

**CITY OF OWOSSO  
EMPLOYEES RETIREMENT SYSTEM BOARD**

**OCTOBER 18, 2012**

**7:15 AM**

**CALL MEETING TO ORDER:**

Chairperson Farrell called the meeting to order at 7:28 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Thomas Cook, Ronald Pearsall, Mark Sedlak, Vice Chairperson Mark Mitchell and Chairperson Wilfred Farrell.

**ABSENT:** Trustees Michael Erfourth and Michael McCloskey.

**ALSO**

**PRESENT:** City Attorney William C. Brown; City Clerk Amy K. Kirkland; Merrill Lynch Advisor Maral Thomas; and Merrill Lynch Investment Consultant Marie Vanerian.

**APPROVE AGENDA:**

Motion by Vice Chairperson Mitchell to approve the Agenda with the following additions:

Payment Authorizations:

- |  |              |
|--|--------------|
| c. <u>MD Sass</u><br>For period 07/01/12 through 09/30/12  | \$ 10,398.15 |
| d. <u>Franklin Templeton Investments</u><br>For period 07/01/12 through 09/30/12                               | \$ 8,819.69  |
| e. <u>Franklin Templeton Investments</u> – former Fifth Third equities<br>For period 07/01/12 through 09/30/12 | \$ 300.00    |
| f. <u>Merrill Lynch - Atlanta</u><br>For period 10/01/12 through 12/31/12                                      | \$ 5,437.01  |
| g. <u>Merrill Lynch - NFJ</u><br>For period 10/01/12 through 12/31/12  | \$ 3,437.05  |

Motion supported by Trustee Pearsall and concurred in by unanimous vote.

**APPROVE MINUTES OF AUGUST 16, 2012 REGULAR MEETING:**

Motion by Trustee Cook to accept the minutes of the August 16, 2012 Regular Meeting as presented.

Motion supported by Vice Chairperson Mitchell and concurred in by unanimous vote.

**CITIZEN COMMENTS:**

There were no citizen comments.

**CONSENT AGENDA:**

Motion by Trustee Cook to approve the consent agenda as follows:

1. Approve Pension Check Reports:

- |                   |               |
|-------------------|---------------|
| a. August 2012    | \$ 166,665.88 |
| b. September 2012 | \$ 166,665.88 |

2. Approve Statements:

- a. MD Sass  
As of September 30, 2012
- b. City of Owosso Employees Retirement Fund  
July 31, 2012
- c. City of Owosso Employees Retirement Fund  
August 31, 2012
- d. City of Owosso Employees Retirement Fund  
September 30, 2012

3. Payment Authorizations:

- |  |              |
|--|--------------|
| a. <u>Ronald J. Tobey, City Treasurer</u><br>Report of Checks Written – August 2012                            | \$217,490.51 |
| b. <u>Ronald J. Tobey, City Treasurer</u><br>Report of Checks Written – September 2012                         | \$168,299.83 |
| c. <u>MD Sass</u><br>For period 07/01/12 through 09/30/12  | \$ 10,398.15 |
| d. <u>Franklin Templeton Investments</u><br>For period 07/01/12 through 09/30/12                               | \$ 8,819.69  |
| e. <u>Franklin Templeton Investments</u> – former Fifth Third equities<br>For period 07/01/12 through 09/30/12 | \$ 300.00    |
| f. <u>Merrill Lynch - Atlanta</u><br>For period 10/01/12 through 12/31/12                                      | \$ 5,437.01  |
| g. <u>Merrill Lynch - NFJ</u><br>For period 10/01/12 through 12/31/12  | \$ 3,437.05  |

Motion supported by Trustee Pearsall and concurred in by unanimous vote.

**COMMUNICATIONS:**

- Gabriel Roeder & Smith – *NewsScan September 2012*
- Gabriel Roeder & Smith – *NewsScan October 2012*

The following communications, publications and conference announcements are on file with the City Clerk – if you would like to read them, please contact her:

- Merrill Lynch: *Comprehensive AIM Report, Q2 DVD*

**OLD BUSINESS:**

**MERRILL LYNCH STATUS REPORT**

Merrill Lynch Consultant Vanerian indicated that there were no changes to report.

**NEW BUSINESS:**

**APPLICATION FOR RETIREMENT – JEFFREY HETFIELD**

Motion by Trustee Pearsall to approve the retirement of Jeffrey Hetfield effective October 11, 2012.

Motion supported by Trustee Cook and concurred in by unanimous vote.

**LARGE CAP GROWTH MONEY MANAGER SEARCH**

Merrill Lynch Consultant Marie Vanerian introduced the topic saying that after the impending discussion the intent was to choose 2 or 3 candidates to interview for the large cap growth position in the portfolio. She distributed a selection of pages from the previous large cap growth search the Board had completed a couple of years ago for comparison. She noted the Merrill Lynch search team concentrates on firms with a repeatable process and a good track record over 5 years or more.

There was discussion regarding the management styles of each firm, their approach to the long term growth asset class, performance in down markets, how the Board felt about risk, and whether to split the funds for this asset class between an active manager and an index fund.

Motion by Vice Chairperson Mitchell to interview Edgewood Management, LLC, Loomis, Sayles & Co., and Montag & Caldwell, LLC as candidates to manage the System's large cap growth asset class.

Motion supported by Trustee Cook and concurred in by unanimous vote.

City Attorney William Brown inquired why the Board didn't include TCW in their discussions. Councilperson Farrell noted they were a young firm with a short track record. He also noted their performance was close to that of the index and as such he didn't feel the fees for an active manager were warranted.

There was discussion as to when to interview the candidates. It was decided interviews would be conducted January 17, 2013 beginning at 7:15 a.m.

**CITIZENS COMMENT:**

There were no citizen comments.

**NEXT BOARD MEETING:**

The next board meeting is scheduled for December 20, 2012 at 7:15am

**ADJOURNMENT:**

Motion by Trustee Cook for adjournment at 8:37 a.m.

Motion supported by Trustee Pearsall and concurred in by unanimous vote.

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Amy K. Kirkland, City Clerk