

**CITY OF PONTIAC, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
MAY 31, 2012**

A regular meeting of the Board of Trustees was held on Thursday, May 31, 2012 at the City Council Conference Room, Second Level, City Hall, Pontiac, Michigan. The meeting was called to order at 10:32 a.m.

Trustees Present

Lon Britton
John Naglick, Secretary
Matthew Nye
Craig Storum, Chairman

Others Present

Matthew Henzi, Sullivan, Ward, Asher & Patton
Laurance Gray, Gray & Company
Chris Kuhn, Gray & Company
Ellen Zimmermann, Retirement Administrator
Jane Arndt, M-Administrative Assistant

Trustees Absent

Leon Jukowski, Mayor (*excused*)

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – April 26, 2012
- B. Communications:
 - 1. Correspondence from Senate Fiscal Agency Re: Senate Bill 797
 - 2. Correspondence from SWAP Re: CAP Mortgage Final Distribution
 - 3. Correspondence from Artio Re: March 2012 Newsletter
 - 4. Correspondence from Garcia Hamilton Re: March 2012 Update
 - 5. Correspondence from Goode Investment Management Re: Winding Down
 - 6. Correspondence from Munder Re: Q1 2012 Newsletter
 - 7. Conference Information:
 - a. 58th Annual Benefits Conference – IFEBP – November 11-14, 2012
- C. Financial Reports:
 - 1. Financial Reports – April 2012
 - 2. Accounts Payable – May 2012
- D. Capital Calls:
 - 1. Franklin Templeton \$9,000,000
 - 2. Mesirow MFIRE (Intl) 225,000
- E. Death Audit 04-18-12
- F. Remove from the Rolls:
 - 1. Walter Hitchuk (deceased 05-20-12): survivor benefit of \$2,999.96/mo to Betty Hitchuk
- G. Application for Service Retirement:
- H. Application for Deferred Retirement
- I. Application for Disability Retirement
- J. Final Benefit Calculations:

1. Valard Gross – PPSA (NU)	#2427	\$5,518.25
2. Carmen Gackstetter – PPSA	#2462	4,889.51
3. Timothy Samson – PFFU	#2528	4,166.89
4. Jeffrey Smith – PPSA	#2590	2,499.13 (After EDRO)
5. Darence Betts – PPOA	#2606	3,449.11
6. Michael Dougherty – PFFU	#2607	3,786.95 (Overpayment)
7. Kelly O’Brien – PFFU	#2617	3,560.83
8. James Tate – PPOA	#2685	3,505.54
K. Application for Refund of Accumulated Contributions		
1. Donald Burke – PFFU		\$ 170.76
2. Robert Holewinski		3,785.07
L. Disability Re-Examination		

RESOLUTION 12-039 By Britton, Supported by Nye
Resolved, That the consent agenda be approved.

Yeas: 4 - Nays: 0

CONSULTANTS

Re: Rodwan Consulting – 2011 Valuation & Supplemental Valuation Presentation

Ms. Rodwan told the Board that they processed two reports as directed by the Board, the Valuation Report as of December 31, 2011 which includes the transfer out of the police department and the Supplemental Valuation Report as of March 1, 2012 which includes the fire department transfer.

The valuation report as of December 31, 2011 was prepared as in prior years but includes the removal of the police department which has no active members in the System.

She explained that the purpose of the valuation report. The smoothed market value of assets on hand as of December 31, 2011 was \$241.1 million, down \$12 million from the previous year even with police still being there and the Fund was still receiving contributions. The rate of return was less than anticipated at 1.78% versus 7.5%. The market value of assets was \$219.8 million versus \$239.0 million the previous year, which was a \$20 million decrease.

The remaining unfunded accrued liabilities were amortized as a level dollar amount over twenty years rather than a level percent of payroll based on the police transferring out of the System.

As of December 31, 2011 there were 58 active members versus 121 the previous year. The number of retirees and beneficiaries increased to 442 from 421 the previous period. There were 72 inactive members versus 23 the previous year.

The assets were aggregated for all groups for purposes of this valuation.

The computed contribution rates were expressed as a level percent of payroll consistent with prior valuations. The City’s computed normal cost for just the firefighters would be 26.82%

with an unfunded actuarial accrued liability, which is computed like a mortgage payments 13.58%. The City's total contribution rate beginning July 1, 2013 would be 41.4% or \$1.449 million. Last year's total contribution rate was 32.72% due to the unfunded accrued liability.

Trustee Naglick confirmed that this year the City's bill would be for \$2.181 million and next year's bill would be \$1.449 million if the Fire Department was still here.

There was discussion questioning how accrued liability could increase with the City's contributions decreasing.

Chairman Storum indicated that the normal cost pays for the accrued service liability.

Ms. Rodwan noted that the active police officers transferred out of the System so there is no additional accrued liability.

In 2010 the Fund did not have an unfunded actuarial accrued liability. There was an excess of \$8.963 million. This year there is \$4.510 million in unfunded actuarial accrued liabilities.

The funding ratio has decreased from 103.7% in 2010 to 98.2% in 2011.

She reviewed the actuarial accrued liability as of December 31, 2011. Total accrued liability for retirees and beneficiaries is \$219.220 million; for vested terminated members \$12.978 million and for present active members \$13.501 million totaling \$245.699 million. The present funding value of assets is \$241.189 million leaving an unfunded accrued liability of \$4.510 million and a funding percentage of 98.2%. In 2010 the total accrued liability was \$244.915 million with valuation assets of \$253.878 million, an unfunded accrued liability of (\$8.963 million) and a funding percentage of 103.7%.

Ms. Zimmermann questioned whether the transfer of assets to the retiree reserves is required.

Ms. Rodwan said that the transfer could be booked as a journal entry.

There was no change in the benefit provision summary or in the assumptions and methods.

She reviewed the funding value of assets as of December 31, 2011. Net investment income of (\$2.129 million) was determined by adding the total additions to the market value of (\$19.174 million) subtracting the net contributions of \$1.717 million and then subtracting the benefit payments, refunds and administrative expenses of (\$18.762 million).

The expected income at the valuation rate of 7.5% was computed to be \$18.401 million but the actual investment income was \$2.129 million, resulting in investment losses of \$20.531 million. These losses will be phased in using the five-year smoothing method. The major loss in the Fund was in 2008.

Ms. Rodwan explained that the funding value of assets is consistent with other pension systems. Some systems use an 8% rate of return which increases the liability.

The smoothed funding of assets moves toward the market. The assumed smoothed valuation is 10% higher than the market.

Trustee Nye asked who set the rate of return using a 7.5% assumption,

Ms. Rodwan indicated that the Board set the 7.5% rate of return which is a reasonable assumption. Certainly a lower assumed rate would increase the unfunded actuarial accrued liabilities but may be more realistic over time.

The historical schedule based on annual pensions being paid indicated an increase of \$1 million from 2010 to 2011 and an increase in the number of retirees and beneficiaries from 421 to 442.

Retired members and survivors as of December 31, 2011 totaled 442 with the highest concentration of retirees in the 60 to 64 age range.

There were 58 active firefighters with 39 members under the age of 40 with less than 10 years of service credit. The average age among active fire members was 34.8 years with 9.5 years of service.

Trustee Naglick questioned whether the receivable owed by the City was used in the report.

Ms. Rodwan indicated that they use the final audit report from Plante & Moran. The receivable would be used if the members were continuing to accrue service credit and it would show up in the assets and would eventually be paid to the retirees. They do not use receivables when processing this report.

Chairman Storum questioned whether the fact that the City stopped contributing bi-weekly was accounted for.

Ms. Rodwan indicated that this is a timing issue and not pertinent.

There was discussion regarding the recommended dollar contributions owed by the City. It was explained that the amount adopted in 2009 actuarial valuation would be effective July 1, 2011; the amount adopted in 2010 would be effective July 1, 2012 and the amount adopted in 2011 would begin effective July 1, 2013. The adopted amount is always two years out.

Chairman Storum questioned whether the City changing the agreement and payment schedule would have any affect with contributions being eighteen months late.

There was also a question on how much the City currently owes the System.

Mr. Henzi said that he believed the System received a payment in December, 2010 and the balance owed by the City was \$824,000.00.

Trustee Naglick asked what the \$824,000.00 owed on June 30, 2011 was based on.

The Board directed Ms. Zimmermann to determine which actuarial report the back contributions owed by the City are based on.

RESOLUTION 12-040 By Naglick, Supported by Britton

Resolved, That the Board approve to accept the Actuarial Valuation Report for the period ending December 31, 2011 and to move the funds to the retiree reserves.

Yeas: 4 – Nays: 0

Ms. Rodwan began her review of the Supplemental Valuation as of March 1, 2012. This report is based on all police and fire participants being gone and the Plan closed as of that date. The accrued assets were computed to reflect the impact of the closing of the Plan.

They used a twenty year amortization as a level dollar amount with no payroll which is customary in a closed plan. They used the smoothed funding value of assets for this supplemental valuation. However, the Board may want to consider the use of market value of assets for future annual actuarial valuations since the Plan is closed.

Trustee Naglick indicated that a plan with no current participants would know that they have \$240 in actuarial accrued liability and \$210 million in the bank.

Ms. Rodwan stated that there are fewer variables with no liabilities. The only remaining variables are investment returns and life expectancy. The focus is more on liabilities versus assets.

Trustee Naglick asked if the money should be invested in an annuity.

Mr. Kuhn stated that it would take \$500 million invested in annuities to meet the needs of the Plan.

Chairman Storum reminded the Board that there is still \$5.2 million in judgment and questioned whether it is being treated as a receivable.

Ms. Rodwan noted that that the \$5.2 million judgment is not recorded in the assets to date.

Mr. Henzi stated that Plante & Moran booked the judgment as a receivable not an asset.

There remaining active Fire members were terminated from the Plan and were assumed to be immediately vested. They are not due to draw their benefit until future years. There will be no new information as of March 1, 2012.

Trustee Naglick questioned what age these members are eligible to draw.

Ms. Jones indicated that members with less than ten years of service credit are eligible to draw their benefit at age sixty.

Trustee Nye indicated that the members are eligible at age fifty to begin drawing their benefit.

There was discussion regarding this issue.

Ms. Jones noted that Ms. Munson sent them the information indicating that members with less than ten years of service credit cannot draw until age sixty.

Ms. Rodwan indicated that the valuation for these thirty-nine members was figured with them drawing at age sixty not age fifty and that it would make a difference.

Trustee Nye said that these numbers cannot be adopted with the wrong information. He questioned how they were figured in the valuation report ending December 31, 2011.

Chairman Storum recommended that the Board direct the actuary to refigure the data.

Ms. Rodwan indicated that they will require the new data before they can rerun the numbers.

The computed contributions based on the March 1, 2012 actuarial valuation showed actuarial accrued liabilities of \$243.155 million with a funding value of assets of \$241.189 million with an unfunded actuarial accrued liability of \$1.966 million. This amount amortized over a twenty year level dollar amortization totaled \$186,010.00 with a dollar amount adjusted with interest of \$207,324.00. This number is highly sensitive to the asset valuation used. If they used the market value of \$219 million the dollar amount contribution would be ten times greater.

There is nothing wrong using the funding value but the amount could go up next year.

Chairman Storum recommended that the Board adopt using the market valuation.

Trustee Nye asked if that will put more on the City and questioned how it will look to the citizens.

Ms. Rodwan said that ultimately the Plan will be paying a lot more if they shorten the twenty year amortization period.

Trustee Nye said that he would like to do what is prudent for this Board.

Trustee Naglick left at 11:20 p.m.

Mr. Gray stated that they performed a year long study for the Dallas Transit Authority using a risk/liability glide path strategy that looks at the assumptions and is a lot more expansive. They are seeing more and more of these. They have been in discussions with the City of Dallas which has continued to add more data points.

The Board might not want to use a twenty-year amortization which is a lot to pay at the end. These numbers are sensitive to the market. You need to go back to the risk model and make

more conservative choices with less volatility. It is prudent for them to work in conjunction with the actuary.

Trustee Naglick returned at 11:22 p.m.

Trustee Nye asked if the Board should direct the Consultant to work on a glide path strategy for the System.

Chairman Storum said that he would like to look at using the market valuation, changing the rate of return assumption and redoing the report with the correct retirement age. The Board could look at a couple of models and make the change using the market valuation. He also would like to look at the Fund's asset allocation.

Mr. Gray recommended that they use more data points so they start with a more drilled down strategy.

Trustee Britton requested that a special meeting be scheduled to put together a model and adopt the revised Supplemental Actuarial Report. He anticipated that the meeting would take two to three hours.

Ms. Rodwan said that she would confirm the information with the Consultant.

Mr. Gray said that they may not need a lot of data from the Actuary. They would take a look at the capital markets going forward. The Board should be very sure of a few more data points including a twenty versus ten year amortization schedule and the associated cost savings.

Trustee Naglick said that they could look at a long view of the market and plot out the System's cash flows.

Chairman Storum said that they could bring back the information with the updated actuarial report.

Ms. Jones stated that they would normally use the 2011 Actuarial Valuation Report for budget report purposes but the Board seems to be focusing on the Supplemental Valuation Report.

Mr. Kuhn stated that once this report is finalized for next year the Board could make the changes to the amortization schedule and using a three-year smoothing method. It could take two or three two hour meetings to set a glide path strategy that everyone would be comfortable with.

Trustee Nye again indicated that the Board cannot accept the Supplemental Valuation.

Chairman Storum stated that the City could use the \$1.5 million for the budget. The Board can direct the Actuary to refigure the numbers for the thirty-nine Fire members. There will be more discussions. Once the Board is in agreement they can move toward finishing the report.

Trustee Nye indicated that the Consultant might need the report from the Actuary with the correct data.

Trustee Britton recommended that the Board get the fix for age fifty and next year roll up their sleeves and make changes.

Mr. Henzi noted that the Emergency Manager will not leave until the budgeting is in place for the next three years.

Ms. Rodwan indicated that if the Board changes the assumptions it will increase the liability.

Ms. Rodwan, Ms. Jones and Mr. Gray left at 11:33 a.m.

Large Cap Growth/Value Index Fund Search

Mr. Kuhn noted that Chairman Storum and Trustee Britton had asked that the Northern Trust information be included at the Manager Review Meeting. The reports had already been sent when the request was made.

He indicated that 27% of the portfolio is allocated to large cap with 13.5% each in the Russell 1000 Growth and the Russell 1000 Value Index Funds totaling \$60 million. That is a significant allocation of assets in the Fund.

The Board is familiar with most of the managers including John Bogle, Founder of The Vanguard Group, BlackRock, Rhumblin Advisers and State Street Global Advisers.

The fees are approximately six basis points to eight basis points.

Currently, the assets are in Northern Trust non-securities lending index funds. Only two of these managers State Street and Rhumblin have non-securities lending funds.

Mr. Gray indicated that securities lending does not come without risk referring to what happened in 2008.

Mr. Kuhn told the Board that they could see losses or risk with securities lending. Funds without securities lending can add five basis points to eight basis points in fees but they do not have the same risk.

Trustee Naglick asked about Northern Trust's fee.

Trustee Britton said that Northern Trust's fee is around six basis points. It was a bad situation the way securities lending ended up. There is an element of risk but these managers are the big gorillas and the risk is spread across many clients and he feels comfortable as long as the securities lending risk is spread out.

Chairman Storum stated that he was more upset on how the Board was sold a bill of goods that there was no risk with securities lending.

Mr. Gray said that the concept was not presented properly. If the Board is okay with the concept the amount of securities lending has come down and the portfolios are relatively more conservative.

Chairman Storum stated that he wants to include Northern Trust because this is a different group. He indicated that the countersuit is what brought about the search. He indicated that the Board needs to determine if they want to move forward with securities lending.

Mr. Kuhn stated that the managers included in the search are household names. He questioned whether the Board wanted to use the same strategy with equally weighted for both index funds. There are some local firms with similar strategies. LS Investment Advisors, a spinoff of Loomis Sayles with one of the Board's former portfolio manager Kevin Yousif, does some indexing. The System would be one of their larger accounts. There is also a firm in Atlanta whose fees would be around 10 basis points.

Mr. Gray also indicated that they could use a cap weighted or customized solution.

Trustee Nye indicated that he wants to make a decision after the Board has addressed the updated actuarial report and glide path strategy.

Trustee Naglick stated that they gave the account rep from Northern Trust a hard time at the MAPERS Conference indicating that they were unhappy with the countersuit filed against them.

Intermediate Fixed Income

The Board determined that they would table this item for a later date.

Investment Policy Statement

Mr. Kuhn reviewed the updates to the Investment Policy Statement.

On page seven the rebalancing was changed to a rebalancing range across all asset classes.

On page thirteen they added language for the Franklin Templeton investment in international fixed income which was taken from the offering language. There is no duration limit and the separate guidelines are more meaningful.

Page fifteen included the Munder benchmark change, the addition of global/international fixed income and timber was removed from the asset allocation.

There will be more changes down the road including the guidelines for Goode and some changes from the updated Public Act 314.

He also indicated that it has been sometime since they presented a full blow asset allocation report and it makes good sense to review it now.

Trustee Britton asked if managers could be directed to send all dividends back to the cash account so it could accrue and rebalancing could be done as needed.

Mr. Kuhn said that you see this in real estate and that some plans take dividends from the larger players.

Mr. Gray stated that you normally do not see this in institutional funds.

Trustee Britton asked how much is generated in dividends to offset the tilt.

Mr. Gray said you see this is some ETF's and large dividend funds.

Mr. Kuhn stated that every six months the Fund is rebalanced and they sell off equities.

Trustee Naglick said that it would be good if you could minimize the rebalancing.

Mr. Kuhn indicated that you do not get dividends from Northern Trust or commingled funds. You would see it in Garcia Hamilton, Artio and Franklin Templeton.

Trustee Britton stated that he is a big fan of ETF's. The Russell 1000 ETF Fund pays dividends.

Mr. Kuhn stated that he does not know how much cash that would amount to.

Ms. Zimmermann indicated that the total cost for pensions each month is \$1.3 million which does not include expenses or the Cost of Living Adjustment.

Mr. Henzi recommended that the Board schedule the special meeting.

RESOLUTION 12-041 By Nye, Supported by Britton

Resolved, That the Board schedule a special meeting for July 27, 2012 at 9:30 a.m. to discuss changes to the actuarial assumptions and working on a glide path strategy.

Yeas: 4 – Nays: 0

Trustee Britton told Mr. Gray and Mr. Kuhn that he is very happy with the job Gray & Company does for the System including their reports, flexibility and overall work.

REPORTS

Re: Chairman - None

Re: Secretary - None

Re: Trustees - None

Re: Administrator

Audit Letter Chairman

Ms. Zimmermann reported that the Chairman signed the Audit Letter. This year's audit cost was \$12,375.00.

MAP Letter

Ms. Zimmermann reminded the Board that they approved the draft of the MAP letter to be sent out to the members. She has created a list of individuals from the pieced together lists she received from Phyllis Long. She is currently working on the list of those MAP members who retired beginning October 4, 2010 who may be eligible for the updated factor increase.

LaJuan Craft Sick Leave

Ms. Zimmermann reported that she received a fax from Ms. Craft extending her sick leave through July 1, 2012.

Re: Legal

Renewal Application for Fiduciary Liability Insurance

Mr. Henzi reported that at the last meeting the Board voted to extend the insurance through June 1, 2012.

The insurance has a \$2 million cap. The deductible increased from \$10,000.00 to \$25,000.00 and the premium increased from \$25,000.00 per year to \$30,000.00 per year. The \$1 million policy has the same deductible with a \$22,500.00 per year premium.

Mr. Henzi recommended that the Board continue the insurance.

Trustee Britton recommended that the Board continue the insurance and revisit next year because the Board currently has a lot of issues to work on.

The Board determined that they would continue the fiduciary liability insurance.

RESOLUTION 12-042 By Britton, Supported by Naglick

Resolved, That the Board approve the renewal of the fiduciary liability insurance.

Yeas: 4 – Nays: 0

Electronic Meetings/House Bill 5335

Mr. Henzi reported that there is a bill in the Michigan House that would prohibit a public body's open meeting to establish a quorum if their member is using technology to participate in the meeting where they cannot be physically present. It would not allow a member to cast a vote if they are not physically present at the meeting. It also would not allow the use of iPads. He is not sure if this bill is going anywhere especially with many rural communities using technology to conduct their meetings and that electronic participation is already permitted. This is a hot button issue for school boards.

Preqin Ltd. FOIA

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

Public Act 314 Amendments – SB 797

Mr. Henzi reported that SB 797 has not passed to date. It will pass and will potentially change the asset allocation of the Fund. He recommended that the Chairman sign a letter of support to send to Senator James Marleau. The Board sent a letter of support to Senator Marleau earlier in the year.

RESOLUTION 12-043 By Britton, Supported by Naglick

Resolved, That the Board approve sending a letter of support for the passage of SB 797 to State Senator James Marleau.

Yeas: 4 – Nays: 0

FOIA Request John Lappe

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

CAP Commercial Mortgage – Final Distribution

Mr. Henzi reported that the System received the final distribution. This money was held in trust by CBRE along with a rebate from Detroit Edison.

They intended to dissolve the LLC with the System however; they are continuing to work on the tax appeals and need to keep it open. If the Lyon Investment Group wins the tax appeal the monies will be refunded to CAP LLC. Lyon Investment Group recently applied for the latest tax year.

Executive Orders 203-207/Retiree Health Care

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

Bernstein Litowitz First Quarter Portfolio Watch

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

Fiduciary Liability Insurance – Protection for Public Funds and their Trustees

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

Articles

- *GASB Simplifies Accounting for State Retirement Liabilities, But will Require Participating Employer to Include Apportioned Liabilities on Financial Statements – Groom Law Group – May 15, 2012*

- *Developing a Pension Funding Policy for State and Local Governments – Gabriel Roeder Smith & Company Research Report – January 25, 2012*

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

Police & Fire Regular Meeting
May 31, 2012

RESOLUTION 12-044 By Naglick, Supported by Nye
Resolved, That the Board move to closed session to discuss pending litigation.

Yeas: 4 – Nays: 0

The Board moved to closed session at 12:16 p.m.

The Board returned from closed session at 12:30 p.m.

RESOLUTION 12-045 By Jukowski, Supported by Britton
Resolved, That the Board approve the closed session minutes from April 26, 2012.

Yeas: 4 – Nays: 0

Re: Union Representatives – None

NEW BUSINESS

Re: Executive Orders S-206 and S-207

Ms. Zimmermann reported that Executive Orders S-206 and S-207

Trustee Britton indicated that this will call for more work from the Retirement Staff.

Chairman Storum asked if the letters have gone out to the retirees.

Trustee Naglick indicated that the letters should be going out soon.

Trustee Britton asked if the letter sent to the members could include the HELPS language regarding the \$3,000.00 tax deduction and that members should consult a tax person.

Ms. Zimmermann noted that the deduction only applies to public safety retirees.

UNFINISHED BUSINESS

Re: Non Payment of City Contributions – Refer to Legal (Closed Session)

Re: Partial Plan Termination

Ms. Zimmermann indicated that since the last meeting she has been going through the data and is currently compiling the list.

Re: Electronic Meetings

Ms. Zimmermann reported that Sarcom has tested the iPads. The hot spot has been installed. Kareem is no longer working with the company which caused a problem and they could not find anyone to download the software. Now that the iPads are back she will get the information.

Trustee Britton suggested that the iPads be passed out and that Ms. Arndt send out the instructions when available.

Chairman Storum confirmed that the iPads were ready for distribution.

Ms. Zimmermann stated that the fuzebox software will have to be downloaded from the internet.

Mr. Henzi indicated that the trustees will have to sign the iPad Policy.

Re: Rent/Overhead

Ms. Zimmermann reported that the Emergency Manager sent a letter indicating that as of February 1, 2012 the Retirement System became the employer.

Trustee Naglick stated that the Emergency Manager has proposed a \$3,000.00 per month charge to the System which is a reduction from the previous \$3,400.00 per month charge. He has asked that the Board make a decision on whether the staff is going to stay in their space or they will need to relocate by July 1, 2012 but no later than August 1, 2012.

Human Resources is moving where the Emergency Manager use to be located and DPW will be moving into their space. The Retirement Office can retain their existing space or move outside the building.

Trustee Nye asked if the Police & Fire System is still paying 30% of the cost.

Trustee Britton suggested that the issue be tabled.

Re: Overpayment Reduction - Krepps

Ms. Zimmermann asked that the Board approve the overpayment reduction for Anthony Krepps.

Chairman Storum asked if the reduction is for his lifetime.

Ms. Zimmermann stated that it is a \$64.87 per month lifetime reduction.

RESOLUTION 12-046 By Nye, Supported by Britton

Resolved, That the Board approve the \$64.87 per month lifetime reduction to Anthony Krepps.

Yeas: 4 – Nays: 0

Michael Dougherty Overpayment

Trustee Nye questioned the Dougherty overpayment.

Chairman Storum indicated that Mr. Dougherty was drawing disability, workman's compensation and a retirement benefit.

Trustee Nye told the Board to prepare for Mr. Dougherty to file a lawsuit.

Ms. Zimmermann indicated that the overpayment was due to Mr. Dougherty being given an additional year of service credit. His FAC for his final salary was also incorrect.

Joint Meeting with GERS Personnel Subcommittee

Trustee Naglick also recommended that when the two committees meet to discuss Retirement Staff issues they should also discuss the moving issue.

Ms. Zimmermann indicated that this is the worst possible time for the Retirement Office to move.

Trustee Britton suggested that the meeting be scheduled the day prior to the Police & Fire Board Meeting so the Personnel and Relocation Subcommittees can bring back the GERS Board's questions and concerns the next day for discussion.

SCHEDULING OF NEXT MEETING

Regular Meeting – Thursday, June 28, 2012 – City Council Conference Room, Second Level, City Hall @ 9:00 a.m.

ADJOURNMENT

RESOLUTION 12-047 By Britton, Supported by Nye
Resolved, That the meeting be adjourned at 12:48 p.m.

Yeas: 4 – 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 May 31, 2012.

John Naglick, Secretary
As recorded by Jane Arndt