

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
APRIL 27, 2011**

A regular meeting of the Board of Trustees was held on Wednesday, April 27, 2011 at the City Council Conference Room, Second Floor, City Hall, 47450 Woodward Avenue, Pontiac, Michigan 48342. The meeting was called to order at 1:32 p.m.

TRUSTEES PRESENT

Koné Bowman
Charlie Harrison, Chairman
Leon Jukowski, Mayor
John Naglick, Secretary

Tuesday Redmond
Patrice Waterman
Kevin Williams
Debra Woods

TRUSTEES ABSENT

Shirley Barnett (*excused*)
Devin Scott (*excused*)

OTHERS PRESENT

Matthew Henzi, Sullivan, Ward, Asher & Patton
Laurance Gray, Gray & Company
Chris Kuhn, Gray & Company
Ellen Zimmermann, Retirement Accountant
Jane Arndt, M-Administrative Assistant
Sarah Bahling, Retiree
Nobel Butler, Retiree
Leeora Burton, Retiree
Peggy Hardiman, Retiree
Edith Kaminski, Retiree

Zenovia Keels, Retiree
Larry Marshall, Retiree
Willie McCoy-Johnson, Retiree
Richard Nicholas, Retiree
Donna Rhodes, Retiree
Rose Seibert, Retiree
Jean Stewart, Retiree
Eunice, Terrell, Retiree Spouse
Robert Terrell, Retiree

AGENDA CHANGES

Trustee Redmond asked that the Election of Officers agenda item under New Business be moved to the front of the agenda because she is unable to stay at the meeting due to work responsibilities.

RESOLUTION 11-038 By Redmond, Supported by Bowman
Resolved, That the Board move the Election of Officers forward on the agenda.

Yeas: 8 – Nays: 0

Re: Appointment of Board Officers

Chairman Harrison asked Mr. Henzi for the procedure for electing a Vice Chairman and Chairman.

Mr. Henzi stated that nominations are accepted and then a vote will be taken.

Re: Appointment of Chairman

Chairman Harrison opened the floor for nominations for the Chairman of the City of Pontiac General Employees Retirement System.

Trustee Williams nominated Trustee Harrison for Chairman. There being no other nominations, the nominations were closed.

RESOLUTION 11-039 By Waterman, Supported by Williams

Resolved, That Trustee Harrison is appointed Chairman of the General Employees Retirement System Board of Trustees by unanimous declaration.

Yeas: 8 – Nays: 0

Chairman Harrison said that he appreciates the Board’s support and will do his best to serve the members.

Re: Appointment of Vice Chairman

Chairman Harrison opened the floor for nominations for the Vice Chairman of the City of Pontiac General Employees Retirement System.

Trustee Redmond nominated Trustee Woods for Vice Chairman. There being no other nominations, the nominations were closed.

RESOLUTION 11-040 By Redmond, Supported by Williams

Resolved, That Trustee Woods is appointed Vice Chairman of the General Employees Retirement System Board of Trustees by unanimous declaration.

Yeas: 8 – Nays: 0

PUBLIC DISCUSSION

Trustee Williams thanked the Retirement Board, the Retirement Office and the retirees for their support during the time of his mother Maxine Crowder Williams passing.

Chairman Harrison said that the Board is under the assumption that the retirees are in attendance today to discuss a raise in their pension benefit. The Board wants to allow the retirees a venue for discussion.

Peggy Hardiman said that she is President of URGE and a hospital retiree. She indicated that the retirees have not had a raise since 2006. She indicated that they sent a letter to City Council. Mr. Nicholas has spoken with City Council regarding the issue. She asked if the Emergency Manager has control over the Retirement System.

Chairman Harrison said that the Emergency Manager does not have authority over the Retirement System. In order for the retirees to obtain a raise they would have to go through the legislative body which now means they would have to go through the Emergency Manager.

Ms. Hardiman questioned whether they have to go through the Emergency Manager even if they are well funded.

Chairman Harrison said that the over-funding means that the Emergency Manager does not have authority over the Retirement System. However, he does have control over City business.

Trustee Jukowski stated that the Emergency Manager does not have control over the Retirement Funds. He told the retirees even if the Mayor and City Council approve a raise for them it would be a meaningless action.

Ms. Hardiman expressed that they would like them to go through the actions.

Ms. Zimmermann said that these actions would not be legal and could not be carried forward.

Trustee Jukowski said that the legislative body could make a recommendation and approve the action but it would accomplish nothing.

Trustee Bowman stated that the Emergency Manager is the only authority that can approve a raise for the retirees.

Ms. Hardiman said that they are just trying to get a raise. The retirees earned the money and are due a raise. She expressed the distressed economic issues that are making the retirees' lives more difficult which is why they are making this request.

Trustee Waterman stated that this group has come before the Board several times. She would like a clearer understanding of what the group is requesting before City Council moves on the issue. She suggested holding a special meeting.

Mr. Henzi said that as the Board's attorney he represents the Retirement System. The retirees should have a better understanding of the process based on the previous comments. The Emergency Manager's authority does not allow him to disband the Board or to take control of the System's assets.

Procedurally, in order for the retirees to obtain a raise an amendment for have to be made to the Retirement Ordinance. He is currently working on an amendment to the Retirement Ordinance with the Emergency Manager. The Board is required to follow the Ordinance and any new business like this would require an amendment.

Chairman Harrison asked if anyone else had anything to add during public discussion.

Retiree, Larry Marshall stated that he is the Business Manager for SAEA and is acting on behalf of one of their members. The member recently retired and did not get the years he deserved. He said the City attorney had written a memo. He said the member retired a month ago and is not getting credit for separation from employment.

Chairman Harrison asked if the documents were delivered to the Retirement Office.

Mr. Marshall stated that the documents were delivered to the Human Resources Director. There have been a number of outstanding issues between Human Resources and the Retirement Office. He referred to language contained in the collective bargaining agreements that authorizes the Human Resources Director to interpret the benefits. Once the Human Resource Director sends something setting the benefit, that should be it. He wants the benefit credited without delay. He is bringing it to the Board and this is not for discussion here.

Ms. Zimmermann tried to ask who the member is.

Mr. Marshall said he was not speaking to Ms. Zimmermann; he was addressing Chairman Harrison.

Chairman Harrison indicated that the System's Board does not receive those communications.

Mr. Marshall said that he has had a discussion with Acting Human Resources Director, Devin Scott, who sits on this Board about bringing these issues to the Board's attention regarding contract matters.

Chairman Harrison suggested that going forward in order for there to be more clarity there should be a procedure for dealing with these issues. He recommended that Ms. Zimmermann and Mr. Henzi get together to establish an outline of procedures and get back with the Board. He will speak to Mr. Scott personally to make sure Ms. Zimmermann gets the memo.

The retirees left at 1:57 p.m.

APPROVAL OF CONSENT AGENDA

- A. Minutes of Special Meeting: February 22, 2011
- B. Minutes of Regular Meeting: March 23, 2011
- C. Communications
 - 1. Correspondence from Peritus Asset Management Re: Market Commentary
- D. Financial Reports
 - 1. Financial Reports – March 2011
 - 2. Securities Lending – February 2011
 - 3. Capital Call Ratification:

4. Accounts Payable
 - a. ADP \$2,981.09
 - b. Ambassador Capital Management 23,925.95
 - c. ES&S (elections) 935.24
 - d. GE Capital (copier) 232.84
 - e. Northern Trust 45,370.49
 - f. Office Depot 591.14
 - g. Peritus I 98,714.95
 - h. Pitney Bowes 433.39
 - i. Rodwan Consulting 1,700.00
 - j. Sawgrass Asset Management 49,580.00
 - k. Slade's Printing 48.00
 - l. Stevens Record Management 76.83
 - m. Sullivan, Ward, Asher & Patton 12,274.91
 - n. VISA 2,963.25
 - o. Wall Street Journal 254.44
- E. Retirements, Refunds, Final Calculations, Re-Examinations
 1. Remove from the Rolls:
 - a. Vera Mallonen(deceased 03-24-11)
 - b. Helen Newbern (deceased 03-19-11)
 - c. Grace Swiecicki (deceased 03-25-11)
 - d. Lewis Vaughn (deceased 03-31-11)
 - e. Patricia Williams (deceased 03-21-11) survivor benefit of \$579.50/mo to Lyle Williams
 2. Applications for Service Retirement:

a. Myra Allen – Non Union	25 years, 0 months	Age 53
b. Kirk Randall – NOMC	15 years, 2 months	Age 60
c. Sharon Sitka – NOMC	12 years, 5 months	Age 56
d. Darlene Wummel – NOMC	2 years, 4 months	Age 60
e. William Lolli – SAEA	13 years, 5 months	Age 60
f. Paula Haley – NOMC	17 years, 4 months	Age 60
 3. Application for Deferred Retirement:

a. Allan Schneck – Non Union	6 years, 10 months	Pension starts 10/1/2026
------------------------------	--------------------	--------------------------
 4. Final Benefit Calculations:

a. Kirk Randall	#2619	\$1,063.57
b. Sharon Sitka	#2621	549.84
c. Darlene Wummel	#2622	61.78
d. Paula Haley	#2624	755.77
e. Lindsay Williams	#2544	2,060.58
 5. Change of Retirement Effective Date:
 - a. Charles Anthony
 - b. Debra Woods
 - c. Michael Roth (6)
 6. Disability Examination
 - a. William Keller

Trustee Woods indicated that on page eighteen of the minutes it reads Trustee Bowman instead of Trustee Woods asked if the Retirement Office could check into registering the Board as members of NASP.

Trustee Waterman indicated that under trustees' present her name was incorrectly recorded as Patrice Williams instead of Patrice Waterman.

RESOLUTION 11-041 – By Williams, Supported by Waterman
Resolved, That the Board approve the consent agenda for April 27, 2011 as amended.

Yeas: 7 – Nays: 0

CONSULTANTS

Re: Gray & Company

Mr. Kuhn distributed the updated market values as of April 25, 2011. The total market value is \$439.0 million versus \$424.3 as of December 31, 2010 indicating that the market value increased \$14.7 million and is up 5.29% during that time period.

Trustee Naglick questioned if the current market value is the excess value due to the overweight in equities. He stated that at the last meeting there was a discussion that the System is not following its target market allocation.

Chairman Harrison said that sometimes the asset allocation gets out of whack because certain allocations have not been filled or funded.

He stated that the Board has been looking at international diversification. He brought to their attention that he has been looking at NFJ International. It is a Morningstar /Lipper award winning fund. He feels that this fund could bring value to the System. He asked the Board to consider this investment if they feel it is plausible.

Mr. Gray said that they will go back and check the manager as part of the due diligence process. They do not pay a lot of attention to Morningstar rankings.

He addressed Trustee Naglick's question regarding the policy target. He said that there are minimums and maximums based on the macro economic environment. Currently, equities are over the maximum by 2%. The asset allocation could be tweaked to maintain the policy target. They still believe real estate is a good investment and the System would not find a better buying time.

He stated that the System does not have to reach to drive performance and they do not have to keep up with the rest of the world. There are two different approaches the Board can take. They need to know what the Board's risk tolerance is. With their current funding level they do not have to be as risky.

Chairman Harrison said that based on what Trustee Naglick said they can continue to give assignments to Mr. Kuhn but the research would be in vain if he does not have the Board's risk tolerance information. Even if the Board decides to allocate assets to real estate they would need to determine what will be funded.

Trustee Naglick discussed the tentative allocation to real estate

Chairman Harrison stated that the Board does not have to be in a rush. They can leave real estate open as an allocation. The market could change and there could be a better investment strategy.

The Board discussed asset allocation risk.

Ms. Zimmermann indicated that each month a manager mix report is included in the agenda packet. It provides specific information on the allocations.

Trustee Naglick said that as a Board they ask Gray & Company for their recommendation.

Mr. Gray said that Tony Asher had some issues regarding the asset allocation model. He said that they will bring back a revised asset allocation model with and without real estate. There will be another opportunity to get returns.

Chairman Harrison said that he is open to waiting.

Mr. Kuhn referred to a report prepared by Gray & Company reviewing alternative investments.

He described a chart regarding asset class characteristic risks. The general view shows that the less risky investments are on the left and that risk increases as you move toward the right of the chart.

There are different market risks associated with market volatility, including short to long term return volatility, capital preservation risk, purchasing power risk, liquidity risk, valuation risks and long-term return expectations.

He explained that T-Bills have purchasing power risk. This investment would not incur a large loss but it would not provide gains either.

He stated that assets classes like U.S. equities and real estate have high short-term risk. However, U.S. equities have lower valuation risk and can deliver more constant long-term returns.

Riskier asset classes like alternatives have high liquidity risk, valuation risk and capital preservation risk but low purchasing power risk versus traditional investments and offer high long-term return expectations.

He explained the associated risk nature by asset class.

Chairman Harrison questioned whether the Board should look for investments located in the upper left hand quadrant of the chart.

Mr. Kuhn said that the System should be looking for consistency in an investment when reviewing risk versus return characteristics. He indicated that the NCREIF ODCE is the best example of consistency on the chart.

He said that the NCREIF Timberland and Cambridge Private Equity are not a fair comparison and can be deceiving based on their chart location due to their valuation process.

Mr. Kuhn indicated that their number one alternative asset class recommendation in real estate. The Fund already has an allocation to private equity.

Chairman Harrison confirmed that Mr. Kuhn was referring to the System's allocation to private equity managers Mesirov and Invesco.

Mr. Kuhn said that even if the private equity managers were fully funded the System would not be fully allocated to the asset class.

Chairman Harrison asked the Board for their thoughts on the Fund's asset allocation.

Trustee Jukowski said that he is not sure that real estate has bottomed out.

Chairman Harrison asked if he would be open to allocating assets to a hedge fund or timber.

Mr. Kuhn asked Trustee Jukowski if he thinks equities will out perform real estate. He explained that the same things that push prices down in the equity market are the same or less for real estate.

Trustee Jukowski said that real estate looks more volatile to him.

Mr. Kuhn said that it is actually worse in domestic equity.

Trustee Williams said that he would not be open to investing in real estate in Michigan.

Mr. Kuhn said that they would be investing in real estate along the coasts. The only likely investment in the Midwest would be in Chicago.

Trustee Williams said he does not have a problem with real estate.

Trustee Bowman said he is not comfortable with real estate. However, he is not against looking.

Chairman Harrison asked if he would be favorable with looking at hedge funds or timber as an investment.

Trustee Bowman said he would be willing to look at those investments along with some other tangibles.

Trustee Waterman said that she agrees with the consultants and feels that the Board pays them for their investment expertise. She has no problem with real estate or timber.

Trustee Woods said that she trusts the consultants' recommendations.

Trustee Naglick said that trusting the consultant is important. They brought a list of high quality real estate managers for the Police & Fire Board's review.

Chairman Harrison asked if they are looking at REITs or direct real estate. Mr. Gray said they are looking at direct real estate.

Chairman Harrison said that he feels the same as the trustees. He is open to a real estate allocation but not stuck on real estate. He wants what is best for the Fund. They could look at a small allocation to real estate and international equity.

Mr. Gray said that they will work on the asset allocation model and also rebalancing back to the targets.

Mr. Henzi asked if the Board is looking to rebalance the portfolio. Some trustees have expressed that they are leery of real estate. He said that if the asset allocation model is not followed for six to twelve months then it becomes a problem.

Ms. Zimmermann stated that normally they rebalance in February and August of each year because this is a mature fund and payments need to be made.

Mr. Kuhn said that if the Fund does not require rebalancing now it can be scheduled in a couple of months with assets transferred to international equity or fixed income.

REPORTS

Re: Chairman

Chairman Harrison told the Board that the NASP Awards Banquet was very nice and he was humbled by being honored with an award which Mr. Gray presented. The event raises money for scholarships which is a very worthwhile cause. He also told the Board that some people consider our investment consultant Larry Gray a rock star.

Re: Secretary - None

Re: Trustees/Committees - None

Re: Administrator

Ms. Zimmermann reported that there is some documentation/article in the agenda packet regarding process changes being done behind the scenes.

She also told the Board that the Emergency Manager Bill hit the Wall Street Journal and is included in the packet. There was also an article in the New York Times today.

Re: Legal

Northern Trust Securities Lending Litigation

Mr. Henzi reported that they are waiting for the Judge to issue a written opinion on the Defendants' Motion to Dismiss.

Airgas Securities Litigation

Mr. Henzi reported that the Court determined that it would not pull the "poison pill." This resulted in the bidder walking away from its tender offer. This was considered a victory based on the deal not going through.

The Schweitzer – Mauduit International Securities Litigation

Mr. Henzi reported that the Court has not issued its decision on behalf of the Retirement System opposing the Defendants' Motion to Dismiss.

IRS Determination Letter

Mr. Henzi reported that at the last meeting the Board approved to send the proposed HEART Act Amendment/IRS determination letter amendments to City Council for adoption. He referred to the letter from Dennis Cowan the Emergency Manager's legal counsel stating that the Emergency Manager has approved the proposed amendment resolution. That is good news and the amendment will be processed timely. He said that he sent letters to Mr. Cowan advising that these types of amendments are routine and he ultimately agreed with the proposed amendment.

Nexos Private Equity Growth Fund

Mr. Henzi reported that they have sent two letters to Nexos requesting that they provide financial statements and audit reports. He received a generic one-page letter. Based on the lack of information received he went forward and filed a complaint with the SEC. He explained that no forms have been filed but a complaint now exists.

Chairman Harrison asked if the System currently has an investment in a grocery store chain.

Mr. Gray said that he has not heard from them and that they have stood him up at meetings when he flew into New York.

Mr. Kuhn said that the Nexos Fund has partial ownership in the grocery store chain. There are currently 56 stores with 36 of the stores considered non-competitive.

Mr. Henzi explained that he sent correspondence to Nexos stating that based on their refusal to provide financial records it left the System no choice but to file a Complain with the SEC.

Trustee Bowman asked if the System has acquired enough shares to receive some returns from the investment and whether a Court Order could assist.

Mr. Gray said that they have not sold or liquidated anything and he is not sure if any dividends have been distributed.

Mr. Henzi said that he envisions that the System is going to want their money back. He feels that getting the SEC involved could help get some money back and to assist with receiving financial records.

Mr. Gray said that the managers who started the private equity fund have incredible backgrounds. They were looking to raise \$150 million dollars but only raised \$14 million due to the downturn in the economy in 2008 which was invested in Super S Foods. He said that Nexos is now sharing office space with another firm. The System is still waiting for their 2010 reporting. It was good to ring the SEC bell.

Ms. Zimmermann said that regardless of what has occurred the System should still be able to receive financial documents. They have not even received basic communications. It looked to her that they simply changed the date on the letter that they sent. When she spoke with them a couple of years ago regarding their attendance at the manager review meeting they told her they would be on vacation and it was not convenient for them to attend until she told them it was not optional.

Medicare Part B Reimbursement

Mr. Henzi reported that he received correspondence from Dennis Cowan of Plunkett Cooney regarding the Medicare Part B reimbursement. The Emergency Manager has approved \$1,068.00 to begin the payroll setup process.

Ms. Zimmermann and Trustee Naglick have met several times with Michael Stampfler

Ms. Zimmermann stated that they have identified the account for ADP to setup and authorize the setup of a separate payroll. She has drafted a letter to the retirees to explain the new process.

She explained the process of transferring the retirement data to the new payroll account, verifying the data and performing a test run. She also told the Board that this will provide the time to insure that if a retiree has a direct deposit setup their reimbursement will also be direct deposited.

She advised the Board that the setup price was reduced to \$500.00. She indicated that the retirees who are eligible for the reimbursement will be receiving two checks.

She requested that the Board extend the deadline to the end of July to insure that the process is complete.

Trustee Naglick told the Board that the System has billed the City for the period July, 2010 through December, 2010. He is not defending the Emergency Manager or his attorneys but we cannot push ADP. The account has been identified and they do not want to upset the retirees.

Ms. Zimmermann said that retirees are paid on the last Wednesday of every month except in November and December. Her staff will not be ready until the July, 2011 payroll.

She asked for the Board's authorization to send a mailing to the retirees in May and/or June notifying them of the change.

Chairman Harrison said that the fact is the Board does not want to hurt the retirees or themselves. He would entertain a motion to extend the deadline eight weeks.

Ms. Zimmermann said the process should be completed and ready for the July, 2011 payroll.

Trustee Naglick said that it would begin with the new fiscal year.

RESOLUTION 11-042 By Waterman, Supported by Bowman
Resolved, That, based on advice of legal counsel, the Board will extend the deadline for Medicare reimbursements on separate checks to retirees to July 2011 to transition the practice of reimbursing the Medicare payment to avoid disruption of payments to retirees.

Yeas: 7 – Nays: 0

Sybase Litigation (RGRD)

Mr. Henzi reported that a proposed Stipulation of Settlement was reached and was ratified by the Board at the last meeting.

Rehab Care Group, Inc.

Mr. Henzi reported that Rehab Care Group, Inc. revised its disclosure which required legal counsel to amend the Complaint. Since time was of the essence, Vice Chairman Woods signed the Amended Complaint. He requested that the Board ratify the Vice Chairman's signature on the Amended Complaint.

RESOLUTION 11-043 By Williams, Supported by Waterman
Resolved, That the Board ratify Vice Chairman Woods's signature on the Rehab Care Group, Inc. Amended Complaint.

Yeas: 7 – Nays: 0

Onyx

RESOLUTION 11-044 By Bowman, Supported by Williams
Resolved, That the Board approve to move to closed session to discuss pending litigation with Onyx.

Roll Call:

Trustee Bowman – Yea

Chairman Harrison – Yea

Trustee Jukowski – Yea

Trustee Waterman – Yea

Trustee Williams - Yea

Trustee Woods – Yea

Trustee Naglick - Yea

The Board moved to closed session at 3:14 p.m.

The Board returned from closed session at 3:27 p.m.

RESOLUTION 11-045 By Woods, Supported by Waterman

Resolved, That the Board approve the closed session minutes from March 23, 2011.

Yeas: 7 – Nays: 0

SEC Subpoena for Production of Ethics Policy

Mr. Henzi reported that the SEC emailed a subpoena to Sullivan, Ward, Asher & Patton, P.C. asking for a copy of the System's Ethics Policy. They have forwarded a copy to the SEC on behalf of the Board.

Finisar Securities Litigation

Mr. Henzi reported that Robbins Gellar has proposed to pursue litigation and seek lead plaintiff status as partners with the System in the Finisar Securities Litigation.

He received a call last night that there has been an amendment to the proposal. Robbins Gellar is partnering with Kendall Law Group. Joe Kendall is a former federal judge and may have more clout in this litigation.

He indicated that Finisar did not disclose their true financial information and their stock declined 39% in one day.

He asked that the Board move to hire Kendall Law Group & Robbins Gellar and file the paperwork to participate in the litigation.

Trustee Naglick asked if there would be any cost to the Fund. Ms. Zimmermann said there would be no cost; it is done on a contingency basis.

Trustee Naglick asked how much the System losses were. Mr. Henzi said that they were \$48,139.00.

RESOLUTION 11-046 By Jukowski, Supported by Naglick

Resolved, That the Board approve to retain Kendall Law Group & Robbins Gellar and file the paperwork to participate in the Finisar Securities Litigation.

Yeas: 7 – Nays: 0

Chairman Harrison asked if it was necessary to put the contingency fee language in the paperwork. Mr. Henzi said he will verify that the language is included.

House Bill 4480 Regarding Tax of Pensions

General Employees Retirement System
Regular Meeting,
April 27, 2011

Mr. Henzi reported that House Bill 4480 was introduced by Republicans to remove the tax exempt status from public pensions. Single filers would be taxed for income above \$20,000.00 and married filers would be taxed for income above \$40,000.00.

The Governor has been very proactive in his press releases. It is obvious that there is a great deal of opposition within this state to this bill.

He indicated that there was a study done in 2009 entitled The Effects of an Aging Population on the Components of Michigan Income. He will forward a copy to the trustees.

Trustee Naglick asked if the Medicare Part B Reimbursement increases.

Ms. Zimmermann explained that those eligible for the reimbursement provide proof to Human Resources who forwards a list with associated costs to the Retirement Office for processing. She said the amount increases as Medicare B increases.

Mr. Henzi explained that legislative approval is not needed each year to continue the Medicare Part B Reimbursement.

House Bill 4123 Regarding Public Record Retention

Mr. Henzi reported that this Bill was aimed at the Detroit Retirement Systems.

Ordinance Amendment Regarding Board Composition

Mr. Henzi reported that he hopes to have this issue accomplished within the next month.

Trustee Naglick informed the Board that the reappointment of Trustee Williams is currently before the Emergency Manager.

Mr. Henzi said that he has sent the information to the Emergency Manager but they have not processed it yet.

Miscellaneous Articles

- Associated Press, April 12, 2011 – Michigan plan would tax retirees up to age 67
- The Detroit News, April 18, 2011 – Detroit's pension boards sue over emergency manager law

Mr. Henzi said that the City of Detroit Retirement Systems are suing stating that the Emergency Manager Bill is unconstitutional. He would not be surprised if the City of Benton Harbor joins the litigation. The State is currently seeking a Motion to Dismiss.

UNFINISHED BUSINESS

Re: Ordinance Amendment IRS - Refer to Legal

Re: Medicare B Payroll – Refer to Legal

Re: Retirement Office Payroll - Tabled

Ms. Zimmermann reported that this is the same memo from the Emergency Manager previously provided to the Board.

Re: Citizen Trustee Appointment – Refer to Legal

NEW BUSINESS

SCHEDULING OF NEXT MEETING

Regular Meeting: May 19, 2011 @ 1:30 p.m. – City Council Conference Room, Second Level, City Hall

ADJOURNMENT

RESOLUTION 11-047 By Williams, Supported by Waterman
Resolved, That the meeting be adjourned at 3:44 p.m.

Yeas: 7 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees Retirement System held on April 27, 2011

As recorded by Jane Arndt