

**City of Ann Arbor Employees' Retirement System  
Minutes for the Regular Meeting  
June 16, 2011**

The meeting was called to order by Nancy Sylvester, Chairperson, at 8:35 a.m.

**ROLL CALL**

Members Present: Clark, Crawford, Hastie, Heusel, Monroe, Sylvester  
Members Absent: Flack, Nerdrum  
Staff Present: Jarskey, Kluczynski, Walker  
Others: Michael VanOverbeke, Legal Counsel  
David Diephuis, City Resident

**AUDIENCE COMMENTS - None**

**A. APPROVAL OF REVISED AGENDA**

Revisions to the agenda include the following items:

- E-5 Revised Laptop Computer Policy
- F-2 Status of Buck Consultants Software License and Agreement
- F-3 Reimbursement of Mileage & Travel Costs for Out-of-State or Non-Resident Applicants for the Pension Analyst Position
- F-4 Retirement Notice Parameters in Effect in the Ordinance & Administrative Practice of Notice to the City
- G-4 Administrative Policy Committee Minutes – June 14, 2011
- H-4 Record of Paid Invoices

It was **moved** by Clark and **seconded** by Crawford to approve the agenda as revised.

**Approved**

**B. APPROVAL OF MINUTES**

**B-1 May 19, 2011 Regular Board Meeting Minutes**

Mr. Monroe suggested that a statement that he made during the FAC discussion be added to section E-6 of the minutes: *“Mr. Monroe expressed his belief that either party to a collective bargaining agreement could elect to go back to express provisions in the contract, and that election would supersede any past practice of the parties.”*

It was **moved** by Heusel and **seconded** by Monroe to approve the May 19, 2011 Board Meeting minutes as amended.

**Approved**

**C. CONSENT AGENDA**

It was **moved** by Crawford and **seconded** by Hastie to approve the consent agenda as presented:

**C-1 Resolution to Accept City of Ann Arbor Reciprocal Credit**

WHEREAS, the Board of Trustees is vested with the general 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, The Reciprocal Retirement Act ("Reciprocal Act")[Public Act 88 of 1961, as amended (MCL 38.1101 et seq.)] was adopted by the City of Ann Arbor 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 Reciprocal Act allows a member to use service credit acquired with a preceding reciprocal unit for purposes of meeting the Retirement System's normal retirement eligibility requirements upon satisfaction of certain conditions, and

WHEREAS, individuals who were previously employed by the City of Ann Arbor and were members of the Retirement System and subsequently terminated employment and withdraw all accumulated contributions and later were re-employed by the city and elected not to buy back previous service credits and,

WHEREAS, such individuals would like to be entitled to use previous service with the City in meeting the service requirements of the Retirement System and the previous service will not be used in calculating any benefits, 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
Anne Daws-Lazar	General	6 Years	City of Ann Arbor

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.

**C-2 EDRO Certification – Daniel J. Freidus v. Julie A. Steiner**

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO") dated April 29, 2011, wherein Daniel J. Freidus, the Alternate Payee, is awarded certain rights to the benefits of Julie A. Steiner, 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 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 Naomi J. Woloshin, Esq., attorney for the Alternate Payee; Sally Claire Fink, Esq., attorney for the Participant; and the Board's Actuary.

**Consent agenda approved**

**D. EXECUTIVE SESSION – Disability Re-Examinations**

The Board convened an executive session for the purpose of discussing the medical re-examination reports for Jeffrey Harmon and Anna Straub.

Roll call vote:

Clark – Yes	Hastie - Yes	Nerdrum - Absent
Crawford - Yes	Heusel - Yes	Sylvester - Yes
Flack – Absent	Monroe - Yes	

*Executive session time: 8:42 – 9:08 a.m.*

**E. ACTION ITEMS**

**E-1 Motions: Disability Re-Examinations**

It was **moved** by Hastie and **seconded** by Clark to acknowledge receipt of the medical report from Michael G. Sperl, M.D. for the medical re-evaluation of disability retiree Jeffrey Harmon dated June 9, 2011, noting that the doctor has provided a medical opinion and report indicating that the member continues to be totally incapacitated for duty in the service of the City and that the incapacity will probably continue to be permanent and therefore the Board resolves to continue the disability retirement benefits to Jeffrey Harmon subject to the re-examination provisions of the Retirement Ordinance and Board Policy.

**Approved**

It was **moved** by Hastie and **seconded** by Clark to acknowledge receipt of the medical report from Robert J. Gordon, D.O. for the medical re-evaluation of disability retiree Anna Straub dated June 9, 2011, noting that the doctors have provided medical opinions and reports indicating that the member continues to be totally incapacitated for duty in the service of the City and that the incapacity will probably continue to be permanent and therefore the Board resolves to continue the disability retirement benefits to Anna Straub subject to the re-examination provisions of the Retirement Ordinance and Board Policy; it being noted that Ms. Straub appears to have attained age 60 and therefore is no longer subject to re-examinations.

**Approved**

## **E-2 Rebalancing Policy**

Mr. Hastie reviewed the revised Rebalancing Policy as recommended by the Investment Policy Committee, stating that most of the changes were relatively small such as various additions, definitions, and clarifications. The Board discussed the Policy language and decided to add a sentence indicating that the Executive Director shall have the authority to act upon recommendations from the Investment Consultant, as well as other minor language changes. Mr. Hastie verified that the Rebalancing Policy will be inserted into the Investment Policy Statement. A motion was made to approve the revised policy as follows:

### **Rebalancing Policy**

The Board of Trustees, with the advice and assistance of its Investment Consultant, has established asset allocation guidelines with target ranges for each asset class within its portfolio. The target ranges are intended to control risk and maximize the effectiveness of the System's asset allocation strategy, while avoiding unnecessary turnover at the security level. The Board recognizes that, periodically market forces may move the System's allocation outside these target ranges.

The Board recognizes that prudent rebalancing of the Retirement System's portfolio for compliance with the target ranges is a crucial element of risk management and delays may create unintended risk for the System. Therefore, upon written communication from the Investment Consultant, the Board authorizes the IPC and Investment Consultant to oversee all rebalancing activities. All rebalancing activities and recommendations must be consistent with the Board's approved asset allocation guidelines and reported to the Board at its next regularly scheduled meeting.

The asset allocation will be reviewed with the Investment Consultant at least quarterly to ensure asset class(es) are within target range(s). The Board recognizes that it may not be prudent to constantly rebalance to the target allocation; therefore, if any strategic allocation is outside the specified target range, assets will be shifted to return to the outer edge of the target range.

The following provisions outline the rebalancing procedures for three possible rebalancing scenarios.

- Liquidity Need (i.e., for payment of the ongoing administrative expenses of the Retirement System and/or payment of benefits).
  - In general, cash flows to and from the System will be allocated in such a manner as to move each asset class toward its target allocation. The schedule of the cash flows will be reviewed quarterly at IPC meetings. As necessary, the Executive Director will work with the Investment Consultant to identify appropriate sources of cash, given each asset class's target allocation and liquidity. The Executive Director shall have the authority to act upon recommendations from the Investment Consultant.
- Rebalancing When an Asset Class is Outside of its Target Range
  - The IPC, after consultation with the Investment Consultant, may give the Executive Director the authority to rebalance allocations back to the specified target ranges. The Executive Director will work with the Investment Consultant to determine the rebalancing plan, which will take into consideration risks and transaction costs.

- Rebalancing When an Asset Class is Within its Target Range
  - Rebalancing within target ranges may introduce an element of tactical asset allocation. The IPC, after consultation with the Investment Consultant, may give the Executive Director the authority to rebalance allocations within the specified target ranges. This type of rebalancing is allowed only after a thorough review by the IPC with the Investment Consultant and requires specific authorization from the IPC to the Executive Director.

The Board gives the IPC, in consultation with the Executive Director and the Investment Consultant, the discretion to forego rebalancing when cash flows are anticipated which may be prudently utilized to implement the rebalancing plan.

The rebalancing program will primarily apply to publicly traded asset classes. It is understood that less liquid asset classes, such as real estate and alternative investments, do not lend themselves to economically efficient rebalancing. Investment Managers will be notified in writing in advance of any rebalancing activity.

It was **moved** by Hastie and **seconded** by Monroe to approve the Rebalancing Policy as revised.

**Approved**

### **E-3 Crisis Response Plan**

Mr. Hastie reviewed the proposed Crisis Response Plan, stating that the intent of this document is to act in very rare circumstances when an emergency investment change needs to be made and a meeting of the full Board cannot be scheduled on short notice. Mr. Hastie and Mr. VanOverbeke reviewed the revisions made since the May Board meeting including Board notification procedures and composition of the Team. A lengthy discussion ensued regarding what the composition of the Crisis Team should be and who should serve on the Team by virtue of their position on both the Board and Investment Policy Committee, who would serve as alternate members, and what role the Executive Director should serve in case of an emergency.

Mr. VanOverbeke suggested that at the next Board Retreat, there are policy issues for the Trustees to discuss on a bigger level. There are distinctions as to what the role of the Board views itself as in a process, i.e. the overall question for the Board to ask is, is the Board's role that of policy and adopting policies and then retaining the individuals to implement policies, or to what extent do you want to be involved in the operational aspects of decision making? Mr. VanOverbeke stated that if a crisis occurs, is the position of the Board to establish a policy and make it very clear who is to act, how they are to act, and what they are to do if a crisis were to occur – the policy has been adopted and the team has been given the authority to act, versus when a crisis occurs, the entire Board will be involved in the intimate decision making and we want all members to be voting Trustees, so there is that distinction being made in hearing the conversation. Overall, in what level does the Board want to draw your policy involvement in operational aspects?

The Board discussed under what conditions the Crisis Team would meet, how many team members are necessary to hold a meeting, and the timeliness and availability of arranging a special meeting of the Board under time constraints considering the terms of the Open Meetings Act. Ms. Sylvester stated that she feels the process is unclear and should be better defined in the Plan.

Mr. VanOverbeke stressed that there has to be a belief in the people the Board has retained to understand what the recommendation is, and it is hard for him to imagine a crisis necessitating implementation of this policy, but it should be recognized that if the investment consultant says

there is an emergency, they are going to say what the emergency is and how quickly action should be taken and what the action should be. If they were to say that an emergency had to be taken care of immediately or by the close of a business day, the Crisis Team would be called, per the Policy, because there would be no time to arrange a special Board meeting. It was determined that this discussion should be referred back to the IPC to revise the language and bring it back to the July meeting for Board approval.

#### **E-4 Bradford & Marzec, Inc. – Fee Reduction**

Ms. Hastie stated that based on the System's relationship with Meketa Investment Group, they have negotiated, based on their best customer pricing, a fee reduction that amounts to approximately \$10,000-\$15,000 annually.

It was **moved** by Hastie and **seconded** by Monroe to approve the fee reduction with Bradford & Marzec, Inc.

**Approved**

#### **E-5 Revised Laptop Computer Policy**

Mr. Crawford presented the revised Laptop Computer Policy as recommended by the Administrative Policy Committee. Per the discussion at the May Board meeting, the following paragraph has been added:

*3.12 Internet access for a laptop computer may be approved by the Board and provided at Retirement System expense to those Users who do not have internet access and affirm in writing that they need internet access in order to fulfill their fiduciary duties to the System.*

It was **moved** by Heusel and **seconded** by Monroe to approve the revised Laptop Computer Policy.

**Approved**

#### **E-6 Proposed FY 2011/2012 Budget**

Ms. Walker presented the proposed budget for fiscal year 2011/2012. Mr. Crawford suggested that in the future, direct investment services vs. indirect investment services be added to the listing. Mr. Hastie suggested that regarding the due diligence expense line, perhaps the Investment Policy Committee should place this item on its tabled/pending listing for discussion, and he hopes that at some point the IPC would approve that the majority of due diligence visits to money managers be conducted by Meketa, which is one of their responsibilities.

It was **moved** by Monroe and **seconded** by Hastie to approve the FY 2011/2012 budget as presented.

**Approved**

*Toll-free telephone number: Mr. Monroe asked if there was a consensus regarding retaining the current toll-free telephone charges considering the minimal amount of calls received through that line. Mr. Monroe stated that with today's telephone plans, most people have nationwide coverage and can make the calls for no additional cost. Ms. Walker's recommendation was to retain the 800 number, which is more of a public relations benefit. Mr. Hastie suggested that the Board refer this issue to the Administrative Policy Committee and delegate the authority to that Committee. The Board agreed.*

#### **F. DISCUSSION ITEMS**

**F-1 FOIA Refresher**

Per a previous request by Mr. Hastie, Mr. VanOverbeke provided a brief refresher on the Freedom of Information Act and the Board's FOIA Policy which details the procedures and guidelines to use when a FOIA is received.

**F-2 Status of Buck Consultants Software License and Services Agreement**

Ms. Walker provided a brief update on the status of implementation of the pension benefit software, license, and services agreement. Ms. Walker stated that we are very close to getting the contract signed, and a timeline is still being defined. Ms. Walker discussed current testing and recent data transactions between LRS and Buck Consultants.

**F-3 Reimbursement of Mileage & Travel Costs for Out-of-State or Non-Resident Applicants for the Pension Analyst Position**

Ms. Walker stated that she is continuing to review candidates for the Pension Analyst position and she would like the Board's recommendation on what it is willing to reimburse a candidate in terms of mileage and/or travel costs for any out-of-state candidates that we would like to bring in for an interview, and as of this date, she is aware of one well-qualified out-of-state candidate. Mr. Hastie stated that he believes this should be handled under Ms. Walker's authority as the Executive Director in order to do what is in the best interest of the System, and the Board agreed that Ms. Walker shall use her discretion regarding any travel reimbursements.

**F-4 Retirement Notice Parameters in Effect in the Ordinance & Administrative Practice of Notice to the City**

Ms. Walker stated that with the recent influx of retirement applications, there have been many employees concerned with actions happening at the State level, and inquiries as to the City's retirement notification requirements. Ms. Walker stated that employees are worried that the State will take immediate action and pass certain laws regarding their benefits and multipliers before they reach their actual date of retirement, and some have wanted to retire sooner than their scheduled date (or the 30 days prior to retirement). She is further being challenged on the 30-day question when other instances occur such as employees that have signed up for retirement and then have a personnel action occur such as a termination where they will want to leave sooner, so Ms. Walker is asking for clarification from an administrative standpoint because she has been given conflicting past practice from staff.

Mr. VanOverbeke advised that if someone submits a retirement application sixty days in advance and they come in at some point, i.e. 45 days into that, and want to change their retirement to an earlier date, they do not have the ability to do that because they have to have at least 30 days notice of the date of retirement; the retirement date can be changed as long as the date occurs later. From a Board standpoint, there is nothing in the Plan that prohibits someone from withdrawing their request for retirement, but if they want to change the date, it resets the 30 day notice period. Mr. VanOverbeke stated that the City does have a policy that states that once an employee applies for retirement, they cannot withdraw it unless they have the City's consent. Mr. VanOverbeke stated that the Ordinance restatement includes language indicating that the Board will notify the City of an employee's retirement date no less than 30 days prior to the scheduled date, so there is a notice provision that is given by the Board to the City and then the City invokes its rule that no one can rescind their retirement without approval. Ms. Walker agreed, and stated that the current issue is regarding those employees wishing to accelerate their retirement date.

Mr. Crawford stated that he understands the employees' concerns, noting that there are fast-moving actions taking place at the State level especially regarding healthcare, but until the laws are presented and/or passed, the City doesn't know what its going to look like. Mr. VanOverbeke stated that the retirement laws are protected differently than the healthcare laws, such as the vesting, contractual rights, and multipliers, although benefits may not be accrued the same as before, they are not going to take away benefits that have already been earned, but from a healthcare standpoint there is a lot of insecurity.

After discussion, it was understood that if someone wishes to change their retirement date, there must be a 30 day notice to the City, and they are unable to accelerate their retirement before the date given in the 30 day notice, if the date is changed to a later date (providing the City's consent), it would reset the 30 day notice.

**G. REPORTS**

**G-1 Executive Report – June 16, 2011**

**INVESCO MORTGAGE RECOVER FEEDER FUND**

Invesco Mortgage Recovery Feeder Fund, L.P. made a distribution on Thursday, May 26, 2011 totaling \$18,490,316. The distribution is comprised of \$1,922,514 of realized gains, \$1,689,917 of interest income and \$14,877,885 of return of capital. CAAERS' allocable share of distribution: \$246,150

Invesco Mortgage Recovery Loans AIV, L.P. made a distribution on Tuesday, May 31, 2011 totaling \$6,616,055 comprised of realized gains. Partner's allocable share of distribution:

\$88,076.  
 Tax withholding (32)  
 Net distribution \$88,044

Invesco Mortgage Recovery Loans AIV, LP requested a capital call of \$440,378.00, due 6-15-2011.

**BUCK**

LRS assistance with earnings load: Pension Gold is creating an extract utility within PG for use by CAAERS to send Buck data for the data load, so that multiple extracts can be facilitated.

**G-2 City of Ann Arbor Employees' Retirement System Preliminary Report for the Month Ended May 31, 2011**

N. Gail Jarskey, Accountant, submitted the Financial Report for the month ended May 31, 2011, to the Board of Trustees:

5/31/2011 Asset Value (Preliminary)	\$420,304,465
4/30/2011 Asset Value (Audited by Northern)	\$421,826,521
Calendar YTD Increase/Decrease in Assets ( <i>excludes non-investment receipts and disbursements</i> )	\$32,593,885
Percent Gain <Loss>	8.2%
<b>June 15, 2011 Asset Value</b>	<b>\$403,854,371</b>

**G-3 Investment Policy Committee Minutes: June 7, 2011**

Following are the Investment Policy Committee minutes from the meeting convened at 3:10 p.m. on

June 7, 2011:

Member(s) Present: Clark, Hastie, Monroe  
Member(s) Absent: Flack, Sylvester  
Other Trustees Present: None  
Staff Present: Jarskey, Walker  
Others Present: Fran Peters, Henry Jaung, Meketa Investment Group  
David Diephuis, City Resident

### **RETIREMENT SYSTEM UPDATE / BRIEF SUMMARY**

Mr. Jaung presented the Investment Review covering the first quarter of 2011. As of March 31, 2011, the Retirement System was valued at \$414.8 million, an increase of \$14.0 million from December 31, 2010. The System advanced 4.9% for the quarter and 15.4% for the trailing twelve months, net of fees. As of March 31, all asset classes were within their respective target allocation ranges, with the exception of real estate and alternatives. Mr. Jaung stated that the System is overweight in its mid and small cap equity allocation targets by approximately 2%, and to move toward the mid cap, small cap, and fixed income allocation targets, and raise money for benefit payments, Meketa recommended certain transfers within the portfolio. Mr. Peters stated that at the end of April, the assets were up to almost \$424 million driven by an overall equity market with positive returns.

### **REBALANCING POLICY REVIEW & DISCUSSION**

Mr. Jaung and Mr. Peters reviewed the drafted Rebalancing Policy, along with the revisions that were submitted by Mr. VanOverbeke. The Committee discussed the policy and agreed with the draft as presented.

It was **moved** by Monroe and **seconded** by Clark to recommend the drafted Rebalancing Policy to the Board of Trustees at the June Board meeting.

**Approved**

### **CRISIS POLICY REVIEW & DISCUSSION**

Mr. Jaung and Mr. Peters reviewed the drafted Crisis Response Plan which included Mr. VanOverbeke's revisions. The Committee discussed the draft and made various language revisions to be implemented before being recommended to the Board of Trustees for approval. Mr. Hastie stated that he would revise the draft for the Committee to review before the June Board meeting.

It was **moved** by Clark and **seconded** by Monroe to recommend the drafted and amended Crisis Response Plan to the Board of Trustees at the June Board meeting.

**Approved**

### **ALTERNATIVE ASSETS INFORMATION – EMERGING MARKETS**

Mr. Jaung reviewed Meketa's report entitled, "Why Invest in Emerging Markets?", which describes emerging markets as those economies with a Gross Domestic Product (GDP) per capita of less than approximately \$10,000, or what the World Bank categorizes as a low or middle-income country. By comparison, the United States has a GDP per capita of approximately \$44,000.

### **OTHER ITEMS (MARZEC FEES, ETC.)**

Mr. Jaung stated that Bradford & Marzec, Inc. has agreed to reduce their fees so that both the

Retirement System and VEBA use the same basis points multiplier for fees, and assets are aggregated for purposes of fee structure.

It was **moved** by Monroe and **seconded** by Clark to recommend the Bradford & Marzec proposed fee structure reduction to the Board of Trustees at the June Board meeting.

**Approved**

### **ADJOURNMENT**

It was **moved** by Monroe and **seconded** by Clark to adjourn the meeting at 5:15 p.m.

**Meeting adjourned at 5:15 p.m.**

### **G-4 Administrative Policy Committee Minutes – June 14, 2011**

Following are the Administrative Policy Committee minutes from the meeting convened at 3:10 p.m. on June 14, 2011:

Committee Members Present:	Crawford, Heusel, Monroe
Members Absent:	Sylvester
Other Trustees Present:	None
Staff Present:	Kluczynski, Walker
Others Present:	David Diephuis, City Resident

### **REVISED LAPTOP COMPUTER USE POLICY**

Mr. Crawford stated that this item was referred to the Committee at the May Board meeting, per the request of a Trustee that does not have personal internet access, and after Board discussion, it was agreed that upon written request and approval by the Board of Trustees, that internet access may be provided at System expense. The Committee discussed the wording of this language and decided to implement the following paragraph in the current Laptop Computer Use Policy:

3.12 Internet access for a laptop computer may be approved by the Board and provided at Retirement System expense to those Users who do not have internet access and affirm in writing that they need internet access in order to fulfill their fiduciary duties to the System.

It was **moved** by Monroe and **seconded** by Heusel to recommend to the Board of Trustees that the above language be implemented into the current Laptop Computer Use Policy.

**Approved**

### **PENSION ANALYST POSITION – STATUS REPORT**

Ms. Walker presented a verbal report on the status of the Pension Analyst job search, stating that the first round of phone screens have been conducted, and those candidates will most likely be narrowed down to 2-3 for an additional phone screen and in-person interviews.

### **UPDATE OF RETIREMENTS THROUGH JULY 30, 2011**

Ms. Walker reviewed her report, adding that the current year-to-date number of retirees is approximately 56.

### **DISABILITY RETIREMENT RE-EXAMINATION PROCEDURE**

Mr. Crawford stated that this item was referred back to the Committee for clarification on the cutoff date for bringing an individual back for a re-examination after their retirement date. The Board had discussed this issue at the April 2010 Board meeting when the re-exam listing was presented for approval. A discussion ensued on various cases and scenarios, considering that with a July 1 cutoff date, one could go for a year and a half without coming back for a re-examination, depending on the date they were granted a disability retirement. Mr. Crawford stated that in a questionable case, language could be added providing for discretionary authority by the Board of Trustees. Mr. Monroe volunteered to draft language for consideration at the July APC meeting, and will forward the draft by email to the Committee prior to the meeting. The Committee agreed to postpone this item until the July meeting.

### **PRIORITIZE REMAINING TABLED/PENDING AGENDA ITEMS AND ANY NEW ISSUES**

Ms. Walker stated that she would like to remove some of the noted items on the tabled/pending listing before the next APC meeting by working with staff and Mr. VanOverbeke to determine which items can be handled by staff and not require input from the Committee, noting that some items may only require Board approval after any revisions. The Committee agreed, and decided that the revised listing should be reviewed and prioritized at the July APC meeting.

Mr. Diephuis suggested that the Committee consider adding goals and objectives for both the Board and the Executive Director as well as an evaluation procedure, adding that the process he has observed in the past was not very good. Mr. Crawford agreed, stating that it is sometimes difficult to get all of the Board members' input when performing evaluations. Mr. Heusel suggested that comments also be requested by others who interact with the Executive Director more frequently than Board members, who may only come to the office once or twice a month. The Committee agreed to add this item to the current tabled/pending items listing.

### **ADJOURNMENT**

It was ***moved*** by Heusel and ***seconded*** by Monroe to adjourn the meeting at 3:54 p.m.  
**Meeting adjourned at 3:54 p.m.**

**G-5 Audit Committee Minutes – No Report**

**G-6 Legal Report – No Report**

### **H. INFORMATION**

**H-1 Communications Memorandum**

The Communications Memorandum was received and filed.

**H-2 July Planning Calendar**

The July Planning Calendar was received and filed.

**H-3 Board Tracking Report**

The Board Tracking Report was received and filed.

**H-4 Record of Paid Invoices**

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

	PAYEE	AMOUNT	DESCRIPTION
1	Coverall North America, Inc.	140.00	Office Cleaning Services for June 2011
2	DTE Energy	72.21	Monthly Gas Fee dated May 13, 2011
3	DTE Energy	218.31	Monthly Electric Fee dated May 13, 2011
4	Comcast	111.73	Monthly Cable Fee
5	Dollar Bill Copying	1,137.79	Employee and Retiree Newsletters
6	IFEBP Publications	205.00	Pension Analyst Job Ad
7	Jeff Paul Printing Services, LLC	205.00	250 Address Magnets
8	Comerica Bank	70.00	Safe deposit box – annual fee
9	State Street Global Advisors	766.55	Investment Mgmt. Fees – 1/1/11 - 3/31/11
10	Nancy Walker	758.99	2011 Spring MAPERS Conference Reimbursement
11	David Monroe	536.59	2011 Spring MAPERS Conference Reimbursement
12	Terry Clark	781.02	2011 Spring MAPERS Conference Reimbursement
13	Staples Advantage	213.79	Miscellaneous office supplies
14	Meketa Investment Group	8,750.00	Investment consultant retainer – May 2011
15	Gray & Company	9,516.79	Investment consultant retainer – March 2011
16	Abraham & Gaffney, P.C.	1,200.00	Prelim. Fieldwork for year ending June 30, 2011
17	Hasselbring-Clark Co.	63.82	Monthly copier costs – April-June
18	Comcast	76.23	Monthly Cable Fee
19	AT&T	62.20	Monthly toll-free service
20	N. Gail Jarskey	784.00	Travel Advance: Northern Trust Passport Training
	<b>TOTAL</b>	<b>25,670.02</b>	

#### H-5 Retirement Report

The following employee(s) have completed their paperwork for retirement (*listed in no particular order*):

Name	Type of Retirement	Effective Date	Group	Years of Service	Service Area
Grace Brennock	Age & Service	June 18, 2011	General	22 years, 9.5 months	Finance & Administration
Dorothy Lumpkin	Age & Service	June 18, 2011	General	19 years, 4 months	Finance & Administration
Michael Masten	Age & Service	June 24, 2011	Fire	26 years, 5.5 months	Safety Services Fire
Gail Mullreed	Early/Age & Service	June 25, 2011	General	23 years, 8 months	Public Services
John Zeichman	Early/Age & Service	June 25, 2011	General	21 years, 4 months	Public Services
Stephen Selvig	Early/Age & Service	June 29, 2011	General	20 years, 11.5 months	Public Services
Christina Holwey	Age & Service	June 30, 2011	General	19 years, 6.5 months (7 years reciprocal)	Finance & Administration

				<i>credit)</i>	
<b>Robert Tate</b>	Early/Age & Service	June 30, 2011	General	22 years, 9.5 months	Public Services
<b>Richard Whiting</b>	Age & Service	June 30, 2011	General	12 years, 11 months	Community Services
<b>Necitas Aquino</b>	Age & Service	June 30, 2011	General	27 years, 3 months (2 years, 1.5 months reciprocal credit)	Public Services
<b>Robert Haas</b>	Age & Service	June 30, 2011	General	12 years, 9.5 months (1 year, 9 months military credit)	Public Services
<b>William Hopson</b>	Early/Age & Service	June 30, 2011	General	22 years, 7 months	Public Services
<b>Roland Neynaber</b>	Early/Age & Service	June 30, 2011	General	23 years, 7.5 months (3 years, 3 months reciprocal credit)	Public Services
<b>Jeff Frank</b>	Early/Age & Service	June 30, 2011	General	22 years, 7 months (6 years, 9 months reciprocal credit)	Public Services
<b>Robert Downer</b>	Early/Age & Service	June 30, 2011	General	23 years	Public Services
<b>Thaddeus Hejka</b>	Age & Service	June 30, 2011	General	28 years, .5 months	Public Services
<b>Sam Studer</b>	Age & Service	June 30, 2011	General	33 years, .5 months (1 year, 11 months military credit)	Public Services
<b>Nancy Sylvester</b>	Age & Service	June 30, 2011	General	26 years, 3.5 months	HR/Administration
<b>Patricia Boan</b>	Early/Age & Service	June 30, 2011	General	22 years, 10 months	Community Services
<b>Scott Robertson</b>	Age & Service	July 4, 2011	Fire	25 years, 7.5 months	Safety Services Fire
<b>Douglas Warsinski</b>	Early/Age & Service	July 6, 2011	Fire	23 years, 11 months	Safety Services Fire

				(7 years, 5 months reciprocal credit, & 9 months military credit)	
<b>James Baldwin</b>	Age & Service	July 8, 2011	Fire	28 years, 8.5 months (8 years, 3 months reciprocal credit)	Safety Services Fire
<b>Carol Massie</b>	Age & Service	July 9, 2011	General	10 years, 10 months	Safety Services Police

**I. TRUSTEE COMMENTS**

Ms. Sylvester noted that she attended a deposition for the Citigroup Mortgage class action litigation on June 14, 2011. Mr. VanOverbeke added that Mr. Michaud has conveyed that Ms. Sylvester did a very good job representing the Retirement System at the deposition.

**J. ADJOURNMENT**

It was **moved** by Heusel and **seconded** by Monroe to adjourn the meeting at 11:42 a.m.  
**Meeting ended at 11:42 a.m.**

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