

**CITY OF OWOSSO
EMPLOYEES RETIREMENT SYSTEM BOARD**

APRIL 21, 2011

7:15 AM

CALL MEETING TO ORDER:

Vice Chairperson Kukulis called the meeting to order at 7:17 a.m.

ROLL CALL:

PRESENT: Trustees Michael Erfourth, Benjamin Frederick, Michael McCloskey, Mark Mitchell, James Treadway, and Vice Chairperson Frances Kukulis.

ABSENT: Chairperson Wilfred Farrell.

ALSO

PRESENT: City Attorney William C. Brown; City Clerk Amy K. Kirkland; Wentworth, Hauser, & Violich Vice President Alex McKinnon; Merrill Lynch Advisor Maral Thomas; City Treasurer Ronald J. Tobey; and Merrill Lynch Investment Consultant Marie Vanerian;

APPROVE AGENDA:

Motion by Trustee McCloskey to approve the Agenda as presented with the addition of the following items to the Consent Agenda:

Statements:

- h. Franklin Templeton Investments (statement)
As of March 31, 2011

Payment Authorizations:

- d. Franklin Templeton Investments
For period ending March 31, 2011 \$8,814.43
- e. Franklin Templeton Investments (SIK)
For period ending March 31, 2011 \$ 300.00
- f. Atlanta Capital
For period ending June 30, 2011 \$6,329.27
- g. Alliance Bernstein
For period ending June 30, 2011 \$3,007.41

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

APPROVE MINUTES OF FEBRUARY 17, 2011 REGULAR MEETING:

Motion by Trustee Erfourth to accept the minutes of the February 17, 2011 Regular Meeting as presented.

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

CITIZEN COMMENTS:

There were no citizens comments.

CONSENT AGENDA:

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

1. Approve Pension Check Reports:
 - a. February 2011 \$ 147,402.81
 - b. March 2011 \$ 147,402.81

2. Approve Statements:
 - a. MD Sass
As of March 31, 2011
 - b. Bank of New York – ConvergEx Group
As of January 31, 2011
 - c. Bank of New York – ConvergEx Group
As of February 28, 2011
 - d. Russell Investments
As of March 31, 2011
 - e. City of Owosso Employees Retirement Fund
January 31, 2011
 - f. City of Owosso Employees Retirement Fund
February 28, 2011
 - g. City of Owosso Employees Retirement Fund
March 31, 2011
 - h. Franklin Templeton Investments
As of March 31, 2011

3. Payment Authorizations:
 - a. MD Sass
For period ending March 31, 2011 \$ 11,164.80
 - b. Ronald J. Tobey, City Treasurer
Report of Checks Written – February 2011 \$189,027.59
 - c. Ronald J. Tobey, City Treasurer
Report of Checks Written – March 2011 \$154,006.41
 - d. Franklin Templeton Investments
For period ending March 31, 2011 \$ 8,814.43
 - e. Franklin Templeton Investments (SIK)
For period ending March 31, 2011 \$ 300.00

- | | |
|---|-------------|
| f. <u>Atlanta Capital</u>
For period ending June 30, 2011 | \$ 6,329.27 |
| g. <u>Alliance Bernstein</u>
For period ending June 30, 2011 | \$ 3,007.41 |

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

COMMUNICATIONS:

- o Gabriel Roeder & Smith – *NewsScan January/February 2011*
- o Gabriel Roeder & Smith – *NewsScan March 2011*

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, Q4 2010 CD*

MONEY MANAGER REPORT:

WENTWORTH, HAUSER, AND VIOLICH – Alex McKinnon, Vice President

Mr. McKinnon gave an overview of the company and its philosophy saying they were an international equities firm with a growth bias, sector weighting is paramount to their process. Their benchmark is the EAFE, though he pointed out that Japan is a prominent factor in the EAFE and they do not hold any Japanese stocks. The portfolio is up 6.13% for the year, 2.68% over the benchmark. As stated previously sector weighting is paramount to their stock picks. They feel strongly that capitalism is expanding around the globe and will continue to do so. Emerging markets consume lots of energy and materials hence their heavy weighting on those sectors. They try to look at geographically where companies are getting their revenues from, if the company and their respective revenue generating countries are stable they move in.

Looking forward they feel the Euro is in trouble. There has been considerable turmoil surrounding member countries that can no longer support their debt and historically monetary unions have never succeeded.

Trustee Frederick leaves at 8:14 am.

OLD BUSINESS:

MERRILL LYNCH STATUS REPORT

Merrill Lynch Consultant Vanerian reported that Merrill Lynch had reorganized the groups that serve their customers but the System should see no change in service.

She also indicated that she had been looking, at the behest of Ron Tobey, for a speaker to come in and talk to the board about all of the pension changes proposed by the Governor and how they may affect the System and its participants. She had in mind MAPERS lobbyist Ellen Hoekstra that may be able to speak not only about the potential effects the changes would have on the pension system but also about what she sees as a potential final product from the legislature.

There was discussion regarding whether to invite her to speak directly to the Retirement Board, whether other system participants should be invited, or whether to submit a list of common questions and request a written opinion. The consensus was to submit written questions with her potentially speaking to the Board in June should there be any concerns remaining after the written opinion is given.

Lastly Ms. Vanerian noted that the portfolio is up just under 5% for the year and is currently earning faster than pension payments are withdrawn. She also noted that the system has recovered almost all of the value that was lost in 2008.

NEW BUSINESS:

MERS TRANSFER – J. CECIL

There was discussion whether the police department should pay for the second study required to complete the transfer as the cost would not be incurred had the Command Unit not requested to leave the System. It was noted the second study does have value for the Retirement Board as well.

Motion by Trustee Treadway to approach MERS regarding the transfer of John Cecil and authorize the two studies required for the transfer, in the amount of \$1,000 and \$800 respectively. Further the police department will be charged in full for the first study and will be asked to pay ½ of the cost for the second study.

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

CITIZENS COMMENT:

There were no citizen comments.

NEXT BOARD MEETING:

The next board meeting is scheduled for June 16, 2011 at 7:15am

ADJOURNMENT:

Motion by Trustee Mitchell for adjournment at 8:53 a.m.

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

Amy K. Kirkland, City Clerk