

**CITY OF OWOSSO
EMPLOYEES RETIREMENT SYSTEM BOARD**

FEBRUARY 22, 2012

7:15 AM

CALL MEETING TO ORDER:

Chairperson Farrell called the meeting to order at 7:22 a.m.

ROLL CALL:

PRESENT: Trustees Thomas Cook, Michael Erfourth, Mark Mitchell, Ronald Pearsall, Vice Chairperson Frances Kukulis and Chairperson Wilfred Farrell.

ABSENT: Trustee Michael McCloskey.

ALSO

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

Trustee Cook disclosed that he runs a portfolio as a part of his job and that the foundation uses Merrill Lynch for consulting services.

DISCUSSION – INTERNATIONAL VALUE MONEY MANAGER STUDY

Merrill Lynch Consultant Marie Vanerian started the discussion by explaining why Merrill Lynch had recommended JP Morgan as an alternative to Alliance Bernstein saying JP Morgan's returns mirror the benchmark and in doing so would be a safe recommendation to their clients.

Moving on to today's topic she explained the process by which Merrill Lynch vets the firms they recommend in a study. She noted today's study contains managers with very different styles and risk/reward philosophies. She said she was familiar with the firms in the study and had conference calls with most of the firms within the last two weeks.

She briefly detailed each company in the search noting their management styles, the type of companies they invest in, and their level of tolerance for emerging markets.

There was discussion regarding key man risk for various firms in the search, which firms do a good job of protecting assets on the downside, and changes in personnel. Each member mentioned their choices for firms to interview. The final consensus was as follows: JP Morgan Asset Management, NFJ Investment Group, Del Rey Global Investors and Philadelphia International Advisors.

The above firms will be invited to interview during the April regular meeting. The Board expressed an interest in speaking with a portfolio manager for each of the firms. Ms. Vanerian indicated information for the four interviewees will be condensed into one study booklet which will also contain a list of pertinent questions for the Board to consider. The first interview is anticipated approximately 7:35 am.

CITIZENS COMMENT:

There were no citizen comments.

NEXT BOARD MEETING:

The next board meeting is scheduled for April 19, 2012 at 7:15am

ADJOURNMENT:

Motion by Vice Chairperson Kukulis for adjournment at 8:00 a.m.

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

Amy K. Kirkland, City Clerk