Executive Director Goals & Objectives at the June 18, 2009 regular Board meeting.

Approved

ADJOURNMENT

*It was **moved** by Sylvester and **seconded** by Kaur to adjourn the meeting at 2:33 p.m.*

Meeting adjourned at 2:33 p.m.

F-5 Audit Committee Report – No Report

F-6 Legal Report – No Report

G. INFORMATION

G-1 Communications Memorandum

The Communications Memorandum was received and filed.

G-2 July Planning Calendar

The July Planning Calendar was received and filed.

G-3 Vendor Contacts - None

G-4 Status of Pending Projects Report

The Status of Pending Projects Report was received and filed.

H. EXECUTIVE SESSION – EDRO Discussion: Tina Raiford v. Robert Raiford

Ms. Sylvester stated that the purpose of going into a closed session is to discuss an attorney-client privilege and opinion.

Roll call vote:

Crawford - Absent	Heatley - Yes	Kaur - Yes
Flack – Yes	Hescheles - Yes	Nerdrum - Yes
Fraser – Yes	Kahan - Yes	Sylvester - Yes

Executive session time: 9:30 – 9:56 a.m.

It was **moved** by Fraser and **seconded** by Nerdrum to authorize legal counsel, after consultation with the Board Chairperson and Executive Director, to request appropriate actuarial calculations in the Robert Raiford EDRO matter as well as to pursue any legal proceedings at the appropriate time.

Approved

Mr. VanOverbeke stated that the Board has an EDRO Policy in place that includes a process checklist, and part of the procedures state that an EDRO document becomes the top sheet in a person's file, so there should be additional discussions as to what needs to be done, because this had not occurred in this instance. Mr. Powell stated that a revised checklist has been created to make sure that both parties are researched to confirm if they are a City employee which will indicate to staff to place the EDRO documentation in both files. Mr. Powell also stated that before benefit or lump sum payments are processed, there will be a search conducted to see if that person has an EDRO on file with the System. The Board agreed to refer this issue to the Administrative Policy Committee for further review.

I. TRUSTEE COMMENTS

Mr. Heatley stated that it has been an honor and a privilege to be on the Board for nine years, and has enjoyed working with each Trustee very much, and it has been a great educational opportunity for him over the years and is one of the most rewarding things as a City employee that he has personally been involved with. Mr. Heatley stated that he has tremendous respect for the responsibility and the jobs that have been done by the Board over the years, and he believes the retirees that he has been in contact with have all been complimentary of the work that the Board has done. Mr. Heatley wished the Board luck going forward in this challenging economic environment. Mr. Heatley added that he will remain in the area and is available if the Board needs his assistance.

Mr. Flack stated that he has attended the CAPPP Part 1 conference with IFEBP, and has passed the test that is given afterward. The Board congratulated Mr. Flack.

Ms. Sylvester thanked Mr. Heatley for his dedication to the Board, noting that he has helped her through the years and has contributed a lot of his time on the Board. Ms. Sylvester stated that his loyalty to the members, which is the reason we are here, is beyond question.

Mr. Kahan agreed with Ms. Sylvester, and stated that it has been an honor and a pleasure working with Mr. Heatley, who has mentored him throughout his years on the Board and it has been a fantastic experience being on the Board with him over his last seven years. Mr. Kahan noted that Mr. Heatley has been instrumental in helping to expand our investment opportunities, and the System is in a much better position now than in the past.

Mr. Fraser stated that each of the employee Trustees that take on this role makes a commitment to do extraordinary things for their colleagues and sometimes that is appreciated by a majority of the employees that are willing to put your names in the ballot box, and it is a lot of work and is still something that you are asked to do in addition to the "real" work for which you were hired and he admires the Trustees for what they do, and when looking at what's happening in the stock market and what has happened to our funds, it has nothing to do with our absence of diligence or work or understanding, it's been a bunch of people really caring and working hard to make sure that our Employees' Retirement System is well-maintained.

Ms. Kaur thanked Mr. Heatley for his time on the Board.

Ms. Sylvester referred to Mr. Diephius' comments at the beginning of the meeting regarding providing supporting documentation of agenda items to the public, and asked if the Board wishes to refer this issue to the Administrative Policy Committee for review to see if there should be a change made to this process. The Board agreed to refer this issue to the APC for review at its July meeting.

Mr. Hescheles stated that he is working on setting up the futures educational meeting with his colleague, and gave the Trustees a choice of two dates to meet, and it was decided that the meeting will be held on June 24th at 8:00 a.m. in the DTE building.

J. ADJOURNMENT

It was **moved** by Heatley and **seconded** by Nerdrum to adjourn the meeting at 10:14 a.m.
Meeting adjourned at 10:14 a.m.

Willie J. Powell, Executive Director
City of Ann Arbor Employees' Retirement System
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