

**CITY OF OWOSSO
EMPLOYEES RETIREMENT SYSTEM BOARD**

JULY 25, 2013

7:15 AM

CALL MEETING TO ORDER:

Chairperson Farrell called the meeting to order at 7:15 a.m.

ROLL CALL:

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

ABSENT: Trustee Michael Erfourth.

ALSO

PRESENT: City/System Attorney William C. Brown; City Clerk Amy K. Kirkland; City Treasurer Ronald J. Tobey; and Merrill Lynch Investment Consultant Marie Vanerian;

NEW BUSINESS:

APPLICATION FOR DISABILITY RETIREMENT – D. BUTCHER

Councilperson Farrell asked that the requirements for a disability retirement be explained.

City Attorney Brown said that in addition to the Board's approval of the retirement the System's Medical Director needed to approve the fact that retirement was medically necessary. He went on to say that it was his understanding that Mr. Butcher's situation was grave and as such he was recommending the Board consider approval of Mr. Butcher's application for disability retirement contingent upon the approval of the System's Medical Director.

In response to a question posed by City Treasurer Tobey prior to the meeting Attorney Brown distributed a Memorandum of Opinion regarding whether Mr. Butcher could nominate a survivor benefit for his regular pension and it was his opinion that the Board could allow him to do so. Though it was noted Mr. Butcher would receive a straight life pension benefit until age 65.

Motion by Vice Chairperson Mitchell to approve the disability retirement application from David Butcher contingent upon the receipt of the System's Medical Director's finding of complete disability.

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

Vice Chairperson Mitchell thanked everyone for coming together today for Dave.

ASSET ALLOCATION STUDY AUTHORIZATION

Merrill Lynch Investment Consultant Marie Vanerian said she wanted to take advantage of today's special meeting to have the Board consider authorization of an asset allocation study. She said that changes to the public act governing pension systems, changes in the economy, and the fact that more and more retirees are drawing from a primarily closed plan it would be prudent to undertake the study to see if changes were in order. She hoped that by coming before the Board today the study could be conducted and assembled in time for discussion at the August meeting. She indicated she would like the Board to consider additional asset classes to better equip the portfolio to handle the changes in the investing environment.

She went on to say that she had called City Treasurer Tobey to ensure there was enough money budgeted to undertake the study and she was pleased to note that it appeared her firm would come in well below the budgeted amount even with the added expense of the allocation study.

Motion by Trustee Cook to authorize an asset allocation study.

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

CITIZENS COMMENT:

There were no citizen comments.

NEXT BOARD MEETING:

The next board meeting is scheduled for August 15, 2013 at 7:15am

ADJOURNMENT:

Motion by Vice Chairperson Mitchell for adjournment at 7:38 a.m.

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

Amy K. Kirkland, City Clerk