

**CITY OF PONTIAC, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
APRIL 28, 2011**

A regular meeting of the Board of Trustees was held on Thursday, April 28, 2011 at the City Council Conference Room, Second Level, City Hall, Pontiac, Michigan. The meeting was called to order at 8:50 a.m.

Trustees Present

Leon Jukowski, Mayor
John Naglick, Secretary
Matthew Nye

Trustees Absent

Craig Storum, excused
Brian Lee, excused

Others Present

Matthew Henzi, Sullivan, Ward, Asher & Patton
Chris Kuhn, Gray & Company
Ellen Zimmermann, Retirement Administrator
Jane Arndt, M-Administrative Assistant
Lon Britton, PFRS Retiree
Larry Marshall, GERS Retiree
Ed Wertz, MAP

AGENDA CHANGES

Ms. Zimmermann added a communication from TCP Global and two final benefit calculations (Chris Haney and Kevin Owens) to the consent agenda.

CONSENT AGENDA

- A. Minutes of Regular Meeting: February 24, 2011
- B. Communications:
 - 1. Correspondence from Loomis Sayles Re: Third Party Service Provider Privacy Breach
 - 2. Correspondence from Metropolitan Real Estate VII Re: Investor Update
 - 3. Correspondence from MAPERS Re: Trustee Education
 - 4. Correspondence from Mesirow Financial Re: Fund Update – Japan
 - 5. Correspondence from Hirayama Investments Re: Newsletter
 - 6. Correspondence from Metropolitan Real Estate Re: Fund Update
 - 7. Correspondence from TCP Global Re: Business Partner
- C. Financial Reports:
 - 1. Financial Reports – February & March 2011
 - 2. Securities Lending – January & February 2011
 - 3. Accounts Payable – March & April 2011
 - 4. Q1 Due From GERS
- D. Capital Calls
 - 1. Metropolitan Real Estate VII \$25,000
 - 2. Metropolitan Real Estate VI 169,000
 - 3. Mesirow MFIRE 275,000
 - 4. Mesirow MFIRE 237,500

- E. Remove from the Rolls:
 - 1. Bernice Martin (deceased 02-24-11) survivor benefit to Irene Martin of \$837.71/mo.
 - 2. Patrick Weaver (deceased 04-18-11) survivor benefit to Betty Weaver of \$1,351.46/mo.
- F. Application for Service Retirement:

1. Jeffrey Peterson – PPSA	24 years, 10 months	Age 49
2. Jeffrey Haynes – PFFU	20 years, 7 months	Age 50
3. Chris Nelson – PFFU	22 years, 4 months	Age 51
4. Kelly O’Brien – PFFU	22 years, 3 months	Age 50
5. Kevin Garrison – PFFU	25 years, 9 months	Age 45
- G. Application for Deferred Retirement

1. Jeffrey Haynes – PFFU	20 years, 6 months	Pension starts 05-01-2011
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- H. Final Benefit Calculations

1. Pamela Chambers	#2404	\$4,940.27
2. Chris Haney	#2576	\$4,289.51
3. Kevin Owens	#2591	\$4,334.60
- I. Application for Refund of Accumulated Contributions

1. Dawn Dennis	\$4,777.31
2. Damon Dorkins	15,610.39
3. Gilbert Garrett	2,188.60
- J. Disability Examination
Jerri Gray

RESOLUTION 11-016 By Naglick, Supported by Jukowski
Resolved, That the consent agenda be approved as amended.

Yeas: 3 - Nays: 0

CONSULTANTS

Re: Sullivan, Ward, Asher & Patton

Mr. Henzi told the Board that there have been some key developments in the Atheros Communications, Inc. litigation. Atheros was accused of providing misleading financial information to its shareholders during the proposed merger with Qualcomm, Inc.

During this phase of the litigation Motley Rice sought injunctive relief on the grounds that Atheros should have set forth additional disclosures including material information about the merger so that the shareholders could make a more informed decision as to whether to vote their shares in favor of the merger.

He informed the Board that Motley Rice will be recommending that the Board consider a voluntary dismissal. He explained that the sale was delayed due to the successful injunctive phase of the litigation in which Vice Chancellor Noble’s court granted injunctive relief requiring Atheros to disclose more information and proxy statements which delayed the completion of the merger.

He explained that there are two parts to this process and they won the injunctive phase of the case. The case is being heard in the State of Delaware which has laws that are more favorable to corporate boards of directors in cases like this when compared with laws in other states. As such, it will be difficult to prove that the Atheros' board and management team are liable to pay damages.

Attorney Josh Littlejohn from Motley Rice joined meeting at 8:57 a.m. via telephone

Mr. Littlejohn from Motley Rice spoke with the Board via telephone. He reported that they are pleased with what was achieved in the case. It was a grueling hearing and they won the relief sought from the Judge. This case has changed the law in Delaware requiring companies to disclose banking fees which is a significant disclosure and achievement.

Mr. Henzi asked what his recommendation would be going forward.

Trustee Jukowski left at 9:02 a.m.

Larry Marshall arrived at 9:03 a.m.

Mr. Littlejohn said that they recommend dismissing the case since it will not go any further. The Defendants will not get a release of claims. There is a parallel case pending in California that may go forward and there are some moves they can make. They can go back to the Defendant and tell them that they will not get a release unless they are willing to pay more money. It is the only way they will get more money.

He explained how Motley Rice could engage in additional discussions and join the pending case in California on behalf of the Board.

Mr. Littlejohn left at 9:10

Mr. Henzi said that he appreciated Mr. Littlejohn's willingness to speak with the Board.

Trustee Nye asked if Mr. Henzi could explain the litigation process in this matter.

Mr. Henzi stated that this litigation involved the company misrepresenting its financial condition by agreeing to terms of purchase by Qualcomm without considering other offers. This limited the stock price per share offered by the purchasing company. The Atheros Board of Directors and management team are liable in this matter. The theory of the case is that the true value of the stock per share is higher than was offered by the purchaser.

Mr. Britton arrived at 9:15 a.m.

Motley Rice has proposed that they will refuse to release the Plaintiff's claims against the Defendant unless the Defendant pays more money. This may end similar litigation pending against Atheros. It would not be cost effective to pursue further litigation. The Plaintiff's legal

fees will be paid by Atheros. The shareholder have gained value during the course of the litigation, as determined by the Judge.

There was discussion regarding why the Board pursues securities litigation.

Ms. Zimmermann explained that within the last ten years the law has changed. Public funds are now encouraged to become lead plaintiff in these litigation matters.

Trustee Naglick said that it is a way to keep the public process honest.

Mr. Henzi said that securities litigation helps to monitor corporate governance. He asked if the Board wants to follow the recommendation from Motley Rice for a voluntary dismissal.

Trustee Jukowski confirmed that legal counsel is proposing that the Board dismiss the case without prejudice in order to get more money.

RESOLUTION 11-017 By Jukowski, Supported by Naglick
Resolved, That the Board approves Motley Rice to dismiss the Atheros Communication, Inc. litigation without prejudice pursuant to the recommendation of Motley Rice.

Yeas: 3 – Nays: 0

Northern Trust

Mr. Henzi reported that the Court has indicated it will issue a written opinion determining the Defendants' Motion to Dismiss.

Fossil, Inc.

Mr. Henzi reported that the parties have scheduled a meeting for April 29, 2011 to finalize the settlement. They will continue to advise the Board with respect to this matter.

UBS/AG Securities Class Action

Mr. Henzi reported that the Defendants' Motion to Dismiss is currently pending. They will continue to advise the Board with respect to this matter.

Airgas Securities Litigation

Mr. Henzi reported that in February, 2011 the Court decided that they would not pull the Defendants' "poison pill." In the interim the bidder has walked away from the merger.

IRS Favorable Determination Letter

Mr. Henzi reported that he has been working furiously with the Emergency Manager's attorney to get the proposed amendment incorporated and adopted into the Retirement Ordinance. The amendment needs to be adopted by May 17, 2011.

Trustee Naglick explained the current ordinance amendment process. Ms. Zimmermann submits her request to him and he in turn will submit it to the Emergency Manager if he is in agreement.

He also described that there is specific language in the Retirement Ordinance that needs to be amended that states that in the Police & Fire Retirement System staff and consultants compensation are approved by City Council. He has written a memo to the Emergency Manager to change that language in the Ordinance.

Ms. Zimmermann asked how the Board will know if the Emergency Manager approves the IRS language change and when this is accomplished. She explained past practice when submitting Ordinance amendments to City Council.

Trustee Jukowski said that the Emergency Manager uses Executive Orders to process all official acts. He recommended that she could obtain a signed and dated copy of the Executive Order.

Trustee Naglick said that when an Executive Order is issued it is filed with the City Clerk.

In Re Gildan Activewear Securities Inc. Securities Litigation

Mr. Henzi said that there is nothing new to report.

Medicare Part B Reimbursement

Mr. Henzi explained the Medicare Part B Reimbursement issue. The payment can no longer be issued out of System assets and then reimbursed later by the City. The Emergency Manager has authorized the hiring of ADP to process the reimbursement payments to the retirees. He asked the Board to extend the deadline for this process to begin with the July, 2011 payroll.

Ms. Zimmermann left at 9:26 a.m.

Trustee Naglick explained the current process where the Retirement Office includes the reimbursement in the pension benefit check. The new process will have a parallel payroll for the Medicare B reimbursement. Ms. Zimmermann has drafted a notice to send to the retirees.

Ms. Zimmermann returned at 9:28 a.m.

Mr. Henzi said that there were some previous questions whether it was the City's obligation to reimburse the retirees but it has been determined that it is the City's obligation and the Emergency Manager agrees.

Ms. Zimmermann asked that the motion includes the notice to the retirees.

RESOLUTION 11-018 By Jukowski, Supported by Naglick

Resolved, That the Board approve to extend the deadline to reimburse Medicare Part B payments to retirees through the June, 2010 payroll and authorizes the mailing of notices to retirees regarding the new process.

Yeas: 3 – Nays: 0

House Bill 4214

Mr. Henzi reported that HB4214 was enacted on March 17, 2011 including the amendment that prohibit the Emergency Manager from taking control of a pension system that is funded at 80% or greater. This means that the Emergency Manager does not have power over this System. The inclusion of this amendment can be attributed to Brian Lee who testified before the committees.

He also referred to the sample letters sent to the System's members who were encouraged to send them to their State Representatives and Senators in opposition of this bill.

Phillip Sailor EDRO

Mr. Henzi reported that this is for the trustees' information.

Fire Chief Jeffrey Hawkins Retirement

Mr. Henzi provided the background regarding this issue. Chief Hawkins was told by the Retirement Office that he had the requisite service credit needed to retire using the additional year of service afforded in the Collective Bargaining Agreement (CBA.) However, it was later discovered that he did not have the twenty-two years needed to qualify for the early out option. He chose to be bound by the PFFU CBA but is not a member of that Union. The terms of the CBA regarding years of service credit needed to qualify for a retirement benefit conflict with the ordinance. He was given the additional year of service through an MOU from the Emergency Manager. This MOU purports to amend the retirement ordinance to provide Chief Hawkins a benefit. However, the ordinance cannot be amended unless the CBA is amended.

Chief Hawkins went before the City Council with a long letter that was also given to the Oakland Press. It is the Emergency Manager's position that he would give him that year of service credit. However, the Union's attorney has indicated that the union is unwilling to amend the CBA for one person. Further, he does not believe the CBA needs to be amended in order to grant Chief Hawkins the additional year of service.

Trustee Naglick asked if the April 7, 2011 letter from the Union resolves the issue. The letter states that the CBA does not have to be amended and if the language is changed in the MOU the Union's legal counsel will recommend that the Memorandum be executed.

Mr. Henzi said that this is just another way to say they will not amend the CBA. Based on Michigan Law the CBA has to be amended. There is a threat of litigation in Chief Hawkins' letter. He will provide a legal opinion in reference to the tentative litigation.

In general the law on these topics usually looks at who is in the best position to fix the mistake. He gave an example of the Retirement Office estimating a benefit to a member of \$5,000.00 and the member sued upon discovering his final benefit was much less than the original estimate. The Courts have sided with the member in these types of cases. However, in this type of case he feels the Board has a strong legal position.

Trustee Nye confirmed that regardless of what happens a cost study will be needed.

Trustee Naglick said that the City is in agreement and they would fund the additional year.

Mr. Henzi said that the only obstacle is whether the Union is agreeable.

Trustee Nye said that if the Union gives one member a benefit the other members would be filing a grievance. The Union cannot break from the CBA for one person or it undermines the whole purpose of collective bargaining.

Mr. Henzi said that he and Gordon Gregory have a difference of opinion.

Trustee Jukowski asked if an amendment to the Retirement Ordinance would solve the problem. He confirmed that the City would be giving Chief Hawkins an additional year of service credit but his benefit would be based on his actual years of service.

Mr. Henzi said that amending the Ordinance would resolve the issue only if Chief Hawkins had agreed to be bound by the Ordinance.

Trustee Jukowski asked if he could make that election now. Ms. Zimmermann stated that he cannot make that election now: the election is irrevocable.

Trustee Jukowski said that Chief Hawkins was told by the Retirement Office that he had the twenty-two years to qualify and he relied on the information when he elected to retire.

Trustee Nye said that at some point Chief Hawkins has to bear some of the burden. Unfortunately, this was a clerical error.

Mr. Henzi said that the Board is in a good position with Chief Hawkins being responsible for knowing how many years of service he had even if a clerical error occurred.

Trustee Naglick said he would like to follow the paper trail and to determine what the Emergency Manager intended to do to resolve the issue.

Trustee Nye said that as a Union member both the Board and the Union have processes they have to abide by. Each party has a resolution process.

Mr. Henzi said that the next step to avoid litigation is to nail down the cost and determine what the City is offering to pay.

Ms. Zimmermann said that they have to confirm who is going to pay for the cost study.

Mr. Henzi said he will bring back a legal opinion based on the City agreeing to fund the additional year and cost study.

CAP Mortgage, LLC

Mr. Henzi reported that there had been a problem obtaining legal title to the two adjacent parcels. They finally received good title. One deed was delayed because the wrong font was used. The settlement agreement was signed and is in place; the new deed should be recorded by next Friday May 6, 2011.

He said that the CBRE's recommendations are to let them market and manage the property. He requested that the Board introduce a motion to enter into an agreement with CBRE to list and manage the property.

The listing agreement basically states that there will be four stages in the listing process. During the first stage the property will be marketed for ninety days at the asking price; the second stage will reduce the price; the third stage will further reduce the price with the fourth stage further reducing the price or conducting an auction for the property.

Trustee Nye reminded the Board that their original concern was to get rid of the property before it cost the System any additional money.

Mr. Henzi said that he will send a letter to CBRE with the Board's recommendations.

The last part of the process would be for the Board to fight the tax assessment with a tax appeal if they are so inclined. He explained that SWAP would represent the Board during the tax appeal process.

Ms. Zimmermann said that she would like the CBRE Agreement to be separate from the SWAP Agreement.

RESOLUTION 11-019 By Naglick, Supported by Jukowski

Resolved, That the Board will enter into an agreement with CBRE authorizing them to list and manage the Baldwin Road property with terms vetted by legal counsel.

Yeas: 3 – Nays: 0

Mr. Henzi stated that Sullivan Ward's fee would be contingent on the amount of the tax reduction. They would receive one-third of the reduced amount as their fee. Some agreements state that legal counsel is paid on an hourly basis and the fee is deducted from the reduction. He would verify the agreement.

They have until May 31, 2011 to appeal the current tax to the Michigan Tax Tribunal. He said that this is usually a fairly informal process.

Trustee Jukowski said that as Mayor he is bound to oppose tax appeals. If he votes would he be suing himself?

Trustee Naglick said that he also has a conflict since he pays the legal counsel that fights against tax reductions.

Trustee Nye asked if the issue could be tabled until the next meeting.

Trustee Jukowski felt that would allow the appropriate amount of time to look into the issue.

Mr. Henzi said that the filing of the tax appeal motion could be tabled and that the Board will refer back to it when the issue has been researched.

RESOLUTION 11-020 By Jukowski, Supported by Naglick

Resolved, That the Board will table filing the tax appeal to determine if there is a conflict with Trustees Jukowski and Naglick voting to reduce the tax assessment on a property located in the City.

Yeas: 3 – Nays: 0

Correspondence from Police and Fire Retirement System Board to General Employees' Retirement System Board Re: Retirement System Staff

Mr. Henzi referred to the letter sent to the GERS Board regarding retaining its own staff and setting pay rates and having control over its staff. The Emergency Manager is in agreement.

When he spoke with the Emergency Manager's attorney he said that they could enter into a management agreement to pay for office space and other costs. He indicated that the Retirement Systems are already reimbursing the City for those types of costs.

Ms. Zimmermann stated that this item has gone before the GERS Board on two agendas and they have taken no action.

Trustee Nye asked about hiring an outside agency which was discussed at a previous meeting.

Mr. Henzi said that at a previous meeting the Board discussed out sourcing or determining whether they are receiving 30% of the resources of the Retirement Office that they are paying for.

Ms. Zimmermann said that it would not be cost effective for this System to support the staff. If they were to move on this issue they would only get one staff member. She indicated that the GERS Board's reluctance seems to center around Union issues.

Mr. Henzi said that the Board was told that there are outstanding grievances.

Ms. Zimmermann stated that Devin Scott notified her that the grievances have been withdrawn. It is her hope that GERS would be reasonable and help to ease the City's cash flow issues.

Trustee Nye asked what needs to occur to move ahead.

Trustee Jukowski said that this Board should request that GERS provide their position in writing.

Ms. Zimmermann said that she requested the documentation regarding the Union issues from Human Resources and she was told that it is the policy of Human Resources not to release those documents.

Trustee Nye suggested that the Board wait for all its members to be in attendance before moving forward.

Trustee Jukowski said it would be helpful to pin down the Emergency Manager's and GERS Board's position. He also felt that the Emergency Manager could order Human Resources to release the documents.

Trustee Naglick said that he could add this as an action item in his correspondence to the Emergency Manager that the PFRS Board is not getting a response from the GERS Board.

Ms. Zimmermann suggested that the Emergency Manager's position is sent to Mr. Henzi.

RESOLUTION 11-021 By Jukowski, Supported by Naglick
Resolved, That the Board direct legal counsel to contact the Emergency Manager's legal counsel to request the release of documents from Human Resources regarding the Union issues involving the staff of the Retirement Office.

Yeas: 3 – Nays: 0

General Durable Power of Attorney (POA) for Irene Martin
Mr. Henzi reported that this is for the trustees' information.

Bill Glency, Protected Person
Mr. Henzi reported that this is for the trustees' information.

Proposal to Amend Ordinance Re: Board Composition
Mr. Henzi reported that there is a proposed amendment to the Retirement Ordinance to allow vested members to be seated on the Board. This is based on the anticipated transfer of police officers to Oakland County which would cause the elimination of any active police officers eligible to sit on the Board. The proposal also provides a voice on the Board for this whole class of officers.

He plans to forward the ordinance amendment to the Emergency Manager. His attorney said that they have no problem with this amendment. However, the transfer will not happen until sometime in July, 2011.

Ms. Zimmermann said that once the Ordinance is amended the System's Rules and Regulations will have to be amended by the trustees and forwarded to the Secretary.

Mr. Henzi said that he spoke with Trustee Lee and he feels that the language is okay.

Retiree, Lon Britton said his concern was if there are only five active members left and they did not want to serve on the Board, what would happen.

Mr. Henzi said that this is a pressing issue for the police members due to the transfer of the department and they want to insure that the Police Trustee position remains on the Board. The election timing, nominating process and position will remain the same.

Trustee Nye confirmed the Ordinance amendment process.

Mr. Henzi explained that the Board composition is a mandatory process of collective bargaining. The Union has to be involved. He has emailed the information to MAP the representative, Ed Wertz. Trustee Nye indicated that he has forwarded the proposed amendment to a fire union representative.

Trustee Naglick stated that the City's Municipal Code is updated when the Emergency Manager enacts an update or change and records it with the City Clerk. He questioned how the Municipal Code is updated.

Ms. Zimmermann stated that the last time the Municipal Code was updated the City used a third party which shuffled the numbers and did not include the GERS Ordinance. The next time the Municipal Code is updated the Systems should insure that the information is included and accurately recorded.

Governor Snyder's March 21, 2011 Proposal for Local Government Reforms

Mr. Henzi referred to Governor Snyder's press release/proposal from March 21, 2011. The proposal outlines a tiered revenue sharing process to communities who consolidate services. It also refers to prohibiting minimum staffing requirements by doing away with City Charter Amendments that allow for a specific number of fire fighters per population factor.

Trustee Naglick asked if the Governor proposes to change existing city charters. Mr. Henzi stated that he did not believe any existing charters had been changed to date.

Trustee Nye stated that it was his understanding that has not happened and only new charters will be changed going forward.

House Bill 4123

Mr. Henzi reported that this bill was introduced in January, 2011 and would require public pension systems to be subject to full disclosure including retaining and making certain public records like trustee travel expenses available. The pension system would be required to publish information on the internet if the system has a website. The pension system would also be subjected to inspection and disclosure of pension benefit estimates for members subject to confidentiality requirements to designated representatives.

House Bill 4060

Mr. Henzi reported that this bill was also introduced in January, 2011 and referred to the Oversight, Reform and Ethics Committee on January 13, 2011. It would limit the final average calculation of fire fighter and police officer who become members after December 31, 2010. The bill would cap the amount of pensions at 55% of gross pay and change the multiplier and

limit the base pay amount to 40 hours per week and 52 weeks per year. Base pay would not include overtime, accrued sick leave or vacation time, bonus pay or other fringe benefits.

House Bill 4480 through 4484

Mr. Henzi reported that these bills were introduced in March, 2011 and no action has been taken. These bills would tax all Michigan income including public and private pensions. The bills would exclude from tax the first \$20,000.00 in pension income for single tax filers and the first \$40,000.00 in pension income declared by married tax filers.

Mr. Henzi told the Board that he has mailed information regarding a tax analysis conducted by the Michigan Department of Treasury Office of Revenue and Tax Analysis entitled "The Effects of an Aging Population on the Components of Michigan Income." He indicated that he would forward a copy to the trustees.

Trustee Nye said as the fire representative he has questions on how they compare with other states.

Fiduciary Liability Insurance Policy Renewal

Mr. Henzi reported that this is for the trustees' information. The policy limits of liability are \$2 million with a \$1,000.00 deductible. The premium is \$25,000.00 with the policy in effect through 2012.

FOIA Request from Preqin Ltd.

Mr. Henzi referred to a FOIA request from Preqin, Ltd. which is a research house that accumulates and provides data on alternative assets for unknown users. He explained that based on Michigan's Freedom of Information Act, investment records supplied to the Retirement System are constituted as trade secrets and the information must be kept confidential.

Ms. Zimmermann indicated that alternative investment managers are very sensitive when it comes to their investment data.

Brian C. Aranosian QDRO

Mr. Henzi reported that this information is for the trustees' information.

Miscellaneous Articles

- Associated Press April 12, 2011 – Michigan plan would tax retirees up to age 67
Mr. Henzi reported that the article refers to the State of Michigan taxing retirees up to age 67. The current exemption would affect those born before 1952.
- The Detroit News, April 8, 2011 – Detroit's pension boards sue over emergency manager law.

Mr. Henzi reported that the City of Detroit Retirement Systems have filed an injunction challenging the Emergency Manager Bill as unconstitutional.

Re: Gray & Company – Total Fund Review

Mr. Kuhn distributed copies of the updated market values as of April 25, 2011. The market value was \$245 million. He estimated performance numbers of 4% to 5% for the first quarter.

He said that they are recommending that the Board review the current fixed income mandate based on how difficult it could become to find performance in this area based on the anticipated rising interest rate environment. There are concerns that the end of Quantitative Easing II will put upward pressure on rates.

The System currently has 11% allocated to an intermediate index fund. They feel that active management could provide better performance.

The Board could look at different types of investments or look at a global fixed income strategy that invests in emerging market bonds or they could allow managers to use currency based on the weakening dollar. They see a lot of managers with the ability to use that as a source of returns. They would have to be careful on how much was allocated to international because it would fall within the international allocation. Currently, 20% is the maximum that can be allocated to international.

Longer term indexed fixed income funds will be efficient. They recommend continuing an allocation to the index fund.

He will bring a write up on global fixed income to the next meeting.

TCP Global Letter

Mr. Kuhn said that he received a letter from TCP Global that they are currently looking for outside capital to run the business. Gerry Thunelius will be at the manager review meeting next week. He suggested that the Board bring Gerry in before the roundtable session to talk to the Board. Typically, they do not bring those types of issues up during the roundtable.

Trustee Nye asked if they are struggling. Mr. Kuhn said he believes the business is cash strapped. Their Compliance Office told them that they have to disclose that they are looking for a strategic partner.

Ms. Zimmermann suggested including Gerry Thunelius as part of the Gray & Company review.

REPORTS

Re: Chairman - None

Re: Secretary - None

Re: Trustees

Re: Administrator

Ms. Zimmermann referred to correspondence/articles contained within the Reports Section of the Agenda Packet which will provide a taste of what is going on behind the scenes.

Re: Legal – Refer to Sullivan, Ward, Asher & Patton

Re: Union Representatives - None

NEW BUSINESS

Re: MAP

Ed Wertz from MAP introduced himself to the Board. He said that they brought the issue regarding the Board's composition to the Emergency Manager. They felt that they were leaving the police retirees exposed with no representation on the Board. They are happy with the amendment and are willing to sign it.

Mr. Henzi said that the ball is in the Emergency Manager's court.

Mr. Wertz said that the transition to Oakland County should take place in mid-July or possibly August.

James Tate

Mr. Wertz said that Officer James Tate is two weeks shy of having ten years in order to be vested. His adjusted seniority date is December 9, 2000. He was laid off in November, 2010. Officer Tate suffered a stroke and is permanently disabled and will never work again. He asked if the Board could look into what it would take to provide the additional two weeks in order for Officer Tate to retire.

Trustee Nye stated that the Board will research the issue.

Mr. Henzi said that he will look into the issue on behalf of Officer Tate.

Ms. Zimmermann asked if Officer Tate has applied for a disability retirement. Mr. Wertz said that he believes his wife has filed the paperwork.

Mr. Wertz stated that Neil Dennis intended to be at today's meeting but could not attend. He said to let him know if someone from his office needs to be at the next meeting.

Mr. Henzi said that he will forward the information to Mr. Wertz barring any confidentiality issues.

Ms. Zimmermann will verify whether Officer Tate has applied for a disability retirement.

Mr. Wertz left at 11:03 a.m.

Re: Trustee Election

Ms. Zimmermann said that the election notices were posted for the police and fire trustee positions. Only two petitions have been received to date. Assuming no other petitions are received the Board composition will remain the same.

Re: Police Representation on PFRS Board – Refer to Sullivan, Ward, Asher & Patton

Re: Actuarial Cost Study – MAP

Ms. Zimmermann reported that the actuarial cost study for MAP has not been completed yet. Ms. Zimmermann stated that when Fred Leeb was here there was a provision included in the contract that changed the benefit allowing for a 3% kicker when the System is over funded. However, no cost study was conducted. She contacted Human Resources to determine who authorized the cost study and who is responsible for the payment.

Re: PPOA & PPSA Cost Studies

These have been provided in the agenda materials for the Board's information.

Re: Ordinance Amendment – Professional & Clerical

Mr. Henzi reported that he is working on eliminating this language from the Police & Fire Retirement Ordinance.

UNFINISHED BUSINESS

Re: HB 4214 – Refer to Sullivan, Ward, Asher & Patton

Re: Medicare B Payroll – Refer to Sullivan, Ward, Asher & Patton

Re: Retirement Office Payroll – Refer to Sullivan, Ward, Asher & Patton

SCHEDULING OF NEXT MEETING

Regular Meeting – Thursday, March 24, 2011 – City Council Conference Room, Second Level, City Hall @ 9:00 am

ADJOURNMENT

RESOLUTION 11-022 By Jukowski, Supported by Naglick

Resolved, That the meeting be adjourned at 11:08 a.m.

Yeas: 3 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the Police and Fire Retirement System held on April 28, 2011.

John Naglick, Secretary
As recorded by Jane Arndt