

**CITY OF OWOSSO
EMPLOYEES RETIREMENT SYSTEM BOARD**

AUGUST 21, 2014

7:15 AM

CALL MEETING TO ORDER:

Chairperson Farrell called the meeting to order at 7:30 a.m. immediately following adjournment of the Organizational Meeting.

ROLL CALL:

PRESENT: Trustees Richard Brewbaker, Burton Fox, Elaine Greenway, Bobbi Jo Perry, Vice Chairperson Mark Sedlak, and Chairperson Wilfred Farrell.

ABSENT: Trustee Paul Kleeman.

ALSO

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

APPROVE AGENDA:

Motion by Trustee Foxt to approve the Agenda as proposed.

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

APPROVE MINUTES OF JUNE 19, 2014 REGULAR MEETING:

Motion by Trustee Fox to accept the minutes of the June 19, 2014 Regular Meeting as presented.

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

CITIZEN COMMENTS:

There were no citizen comments.

CONSENT AGENDA:

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

1. Approve Pension Check Reports:

- | | |
|--------------|---------------|
| a. June 2014 | \$ 205,569.12 |
| b. July 2014 | \$ 204,377.17 |

2. Approve Statements:

- a. Atlanta Capital
As of June 30, 2014
- b. Loomis Sayles
As of June 30, 2014
- c. MD Sass
As of June 30, 2014

- d. NFJ Allianz
As of June 30, 2014
- e. WHV International
As of June 30, 2014
- f. Franklin Templeton Investments
As of June 30, 20114
- g. City of Owosso Employees Retirement Fund
June 30, 2014
- h. City of Owosso Employees Retirement Fund
June 30, 2014 Year End

3. Payment Authorizations:

a. <u>Atlanta Capital</u> For period 07/01/14 through 09/30/14	\$ 3,088.61
b. <u>Franklin Templeton Investments</u> For period 04/01/14 through 06/30/14	\$ 7,327.72
c. <u>Franklin Templeton Investments – SIK</u> For period 04/01/14 through 06/30/14	\$ 300.00
d. <u>Loomis Sayles</u> For period 07/01/14 through 09/30/14	\$ 12,465.58
e. <u>M.D. Sass</u> For period 07/01/14 through 09/30/14	\$ 13,059.07
f. <u>NFJ Allianz</u> For period 07/01/14 through 09/30/14	\$ 4,010.53
g. <u>WHV</u> For period 07/01/14 through 09/30/14	\$ 5,082.86
h. <u>Gabriel Roeder Smith & Company</u> For Actuarial 101 presentation	\$ 900.00
i. <u>Ronald J. Tobey, City Treasurer</u> Report of Checks Written – June 2014	\$237,530.78
j. <u>Ronald J. Tobey, City Treasurer</u> Report of Checks Written – July 2014	\$216,701.88

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

COMMUNICATIONS:

- o Merrill Lynch – Notice of Letter of Acceptance
- o Merrill Lynch – *Market Focus, 2nd Quarter 2014*
- o Gabriel Roeder & Smith – *NewsScan June 18, 2014*
- o Gabriel Roeder & Smith – *NewsScan July 10, 2014*
- o Gabriel Roeder & Smith – *NewsScan July 31, 2014*

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:

SMOOTHING THE SMOOTHING

Discuss moving forward with Gabriel Roeder Smith to model the effects of using a different smoothing method to potentially reduce the volatility of contributions at a cost to the System of \$2,500 - \$3,000.

City Clerk Amy K. Kirkland reported that recent discussions with the City’s Finance Director Richard C. Williams had yielded the fact that the Gabriel Roeder Smith website had a self-serve application that could effectively model the desired computations without cost to the System. The Board agreed to have Mr. Williams perform the study on behalf of the System noting that they could always engage Gabriel Roeder Smith’s services if necessary.

NEW BUSINESS:

MAPERS 2014 Fall Conference

The Board discussed who would be interested in attending the 2014 MAPERS Fall Conference.

Motion by Trustee Fox to approve sending two members to the conference.

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

APPLICATION FOR RETIREMENT – M. THOMAS

Motion by Trustee Fox to approve the application for retirement from Michael Thomas effective October 10, 2014.

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

Trustee Brewbaker inquired whether Mr. Ehlen had responded to the latest communication asking him to remove his funds from the Retirement System. City Treasurer Ronald J. Tobey indicated he had not. He further indicated he anticipated seeking Board permission to remove funds for two similar requests in the near future.

SECOND QUARTER 2014 EXECUTIVE SUMMARY REPORT

Merrill Lynch Advisor Maral Thomas highlighted the 2nd quarter report, noting that small cap managers continue to struggle in the current market. Chairperson Farrell inquired how the portfolio looks currently. Ms. Thomas indicated the only manager that was down as of today was Atlanta Capital.

She went on to present an overview of the following:

Total Portfolio Performance Summary for Period Ending 06/30/2014

	Source of Funds Thousands of Dollars		
	Quarter		Cumulative 3/93-06/14
Beginning Market Value	33,224		17,710

Net Contributions	-630		-20,597
Investment Earnings	1,686		37,166
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Ending Market Value	34,280		34,280

CITIZENS COMMENT:

There were no citizen comments.

City Attorney William C. Brown encouraged the Trustees to remember that they were held to a reasonably prudent standard regarding their actions on the Board. He indicated that some conference attendees come away fearful of their responsibilities on the Board because of over-zealous presenters at the conference. He reassured members that they would not go to jail if they were prudent in their actions as board members.

NEXT BOARD MEETING:

The next board meeting is scheduled for October 16, 2014 at 7:15am

ADJOURNMENT:

The meeting was adjourned at 8:00 a.m.

Amy K. Kirkland, City Clerk