

**CITY OF PONTIAC, MICHIGAN  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
APRIL 25, 2012**

A regular meeting of the Board of Trustees was held on Wednesday, April 25, 2012 at the City Council Conference Room, Second Floor, City Hall, 47450 Woodward Avenue, Pontiac, Michigan 48342. The meeting was called to order at 1:36 p.m.

**TRUSTEES PRESENT**

Shirley Barnett  
Koné Bowman  
Leon Jukowski, Mayor  
Phyllis Long  
John Naglick, Secretary  
Tuesday Redmond  
Sheryl Stubblefield  
Patrice Waterman  
Kevin Williams

**OTHERS PRESENT**

Cynthia Billings, Sullivan, Ward, Asher & Patton  
Chris Kuhn, Gray & Company  
Ellen Zimmermann, Retirement Administrator  
Jane Arndt, M- Administrative Assistant  
Larry Marshall, Retiree (*arrived at 1:38 p.m.*)  
Linda Watson, Retiree

**TRUSTEES ABSENT**

Charlie Harrison, Chairman (*excused*)

---

---

**PUBLIC DISCUSSION/UNION REPRESENTATIVES**

**AGENDA CHANGES**

Vice Chair Bowman indicated that he will not be attending the MAPERS or NASP conferences this year and asked the Board to approve his attendance at the Wharton IFEBP Conference on Hedge Funds, Real Estate and Other Alternative Investments being held in San Francisco, California, July 16-18, 2012.

He indicated that the focus of this conference is real estate and hedge fund investments. As the Board knows he is not comfortable with real estate investments and feels he will be able to attain more information and knowledge so he can make a more informed decision when these types of investments come before the Board.

**RESOLUTION 12-035** By Williams, Supported by Naglick

Resolved, That the Board approve Trustee Bowman's attendance at the Wharton IFEBP Conference; Hedge Funds, Real Estate and Other Alternative Investments being held in San Francisco, California, July 16-18, 2012.

Yeas: 9 – Nays: 0

## APPROVAL OF CONSENT AGENDA

- A. Minutes of Special Meeting: February 21, 2012
- B. Minutes of Regular Meeting: March 21, 2012
- C. Communications
  - 1. Correspondence from AMBS Re: April 2012 Newsletter
  - 2. Correspondence from Ambassador Capital Re: Newsletter
  - 3. Correspondence from Oakbrook Re: Portfolio Summary March
  - 4. Conference Information
    - a. GMI Ratings' 2012 Public Funds Forum – Sept. 4-6, 2012
    - b. Washington Legislative Update – IFEBP – May 7-8, 2012
    - c. Public Employee Benefits Update – IFEBP – June 18, 2012
    - d. Program for Advanced Trustee Studies – IFEBP – July 30 – August 1, 2012
    - e. Portfolio Concepts Wharton
- C. Financial Reports
  - 1. Financial Reports – March 2012
  - 2. Capital Calls:
    - a. GrayCo Alternative Partners \$2,023,558
    - b. Mesirov Private Equity 150,000
  - 3. Accounts Payable – April 2012
- D. Retirements, Refunds, Final Calculations, Re-Examinations
  - 1. Remove from the Rolls:
    - a. Donald L. Kramer (deceased 03-24-12)
    - b. Marjorie Shaver (deceased 04-14-12)
    - c. Martin Wilkerson (deceased 12-21-11)
  - 2. Application for Service Retirement:
    - a. Judy Howard – PMEA 13 years, 1 month Age 60
  - 4. Applications for Deferred Retirement:
  - 5. Final Benefit Calculations:
    - a. Janet Ervin #2203 \$5,247.05
    - b. Della Finley #2216 2,394.90

Ms. Zimmermann indicated that she would like to attend the GMI Ratings' 2012 Public Fund Forum – The Future of Corporate Reform being held in Park City, Utah on September 4-6, 2012. The conference is being sponsored by the securities litigation firm Robbins Geller. She told the Board that an increasing part of her job is dealing with securities litigation including testifying in a number of cases. She asked the Board to approve her attendance.

### **RESOLUTION 12-036** By Barnett, Supported by Bowman

Resolved, That the Board approve Ms. Zimmermann's attendance at the GMI Ratings' 2012 Public Fund Forum being held in Park City, Utah on September 4-6, 2012.

Yeas: 9 – Nays: 0

### **RESOLUTION 12-037** By Williams, Supported by Long

Resolved, That the Board approve the consent agenda for April 25, 2012 as amended.

Yeas: 9 – Nays: 0

## CONSULTANTS

### **Re: Gray & Company – Revised Investment Policy Statement**

Mr. Kuhn referred to the revised Investment Policy Statement included in the agenda packet. He explained that during the Manager Review Meeting, Munder Capital asked that they be allowed to increase their weighting to Commercial Mortgage-Backed Securities (CMBS) to 10%.

Munder came to the meeting last month to explain why they want to increase the weighting.

Page fifteen of the IPS was revised to change the weighting to CMBS. He asked that the Board approve the updated IPS.

### **RESOLUTION 12-038** By Barnett, Supported by Stubblefield

Resolved, That the Board approve the revised Investment Policy Statement.

Yeas: 9 – Nays: 0

### Flash Report as of March 31, 2012

Mr. Kuhn provided an overview of the flash report as of March 31, 2012. The total Plan performance for the month is up 1.6% and 9.33% for the quarter. It was an outstanding quarter. Private equity returns have not been reported. The benchmark returns are less than the policy index. When Invesco and Mesirow report their performance we should see returns inline with the policy index. Most managers performed within the benchmark for the period.

Trustee Barnett asked what happened to Kennedy Capital's performance.

Mr. Kuhn indicated that March was a bad month but their performance for the quarter was good at 12.2%.

The market value as of April 20, 2012 was \$420 million.

The contract with First Eagle was finalized.

Vice Chair Bowman questioned that the Board voted to give First Eagle \$31 million. He also asked where the funding is coming from.

Mr. Kuhn indicated that First Eagle is a global equity value manager. The portfolio has a 10% allocation to international equity. The Artio weighting is 10% and the First Eagle investment was chosen to be paired with Artio. Part of the allocation is coming from the 5% allocation to real estate. The \$31 million in assets to fund the manager will come from domestic equity and \$2 million from Peritus.

Last September the Board interviewed three managers, First Eagle, Wentworth, Hauser & Violich and Dundee Wealth a Canadian firm.

He stated at that meeting Vice Chair Bowman and Trustee Naglick both liked WHV but as trustees they went with the more conservative strategy.

Vice Chair Bowman stated that he is not comfortable with this investment.

Trustee Jukowski indicated that overall it is not a lot of money when you look at the allocations to the other managers.

Ms. Zimmermann indicated that the portfolio is rebalanced twice per year to insure that the portfolio is inline with the target allocations. When allocations change the portfolio is rebalanced by taking money from the managers that are over their target allocation to pay for benefits and expenses.

Mr. Kuhn also indicated that the investment has already been approved by the Board.

Vice Chair Bowman indicated that he is aware that the investment was already approved but he wanted it noted that he was not comfortable giving a manager the Board does not know \$31 million.

Mr. Kuhn stated that the Board gave Sawgrass \$39 million and Ambassador \$42 million which were managers the Board was not previously familiar with.

Trustee Naglick said that he would like to see the Total Plan Values Report revised to show the asset class allocations in bold and to show the subtotals under each allocation. It would provide the Board with more information for certain categories. He indicated that he thought the System got out of securities lending.

Ms. Zimmermann noted that it has been a challenge with the rebalancing. The System is out of direct securities lending.

Mr. Kuhn indicated that it is just a title issue.

Trustee Naglick stated that securities lending is a sore point for the Board.

*Trustee Redmond and Mr. Marshall left at 1:56 p.m.*

Mr. Kuhn stated that the Manager of Manager and the Michigan Large Cap Value looks like domestic equity in their system. The Gray & Company System looks at the managers as a whole.

Trustee Naglick indicated that the problem does not need to be solved today.

Ms. Zimmermann distributed correspondence from Munder Capital regarding one of their senior portfolio managers, Mike Krushena, has left the firm. He came back from spring break and informed the firm that he had decided to leave. This is a senior manager but not directly involved in the System's portfolio. Ed Goard is the System's portfolio manager. There are

currently two lower level members taking his place and they are actively looking for a senior portfolio manager replacement.

*Trustee Redmond returned at 2:00 p.m.*

Vice Chair Bowman asked if Gray & Company has any concerns with this issue.

Mr. Kuhn said it is a team process at Munder and they are not overly concerned. They have five people on the team, have added some junior analysts and are seeking a senior portfolio manager.

Trustee Naglick confirmed that this is not a problem and that Munder is simply disclosing the departure.

## **REPORTS**

**Re: Chairman** - None

**Re: Secretary** – None

**Re: Trustees/Committees**

### Personnel Committee

Trustee Waterman indicated that she needs to contact the subcommittee to determine a date to schedule the meeting.

**Re: Administrator**

### Maniloff FOIA Request

Ms. Zimmermann indicated that she received a FOIA Request for the Invesco Partnership Fund VI contract from a Mr. Maniloff. She forwarded the FOIA to the Attorney.

### State of Michigan Economic Vitality Incentive Program (EVIP) - Employee Compensation

Ms. Zimmermann referred to a summary under the employee compensation portion of the State of Michigan EVIP. It outlines what is required of the City in order to be eligible under the EVIP to receive State revenue sharing.

### Delaware Courts

Ms. Zimmermann referred to the article regarding the Delphi acquisition by TMH and how the Delaware Courts have denied another preliminary injunction. There are questions regarding the merger and potential violations by the CEO.

### Equally-Weighted Portfolio

She referred to an article in Pensions & Investments Magazine regarding equally weighted indexes.

### Retirement Office Coordinator

General Employees Retirement System  
Regular Meeting,  
April 25, 2012

Ms. Zimmermann reported that the Retirement Coordinator has been off ill since March 20, 2012. The Retirement Office Staff is working to keep things moving. There is a large backlog.

She referred to final benefit calculations on the agenda for Janet Ervin and Della Finley. There has been a backlog for sometime. The benefit calculations are being processed oldest first (2004 and 2008). When finals are not processed timely and there is an overpayment it can result in a large amount that the member needs to repay. When the over payment is large it is forwarded to the actuary.

#### Deceased Retiree Overpayment

Ms. Zimmermann reported that a member recently passed away. His retirement benefit payment was made for three months following his death.

Ms. Billings indicated that only two overpayments were made. She is working with the member's spouse to resolve the issue.

Trustee Williams asked Ms. Zimmermann whether there is a process in place during an employee's absence.

Ms. Zimmermann indicated that when the Retirement Office is notified a letter is sent to the contact asking for a copy of the death certificate. The letter also indicates whether the benefit has terminated or if there is a beneficiary. There is a check list of all the items that need to be processed. A copy of the checklist is given to the Accountant and one is put in the agenda file. In this instance, the information was not processed.

#### Thanks to Phyllis Long

Ms. Zimmermann passed along kudos to Phyllis Long. She has been supplying a lot of information that the staff needs while they are digging out of the backlog. They could not get the job done without Ms. Long's assistance.

Trustee Williams thanked Ms. Long for her assistance.

#### Hospital Deferred Retiree – Bruce Deschere

Ms. Zimmermann reported that deferred member Bruce Deschere contacted the office regarding his retirement benefit. He is currently stationed in Guantanamo Bay. He told her that because his benefit was only \$100.00 per month he left his contributions in the System because the interest rate was better and his contributions were continuing to grow.

When she reviewed his file she looked at the amount of his contributions in the System and noted that his benefit should be much higher than \$100.00 per month. She processed his retirement estimate and his benefit is approximately \$650.00 per month.

Since he was eligible to begin collecting a benefit in April, 2011 he is requesting that his pension be retroactive to that date since he could have began drawing his benefit last April, 2011 if he would have been given the correct information. She noted that normally there is an exception for office error.

Trustee Barnett recommended that Ms. Billings review the information and issue an opinion.

Ms. Billings said that she will review the information. He turned sixty in March, 2011 and is asking that his benefit be retroactive to April 1, 2011.

Trustee Waterman indicated that she agrees with the attorney.

### Executive Order S183

Ms. Zimmermann reported that in an effort to comply with the Governor's Fiscal Accountability Act the Emergency Manager has issued Executive Order S183 effective May 1, 2012.

The Retirement System would be closed to all new hires except non-union. All other new hires would be put into a defined contribution plan that is limited to 5% of the member's base salary which is lower than the current rate.

The maximum multiplier will be 1.5% unless the retiree is not provided with medical insurance then the maximum multiplier will be 2.25%.

The member will also be responsible to pay 20% of their healthcare premium or the difference between that and the hard cap.

Trustee Naglick explained that the City gets certain revenue sharing funds if they comply with the State. One-third of the revenue comes from accounting and transparency, the next third comes from meeting employee compensation requirements, etc. and the last third comes from sharing services across communities. He noted that there are not many new members and they will receive less pension going forward.

The City needs money. There will not be many new members and they will not have the same amount of benefits. This had to be done in order to get the money from Governor Snyder. He confirmed that the level of benefits will change.

### Retirement Office Backlog

Ms. Zimmermann indicated that she is currently working on the overpayment to Martin Wilkerson. There was also an alternate payee on an EDRO who has not been put on payroll.

### Richard Brace Retirement Option Issue

Ms. Zimmermann is also planning to follow up with retiree Richard Brace. She is investigating the circumstance that he failed to get his benefit option selection in on time so it defaulted to the Regular Option. She is not sure if they will hear from him but he did want the Joint 100% Survivor Option and there is no evidence he was notified of this change to the default option.

*Mr. Marshall returned at 2:20 p.m.*

Trustee Stubblefield confirmed that there is a question regarding whether the member submitted his information on time and that he has not been notified.

Ms. Billings indicated that this is a fixable situation if it should be fixed. It seems harsh not allowing him to have the correct benefit option.

*Trustee Redmond returned at 2:21 p.m.*

Vice Chair Bowman requested that Ms. Billings look into the issue.

Trustee Barnett asked when the Retirement Coordinator is expected back.

Ms. Zimmermann indicated that she was originally due back on April 9, 2012 but now her physician has changed the date to either May 1, 2012 or December 1, 2012. She just received an email from Ms. Craft saying that she just got out of the hospital and will submit her paperwork.

Trustee Redmond confirmed that Ms. Craft is on medical leave.

Trustee Naglick and Trustee Barnett asked if Ms. Zimmermann needs help.

Ms. Zimmermann thanked the trustees but felt it would be easier to battle through the backlog than bring someone in who would have to be trained due to the complexity of the job. It will take two or three months to catch up but it will get done.

**Re: Legal**

Partial Termination

Ms. Billings reported that according to the IRS Code a full or partial plan termination occurs when there is a 20% loss of members in a retirement plan. They have reviewed the layoff list going back to 2005. They are not looking at a particular year but at a particular event.

She reviewed the layoff data chart including those members laid off that were and were not vested. She indicated that they feel it is justifiable to draw the line when the systematic layoffs began in 2010. She confirmed that those laid off in 2012 would be part of the group.

She told the Board that if a member had six years of service when they were laid off he or she will be vested with six years of service.

Ms. Zimmermann confirmed that he members will be essentially deferred.

Vice Chair Bowman asked if an actuarial cost study is required.

Ms. Billings indicated that the members have been included in the cost studies and based on the IRS Regulations it is not needed.

Trustee Long confirmed that the member's benefits will be based on the CBA in the year they were laid off.



Ms. Zimmermann stated that the members will be vested and will be eligible to collect when they turn sixty.

Ms. Billings asked if the members will be notified.

Trustee Redmond confirmed that if a member was hired in 2009 and was laid off in 2010 that member is vested.

Ms. Zimmermann indicated that she would prefer to pull the wages and send estimates to the members when the information is put together.

Trustee Stubblefield asked if the IRS Rule can shut itself off.

Ms. Billings indicated that it can if the City goes through a few years without issues. It is the Fact and Circumstance Rule. As long as the City has an Emergency Manager it will not shut off.

Trustee Barnett asked how the partial termination will affect the trustee elections.

Ms. Zimmermann indicated that the Member Trustee Election Notice was sent to active, deferred and retired members that are all eligible to vote for those two trustee positions on the Board.

Trustee Long reported that the Housing Commission employees are considered terminated on the City's Payroll System.

Ms. Zimmermann told the Board that the active members who work for the Housing Commission are not currently accruing service credit because the Retirement Ordinance has not been amended. If the Retirement Ordinance is amended to include them their service credit will be updated. The same is true for the active members working at the Library.

Trustee Long said that the Housing Commission was cut off City payroll on October 1, 2011.

Ms. Zimmermann confirmed that when the Housing Commission was first separated from the City she sent correspondence asking that payroll information be sent for their employees.

Trustee Naglick confirmed that Trustee Long stopped the Housing Commission payroll. The City offered a separation agreement but it has not been finalized. The offer from the City is contingent on the Housing Commission paying what they owe to the City. Without the approval of the separation agreement no changes will be made.

According to a MERC decision the Library employees are no longer City employees. The Library is a separate entity. The Library Board did not provide for their employees to continue in the System.

Trustee Redmond indicated that one of the employees at the Library is a member of Teamsters.

#### Fiduciary Liability Insurance – Deletion of Recourse

Ms. Billings reported that she was still trying to obtain the Deletion of Recourse from the insurance agent.

#### LaJuan Craft Family Medical Leave Act

Ms. Billings indicated that the Family and Medical Leave Act paperwork was returned to Ms. Craft to obtain additional information from her physician.

#### Mesirow Financial Private Equity Partnership Fund VI

Ms. Billings reported that they are working on getting the legal documents including the Limited Partnership Agreement, the Private Placement Memorandum and the Subscription Agreement finalized.

#### GASB

Ms. Billings reported that there has been concern about the new Governmental Accounting Standards Board (GASB) standards and how they will affect the System's funding status. She explained that the new requirements are similar to those for the Other Post Employment Benefits (OPEB) retiree health benefits and how the City accounts for and reports those liabilities. They are asking for the unfunded liabilities to be reported with the new standards in order to better report pension liabilities for investors and for rating municipal bonds.

GASB cannot require a municipality to fund their pension system under these assumptions. Funding assumptions are determined under State Law. In order for GASB to change the assumptions for funding, all the state laws would have to be changed. She spoke with the actuary to confirm her findings. She also attached a couple of articles for the trustees' information.

#### Estate of Martin Wilkerson

Ms. Billings indicated that this issue was reported earlier under Reports. She has been in contact with the deceased member's spouse regarding the overpayments to the member's account and how to recoup those payments. There were only two overpayments, the third payment was returned from the financial institution.

#### FOIA Request – Via Yahoo Email Address

Ms. Billings reported that the FOIA was for the investment contract with Invesco. She denied the FOIA Request. There appears to be no proof of standing required under the law. She has not heard from Mr. Maniloff since she contacted him.

#### LaJuan Craft FMLA (Continued)

Trustee William's questioned whether including the FMLA document in the legal report is a violation of Ms. Craft's privacy.

Ms. Billings did not feel there was any personal information contained in the document that would be in violation of Ms. Craft's privacy. She indicated that the legal report is a confidential document.

Trustee Williams felt that the document contained personal information pertaining to Ms. Craft and should not be public information.

Ms. Billings noted that she will not put this type of information in the legal report going forward.

**RESOLUTION 12-039** By Waterman, Supported by Naglick  
Resolved, That the Board approve the move to closed session to discuss pending litigation.

**Roll Call:**

Trustee Barnett – yea	Trustee Naglick - yea
Trustee Bowman – yea	Trustee Redmond – yea
Trustee Jukowski – yea	Trustee Stubblefield – yea
Trustee Long - yea	Trustee Waterman - yea
	Trustee Williams - yea

*The Board moved to closed session at 2:48 p.m.*

*The Board returned from closed session at 2:57 p.m.*

---

**UNFINISHED BUSINESS**

**Re: Partial Plan Termination** – Refer to Legal

**Re: Rent/Overhead**

Ms. Zimmermann reported that the City has suggested a rent cost of \$3,500.00 per month for the Retirement Office. She referred to a printout of suggested rents in the Pontiac area that range from \$8.00 to \$15.00 per square foot.

Trustee Naglick indicated that the City’s cost also includes telephones, internet and IT support.

**Re: Larry Balowski** – Refer to Legal (Closed Session)

**Re: Trustee Elections**

Ms. Zimmermann indicated that there are four elections that need to be held. The four positions are the hospital trustee, the retiree trustee and two member trustees. It is her opinion that all the elections should be run at one time. In order to identify the ballots different colored paper will be used. She noted that there is a return envelope signature requirement when running a mail election.

**RESOLUTION 12-040** By Jukowski, Supported by Waterman  
Resolved, That the Board approves the running of four mail elections for the Hospital Trustee position; the Retiree Trustee position and two Member Trustee positions per the election calendar.

Yeas: 9 – Nays: 0

Trustee Barnett asked if this will include deferred members.

Ms. Zimmermann said that they will identify people and will use their last known address.

Trustee Waterman asked what the number of voting members per trustee.

Ms. Arndt indicated that there are approximately 1,150 retired members voting for the Retiree Trustee, a total of 875 retired, active and deferred members voting for the Member Trustee and a total of 607 retired and deferred hospital members voting for the Hospital Trustee.

---

## **NEW BUSINESS**

### **BS&A Software Set-up Fee**

Ms. Zimmermann indicated that the Retirement Office received an invoice from Joseph Sabota for access to payroll data in the new BS&A software program. She indicated that the City is required to provide the data. No one has contacted her or provided any information other than the invoice.

Trustee Naglick said most municipalities use BS&A software; the City uses it for property taxes, water bills and accounts receivable but payroll is not on the system. He said Trustee Long has gone to ADP for 2012 and we are going to BS&A on January 1, 2013. Originally, the plan was to make the change July 1<sup>st</sup>.

Trustee Stubblefield said she has experience with BS&A and payroll should be able to download a spreadsheet with the data the Retirement Office needs.

### **Re: Service Credit Issue – Graves**

Ms. Zimmermann reported that member Rodney Graves retired in 2005 before the CETA service credit issue was determined in 2006. He was given credit for his four months of CETA time. However, Mr. Graves was hired after 1978 and is not eligible for his CETA service credit.

She asked that the Board provide direction as to whether to re-calculate Mr. Grave's pension benefit and reduce his service credit by four months.

The issue was referred to legal counsel for a recommendation at the next meeting.

### **Re: Request for Option Change – Kilburn**

Ms. Zimmermann reported that the retiree is asking to change her retirement option due to the pension tax and the new health coverage deductibles which is making it difficult for her family to make ends meet.

Ms. Billings indicated that the benefit option cannot be changed after election per the Retirement Ordinance.

**Re: Request for Retroactive Benefit – Cantu**

Ms. Zimmermann reported that retiree Bridget Cantu sent a letter asking the Board for a retroactive retirement benefit. She stated that she contacted the Retirement Office in 2011 and was told that no information could be found in the office so the Retirement Coordinator would have to check the microfilm for older records.

Ms. Zimmermann asked Ms. Arndt to further explain what occurred since she spoke with Ms. Cantu when she contacted the office.

Ms. Arndt explained that she first spoke with Ms. Cantu when she contacted the Retirement Office in October or November, 2011. At that time Ms. Cantu indicated that she had recently turned sixty-two and wanted to apply for her retirement benefit. Ms. Cantu was told that if she was a deferred member she would have been eligible to collect her benefit upon attaining age sixty.

When asked specific information regarding her employment, Ms. Cantu could not provide her actual dates of employment to help determine if she was vested or whether she had withdrawn her contributions. Her employee folder could not be located, she was not listed in the deferred database and there was no record of her having contributions on file, so it was determined her information must be on microfilm. Ms. Cantu's information was given to the Retirement Coordinator for verification on microfilm.

Ms. Cantu came into the office in February, 2012. She brought information she secured from Human Resources including PAS Forms with her employment, personal leave and termination dates which aided in locating her folder. Upon reviewing Ms. Cantu's file it showed that she had withdrawn her contributions in the past, so I was able to locate her folder with this added information.

Ms. Munson reviewed the paperwork which indicated that Ms. Cantu had withdrawn her contributions in the past, however, she was able to use that service credit toward vesting and it was determined that Ms. Cantu was eligible to receive a pension benefit.

Ms. Billings noted that deferred members have to apply thirty days in advance for their benefit. Trustee Redmond asked if there is a process in place to notify deferred retirees.

Ms. Zimmermann indicated that there is a card in the tickler file with the deferred member's eligibility date. The process requires the Retirement Coordinator to send out a letter to the deferred member informing them of their eligibility date and asking them to contact the Retirement Office to start the retirement process.

Vice Chair Bowman recommended that Ms. Billings review the information.

**Re: Partial Plan Termination (Revisited)**

Mr. Marshall asked if a partial plan termination and vesting is mandatory under the IRS Rules.

Ms. Billings explained that the partial plan termination and vesting is mandatory based on IRS Regulations and the System would lose its standing as a Qualified Plan if it did not comply.

Mr. Marshall agreed that the System has no choice.

---

## **SCHEDULING OF NEXT MEETING**

Regular Meeting: May 30, 2012 @ 1:30 p.m. – City Council Conference Room

---

## **ADJOURNMENT**

**RESOLUTION 12-041** By Barnett, Supported by Redmond  
Resolved, That the meeting be adjourned at 3:22 p.m.

Yeas: 9 – 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 25, 2012

---

Secretary, John Naglick

*As recorded by Jane Arndt*