

**CITY OF PONTIAC, MICHIGAN  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
OCTOBER 30, 2013**

A regular meeting of the Board of Trustees was held on Wednesday, October 30, 2013 at the Pontiac General Employees' Retirement System Office located at 2201 Auburn Road, Suite B, Auburn Hills, Michigan 48326. The meeting was called to order at 10:00 a.m.

**TRUSTEES PRESENT**

Shirley Barnett  
Koné Bowman, Vice Chair (*arr. at 11:16 am*)  
Janice Gaffney  
Robert Giddings  
Charlie Harrison, Chairman  
Walter Moore  
Patrice Waterman  
Kevin Williams

**OTHERS PRESENT**

Cynthia Billings, Sullivan, Ward, Asher & Patton  
Laurance Gray, Gray & Company  
Ellen Zimmermann, Executive Director  
Jane Arndt, Executive Assistant  
Dustin Blitchok, Oakland Press  
Pearline Benton, Retiree  
Kathy Losee, Deferred Retiree  
Larry Marshall, Retiree (*arr. at 12:00 pm*)  
Billie Swazer, Retiree  
Stacia Watkins, Deferred Retiree  
Linda Watson, Retiree

**TRUSTEES ABSENT**

Leon Jukowski, Mayor (*absent*)

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**PUBLIC DISCUSSION/UNION REPS**

Chairman Harrison opened the meeting to public discussion.

Retiree Pearline Benton told the Board that she is the Vice President of the Pontiac Police Dispatcher's Association. One June 30, 2011 they were laid off from the City of Pontiac. A number of the members either had or were close to having twenty years of service credit with the City but not enough time to retire at that time. She was fortunate that she recently turned sixty and was able to retire.

She explained that their union was included in the agreement for the transition of the City of Pontiac Police Department to Oakland County. However, they were in negotiations at that time and never agreed to be part of that agreement or to transition to Oakland County. By agreeing they would have lost their jobs and their seniority.

During the negotiation of their contract they were asking for twenty-five years and out. Some of the members including Kathy Losee, (age fifty-five with twenty-one years and eleven months of service credit) and Stacia Watkins (twenty-one years of service credit) were very close to attaining that retirement eligibility but were denied an early out. There was also a member who had seventeen years of service credit.

She felt that this was a slap in the face to the dispatchers who perform a very difficult job and important service answering 911 calls for the City. They deserved early out retirements. They manned the call center twenty-four hours per day even when the number of dispatchers decreased from twenty-three to eleven. Many of them worked sixty hours per week (without being asked) to make sure the calls were answered. She noted that Oakland County could not do the same quality of job they did having to transfer calls from the County back to Pontiac.

She provided members' names, ages and service credit for the Board's information.

Chairman Harrison questioned whether the Pontiac City Council could help these members via an Ordinance Amendment.

Ms. Benton indicated that she had spoken with the Pontiac City Council.

Trustee Waterman told the Board that she has spoken with Ms. Benton and that Stacia Watkins has presented this information at City Council Meetings.

Chairman Harrison asked what rules are in place for the Council now that the City is no longer under an Emergency Manager.

Ms. Billings stated that the Transition Team has the authority over any financial decisions for the City. When the Emergency Manager was leaving he issued an Executive Order which did not restore the City Council's full authority. She also indicated that the Board does not have the authority to give benefits without an Ordinance amendment or a negotiated benefit between the City and the union.

Trustee Waterman asked if the PPDA Union has been dissolved.

Ms. Benton indicated that their union was never dissolved. The members were laid off with the promise of returning.

Chairman Harrison asked that Trustee Waterman keep the Board informed of the situation.

He expressed the Board's appreciation to the years of service that these members provided to the City and thanked them for bringing this issue to the Board's attention. However, the Board cannot act without a directive from the City Council or the Transition Team.

Trustee Moore asked if all the members were laid off.

Ms. Benton stated that all the members were laid off and told that they would have to reapply for dispatcher jobs with Oakland County and go through drug tests, physicals, etc. They also lost their seniority. Only three members were hired by the County.

Trustee Moore stated that this is another democratic tragedy happening in Pontiac and in the State. He feels that the Board needs to get involved. The CPREA (City of Pontiac Retired Employees' Association) is currently looking at these issues.

Ms. Benton indicated that she is looking at becoming a member of the CPREA.

Trustee Gaffney noted that only retirees can join the CPREA.

Deferred Retiree, Stacia Watkins told the Board that she was okay with not being eligible to collect her pension benefit until reaching age sixty until the Emergency Manager issued amendment 2277 to the Retirement Ordinance. This gave so many members with much less service credit early out retirements.

She implored the Board to help. It is hard watching so many people with ten years of service credit at age fifty being allowed to retire. In the spirit of fairness, why did that amendment not include the PPFDA?

Chairman Harrison stated that the Board cannot arbitrarily include the members of PPFDA in the early outs. He noted that they are lucky to have Trustee Waterman who is also President Pro Tem on the City Council willing to assist them with this issue.

Ms. Watkins asked why an actuarial study could not be done for their group.

Ms. Billings stated that the City and Unions have to request an actuarial cost study through the Retirement Office and that they have to pay for the study. The Board cannot request or pay for a cost study. It cannot originate from the Board.

Trustee Moore stated that the City Council could approve an early out for these members but the City's Administrator and the Transition Team have veto power. Lansing is making all the decisions and they are not connected with the City.

Chairman Harrison told the group to stay hopeful.

Trustee Moore told them that there are other people who are similarly situated. It is horrible the way they are treating members.

Retiree, Linda Watson told the Board that it is good to be back attending meetings. She requested some up-to-date information including whether the GrayCo audit issue has been taken care of and asking how much has been drawn down for that investment. She also requested a copy of the accounts payable for the month.

## **AGENDA CHANGES**

Ms. Zimmermann distributed revised minutes for the September 18, 2013 Special Meeting.

## **APPROVAL OF CONSENT AGENDA**

- A. Approval of Minutes of Special Meeting: September 18, 2013
- B. Approval of Minutes of Regular Meeting: September 25, 2013
- C. Communications
  - 1. Correspondence from Gray & Company Re: Update

2. Correspondence from AMBS Re: October 2013 Newsletter
3. Correspondence from First Eagle Re: September 2013 Performance Summary
4. Correspondence from Munder Capital Re: Newsletters

D. Financial Reports

1. Statement of Changes: September, 2013
2. Accounts Payable: October, 2013
3. Ratification of Capital Calls:
  - a. GrayCo Alts \$ 14,943
  - b. GrayCo Alts \$ 32,184
  - c. Invesco Fund V Distribution \$ 45,409
  - d. Mesirow Fund IV Distribution \$100,000

E. Applications for Retirement, Final Calculations, Refunds, Re-Examinations

1. Remove from the Rolls
  - a. Audrey Allison (deceased 08-13-13)
  - b. Wanda Davidson (deceased 10-05-13)
2. Application for Service Retirement:
3. Final Benefit Calculations:
  - a. Bethany Walker #2728
  - b. Connie Stovall #2740 Early Out
  - c. LaJuan Craft #2745 Early Out - Settlement

Trustee Moore indicated that in the special minutes dated August 27, 2013 it was noted that he left the meeting but his return was not noted. Ms. Zimmermann stated the special meeting minutes will be revised with the time he returned to the meeting.

Chairman Harrison noted that on page five of the September 25, 2013 minutes, the committee responsible for the investment consultant search is called the Investment Committee. It should be called a special ad hoc consultant search committee. The minutes will be revised to reflect this change.

**RESOLUTION 13-090** By Williams, Supported by Gaffney  
 Resolved, That the Board approve the consent agenda for October 30, 2013 as amended.

Yeas: 7 – Nays: 0

**CONSULTANTS**

**Re: Gray & Company**

Revised Investment Policy Statement

Mr. Gray distributed a revised draft of the Investment Policy Statement, documentation regarding Ambassador Capital’s PARR Strategy and the System’s market values as of October 24, 2013.

He indicated that the Board had been through a couple of rounds of revisions and discussions regarding the IPS.

On page five under regulatory environment the word “international” was changed to “global”. On page six under section C point five was added “Shall provide complete written disclosure of all fees or other compensation associated with its relationship with the system.”

On page eleven item eight securities lending language was updated by legal counsel to comply with the requirements of Public Act 314.

On page twenty-one items four and five were added regarding written disclosure of all direct and indirect compensation and political/campaign contribution disclosures to comply with the requirements of Public Act 314.

Ms. Billings noted that these additions are required based on the amendments to Public Act 314.

Mr. Gray asked if the Board would like to vote to accept the changes to the Investment Policy Statement.

Trustee Moore stated that he would like further time to review the changes.

Trustee Giddings questioned whether there is a section in the IPS regarding the periodic evaluation of vendors.

Chairman Harrison and Ms. Zimmermann noted that there is a policy in place to address the periodic valuation of vendors.

Chairman Harrison asked if the Board is ready to vote.

Trustee Moore asked that the Board wait until the next meeting to provide ample time for review.

Trustee Giddings indicated that the IPS is an evolving document.

Trustee Moore felt that the new members needed more time to review the changes.

#### Ambassador Capital PARR Strategy Review

Mr. Gray indicated that rising interest rates rise, there will be negative returns on bonds. The System has \$104 million in bonds. There are strategies to mitigate losses, including those using derivatives (as presented by Ambassador) and complex strategies. Derivatives are not securities, but are based on securities. They are custom-made off of a primary security.

Chairman Harrison questioned what type of strategy would make the Board feel safe with these. J.P. Morgan is currently in the process of making a settlement due to their dealings with derivatives. The Board needs to keep the System from being in the same situation.

Mr. Gray stated that it is not necessarily that particular manager who is responsible but the person who is doing the trading. Public Act 314 allows for derivatives and approves the concept for hedging. This strategy is a way to make money if interest rates rise. This strategy will not fare well if interest rates remain flat or go down.

He felt that the Board needs much more information before going forward. This is a more difficult investment strategy to understand than the standard strategies the Board has dealt with including real estate, private equity and hedge funds. When you think about derivatives you think about Orange County, California. The Board needs more information and needs to be cautious when making this type of investment. They need to have the utmost trust and confidence with the managers due to the increased risk in this strategy.

Chairman Harrison asked about convertible bonds.

Mr. Gray stated that convertible bonds are okay and can be converted into stocks or bonds. They mimic returns by shortening the duration. Some portfolios can go long or short; many managers want an unconstrained portfolio. But some can look like a cash type fund like a money market that does not make money but does not lose money either; active management fees would apply.

Chairman Harrison stated that if Ben Bernanke does not move rates and continues quantitative easing there is more time and hedging may be ahead of the curve. He does understand the need for positioning the portfolio because rising rates are inevitable.

He asked if Mr. Gray likes this strategy versus others for positioning the portfolio for rising interest rates.

Mr. Gray stated that he likes the strategy but you need to determine whether it fits the System's investment strategy. With convertible bonds, managers can go anywhere on the yield curve. There are a couple of other options, especially if the Board is not comfortable or clear with regard to the derivative process. He would like to go provide a thorough review of this strategy with the Board so they can compare all their options prior to making a decision. Nothing will happen before the end of the year so there is no urgency to vote today.

He referred to the presentation materials comparing six scenarios with two declining rate changes, three increasing rate changes and one with no change and their effect on the portfolio. These were based on intermediate and long-term durations, market value changes in asset-backed securities and the difference between treasury and credit/corporate issues of the same maturity.

He compared the scenarios indicating that if rates go down the PARR strategy would produce negative returns. It is more likely that rates will go up and described the rate comparison scenarios. They cannot guarantee the outcome of this investment. The information is strictly for comparison and review.

He stated that there are mitigating risk factors with this strategy and that the Board should not put the cart before the horse.

Chairman Harrison stated that the Board could look at other strategies like convertible bonds.

Mr. Gray stated that the Board hires managers to protect assets, not to lose assets but beat the benchmark. You have to look at the pricing of these strategies and make sure they do not act like a money market fund. He noted that anyone could have made money in the bond market during the past thirty years. Rates will go up. He will approach existing managers for their strategies in a rising interest rate environment.

His recommendation would be that the Trustees thoroughly understand this strategy and are comfortable prior to making a decision. He will provide information for derivatives and other options including convertible bonds and unconstrained strategies.

Chairman Harrison asked if Munder has an investment product.

Mr. Gray stated that there are issues with benchmark constraints and how to measure performance.

Chairman Harrison agreed that the Board should attend an educational seminar put on by Gray & Company on derivatives and convertible bonds. This will help the Board make an informed decision on what to do because interest rates will go up.

#### Market Values – October 24, 2013

Mr. Gray reviewed the System's market values as of October 24, 2013. He indicated that in March, 2013 the Fund's market value was \$451.9 million and in June, 2013 the market value was \$450.3 million. As of October 24, 2013 the market value of the System was \$481.6 million including payments in and out of the System. The performance range for the third quarter will be between 3.5% and 4%.

They like to compare and look at other public funds in the public fund world. This System's returns through June, 2013 beat both CALPERS AND CALSTERS. The System's performance was 15.93% compared to the endowment foundation world with Harvard at 11.3%; Princeton at 12.5%; Yale at 11.7%; Columbia at 11.5% and Cornell at 11.4%.

Trustee Moore told the Board that they need to start telling this story to balance the negative stories being printed in the newspaper.

Mr. Gray indicated that often times it is only the bad news that gets told.

Ms. Billings also noted that in Michigan the System is bound by Public Act 314 regulations which make these returns even more significant.

Mr. Gray thanked the Board for their business and their support. He congratulated them on the returns.

*Ms. Arndt, Ms. Benton & Ms. Swazer left at 10:52 a.m.*

## **REPORTS**

Chairman Harrison asked the Board when they would like to schedule the educational session to go over derivatives and convertible bonds.

The Board determined that they could schedule the session during the regular January, 2014 meeting due to a light agenda that month.

Mr. Gray stated that he will get the information to the Board prior to the meeting.

*Ms. Arndt & Ms. Swazer returned at 10:55 a.m.*

### **Re: Chairman**

Chairman Harrison told the Board that it seems that they are getting back to business. They are also getting accustomed to being the employer. The Personnel Committee is working diligently and now he needs volunteers for the Finance Committee.

Trustee Moore, Trustee Waterman and Trustee Giddings volunteered for the Finance Committee.

Chairman Harrison told the Board that he will also serve on the Finance Committee.

He told the Board that if there is a committee they want to volunteer for they should send either him or Ms. Zimmermann an email.

Trustee Gaffney indicated that the personnel policies have been brought forward and are on the agenda to discuss.

### **Re: Secretary**

Trustee Moore voiced concern as to the lack of a Secretary on the Board and whether the Finance Director has been replaced.

Trustee Waterman indicated that Nevrus Nazarko was confirmed by the City Council and was appointed by the Mayor. He was the Finance Director for the City of Novi.

### **Re: Trustees/Committees**

#### Ad Hoc Consultant Committee

Chairman Harrison asked for a status from the Ad Hoc Consultant Committee.

Trustee Giddings stated that the Request for Proposals (RFP's) were sent out on September 18, 2013 and the responses are due on Friday, November 8, 2013. The Board can make a decision at the next meeting.

Chairman Harrison indicated that the majority of trustees have not responded to the special meeting notice.



The Board directed Ms. Arndt to resend the meeting notice for the consultant presentations.

#### November, 2013 Regular Meeting Date Change

The Board indicated that they have a conflict with the regular meeting scheduled the day prior to Thanksgiving.

There was discussion regarding what date would work best for the Board to reschedule the meeting. The Board determined that the meeting would be rescheduled to November 19, 2013.

#### Rolling Stone Article Regarding Public Pension Systems

Trustee Moore referred to the article from Rolling Stone Magazine sent in the agenda packet. The article describes how public pension employees have been scapegoated and how Wall Street has gone to great lengths to blame their failures on public employees. He expressed the need for everyone to do a better job of putting the information out on who is actually to blame.

We all know what happened on Wall Street and with the banks but public employees and pension systems have taken the hit. Those articles in the agenda packet put things in perspective. States are blaming pension systems for issues while the Emergency Manage gave tax breaks while blaming retirees for financial issues. It is time to get the story out.

Trustee Waterman suggested that the Attorney and Consultant do a synopsis for her and she will present it at the City Council Meetings.

Chairman Harrison noted that there are a lot of people who know what is going on with this Board. This Board is well respected in the public pension arena.

Trustee Gaffney indicated that this is about more than just the Board. There are a number of members who make very little yet they are somehow blamed for ruining the economy. There are a few retirees who have embarrassingly large pensions. However, most do not and are struggling. These members cannot understand how they ruined the economy.

She spoke to a Police & Fire member's mother who was in tears because she does not know how she is going to live off the pension she is receiving.

Trustee Moore stated that the more the members keep hearing this the more they start to believe it. Wall Street hires public relations firms to push that agenda.

Chairman Harrison told the Board that this System is the exception to the rule. The System is so far ahead that it does not fit into this category.

Trustee Moore said that in reality this System is being painted by the same brush as the other systems.

Ms. Watson stated that the Board needs to respond to the negativity in the newspaper.

Chairman Harrison conveyed that Trustee Waterman has agreed to get this information out to the community during the Council Meetings. It is up to Dustin Blitchok to put it into the newspaper. The Board needs to make certain that their story gets told.

Ms. Watson suggested that the Board respond in the editorial section of the newspaper.

Trustee Moore stated that the Board needs to be on the offense and make sure that the whole story is being told.

Chairman Harrison stated that the Board has been side tracked for the last year.

## **Re: Administrator**

### Active Member Benefit Statements

Ms. Zimmermann reported that the Active Member Statements were sent out on October 14, 2013.

### Investment Consultant Request for Proposals

The Request for Proposal to manage the GrayCo and Gray Emerging Manager and Michigan centric portfolios were sent out to the investment consultants on October 11, 2013 with the responses due on November 8, 2013.

### Special Meeting – Consultant Presentations

The special meeting to hear the consultant presentations has been scheduled for November 18, 2013.

### Elections

The elections for the Active Trustee and the Hospital Trustee will be held on November 12, 2013. Trustee Barnett will act as canvasser.

## **Re: Legal**

### IRS Letter of Determination Submission for an IRC Section 420 Transfer

Ms. Billings reported that the IRS has reached out on the 420 Transfer. They are combining the 420 Transfer submission with the request for qualification under IRC Section 401(a). She is pleased with the response from the IRS.

### Request for Attorney General Opinion

Ms. Billings reported that she does not have a response from the State yet.

Trustee Moore noted that it is strange that the attorney received a response from the IRS but not the State. The State has been sitting on the request since July. If they were concerned about retiree healthcare, the Attorney General would have issued his opinion by now.

There has been no indication of the status of the request from the Attorney General's Office. State Representative Greimel requested that the opinion be expedited.

She will keep the Board informed of any changes with regard to this matter.

#### Remaining Membership in the Retirement System

Ms. Billings reported that there are five remaining active City employees in the System that are currently working at City Hall. The other active members include the Retirement Office and District Court.

She reviewed an email sent to her by Sherikia Hawkins wherein Ms. Hawkins stated that pursuant to her employment contract, she is not a member of the Retirement System.

#### Correspondence to Judge Preston Thomas

Ms. Billings reported that she sent the correspondence to Judge Preston Thomas indicating that the Board denied his request for a retroactive retirement benefit.

#### Political Contribution Disclosure Statement for Compliance with Public Act 314

Ms. Billings reported that based on the changes to Public Act 314 service providers are required to disclose political contributions made to elected officials of the City of Pontiac starting April 1, 2013. That includes legal representatives, medical directors, consultants, actuaries, insurance providers and auditors. If an individual can vote for the person, the maximum contribution is \$350; if they cannot vote for them, the maximum is \$150.

#### Robbins Geller Portfolio Monitoring Report for September, 2013

Ms. Billings reported that this is for the trustees' information.

Chairman Harrison told the Board that he is surprised at how many systems do not use securities litigation. Robbins Geller was recently involved in a billion dollar settlement. Someone is getting those assets.

Ms. Billings explained the securities litigation and claims process. She recommended that the Trustees do not ignore the securities litigation claims they receive at home or personally. They should send them in. She recently received approximately \$100.00 from a claim she sent in.

#### Motley Rice Portfolio Monitoring Report 3<sup>rd</sup> Quarter 2013

Ms. Billings reported that this is for the trustees' information.

#### Closed Session

There was Board discussion regarding closed session and whether it should be moved on the agenda to the end of the meeting.

Trustee Moore stated that closed session should be moved to the end of the meeting to make it more convenient for members who are attending the meeting.

It was determined that it can be moved to the end of the meeting but does not need to be indicated on the agenda.

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## UNFINISHED BUSINESS

**Re: Remaining Members of GERS Determination** – Refer to Legal Report

**Re: Section 420 Transfer – Retiree Healthcare** – Refer to Legal Report

**Re: D. Miller Request for Consideration** - Referred to Legal Counsel

Ms. Billings reported that the member applied for a disability retirement in 2009. He is asking to be changed from non-duty disability to a duty disability. This would give him credit for the time he was retired. He was on payroll until 2008 and his pension was adjusted because he was paid retro to 2007 in error.

The parties entered into a Redemption Order which does not indicate that the member was disabled on the job. Ms. Billings has requested the waiver signed by the member and will report to the Board regarding this matter at the November meeting.

**Re: Electronic Agendas** - Pending

Ms. Zimmermann reported that the Retirement Office determined that everyone on the Board would like an iPad. They are currently shopping prices.

**Re: Personnel Policies (Personnel Committee)**

Trustee Gaffney indicated that the Personnel Committee has vetted the policies.

Trustee Moore felt that the policies and procedures need to be reviewed by an attorney with a human resources and labor law background. He does not feel that the Board should vote to approve the policies since they have not been reviewed in depth by legal.

Ms. Billings agreed that her specialty is not labor law. However, her firm does have attorneys who specialize in this area of the law.

Chairman Harrison asked if the Board is okay with Ms. Billings forwarding the information onto attorneys in her firm.

Ms. Zimmermann asked if the Board would like to approve the policies pending legal review.

Trustee Moore questioned why the Board needs to take immediate actions. There is no need for the Board to stop making decisions but they need the policies reviewed by legal. He does not understand why the Board would approve the policies prior to legal review.

Ms. Billings told the Board that Sullivan Ward is technically the Board's law firm and they have attorneys that specialize in that area.

Trustee Moore asked why the Board is locked into one law firm. The Board should look for firms with that expertise. There are a number of things in the personnel policies that look like we are still part of the City.

Chairman Harrison asked the Board if they would like to look for another firm to review the personnel policies.

Trustee Gaffney asked why the Board would look for another firm if we have Sullivan Ward on retainer.

Trustee Waterman indicated that she has been reading through the policies and questioned who the Executive Director is.

Ms. Zimmermann explained that her title was changed to Executive Director.

Trustee Moore expressed his concern that an issue could arise based on a single word in the policy.

Chairman Harrison asked for the Board's input.

Trustee Barnett and Trustee Gaffney indicated that they would stay with Sullivan Ward to save time and expense.

Trustee Bowman stated that he could go either way but due to the time factor, would stay with Sullivan Ward.

Trustee Waterman stated that she would do what is best for the Board.

Trustee Williams stated that he could go either way but would go with Sullivan Ward if they have the expertise.

Trustee Moore questioned whether there was a time constraint and indicated that it would be to the Board's advantage to go with an attorney with City of Pontiac experience in that area.

Trustee Giddings noted that he would choose Sullivan Ward if they have attorneys with that expertise. It has been his past experience that you pay a new firm more and they have a tendency for over kill. Sullivan Ward has familiarity with the System.

Chairman Harrison said that the Board would be getting information from competent attorneys if they go with Sullivan Ward. He said that it does not make sense for the Board want to go through another RFP process for policy review.

Trustee Bowman agreed and stated that down the line they could potentially look at another firm if something came up.

Chairman Harrison stated that he is not sure what would come up. He does not feel doing a search would make it better and it would add another layer of meetings.

Chairman Harrison directed Trustee Gaffney to forward the personnel policies to Ms. Billings for her firm's review.

**Re: Related Parties Form (Personnel Committee)**

Trustee Gaffney indicated that the related parties form is in the Ethics Policy. This is more of a Board issue than a personnel issue. The Trustees need to fill out and sign the form to determine if there are any conflicts of interests. She asked that the Board approve the form.

Trustee Moore asked if this is an annual requirement.

Trustee Gaffney stated that this form is traditionally filled out annually by Trustees, their spouses, etc. who might work for an investment firm, etc.

Trustee Moore indicated that this only applies to something substantial.

Trustee Gaffney stated that the related party questionnaire was approved as part of the Ethics Policy.

**RESOLUTION 13-091** By Moore, Supported by Williams  
Resolved, That the Board approved the Related Parties Questionnaire Form.

Yeas: 8 – Nays: 0

*Larry Marshall arrived at 12:00 p.m.*

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**NEW BUSINESS**

**Re: Summary Annual Report**

Ms. Zimmermann reported that the Summary Annual Report is a required communication under Public Act 314 which includes information from the actuary and the auditor. She asked that the Board approve the draft SAR to be mailed out to the members and asked if they wanted to add any formatting changes.

**RESOLUTION 13-092** By Moore, Supported by Gaffney  
Resolved, That the Board approve the draft of the Summary Annual Report to be mailed to the members of the Retirement System.

Yeas: 8 – Nays: 0

The Board directed the Retirement Office to acquire a water cooler due to the poor quality of the water in the office.

**RESOLUTION 13-093** By Moore, Supported by Gaffney  
Resolved, That the Board move to closed session to discuss pending litigation.

**Roll Call:**

Trustee Barnett – yea	Chairman Harrison - yea
Vice Chair Bowman – yea	Trustee Moore – yea
Trustee Gaffney – yea	Trustee Waterman - yea
Trustee Giddings - yea	Trustee Williams - yea

*The Board moved to closed session at 12:07 p.m.  
Ms. Arndt, Mr. Gray, Mr. Blitchok, Mr. Marshall, Ms. Swazer, Ms. Watson left at 12:07 p.m.*

*The Board returned from closed session at 12:48 p.m.*

**RESOLUTION 013-094** By Moore, Supported by Gaffney  
Resolved, That the Board of Trustees authorize the Chairman to sign the retainer for the Jarden request for records.

Yeas: 8 – Nays: 0

**RESOLUTION 013-095** By Moore, Supported by Gaffney  
Resolved, That the Board approve the closed session minutes for September 25, 2013.

Yeas: 8 – Nays: 0

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**SCHEDULING OF NEXT MEETING**

Special Meeting: Monday, November 18, 2013 @ 10:00 a.m. – Retirement Office  
Regular Meeting: Tuesday, November 19, 2013 @ 10:00 a.m. – Retirement Office

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**ADJOURNMENT**

**RESOLUTION 13-096** By Moore, Supported by Gaffney  
Resolved, That the meeting be adjourned at 12:49 p.m.

Yeas: 8 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees Retirement System held on October 30, 2013

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*As recorded by Jane Arndt*