

**CITY OF PONTIAC, MICHIGAN
GENERAL EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES
MAY 25, 2016**

A regular meeting of the Board of Trustees was held on Wednesday, May 25, 2016 at the Pontiac General Employees' Retirement System Office located at 2201 Auburn Road, Suite B, Auburn Hills, Michigan 48326. The meeting was called to order at 10:10 a.m.

TRUSTEES PRESENT

Sheldon Albritton (*by phone*)
Jane Arndt
Janice Gaffney
Robert Giddings
Walter Moore, Chairman
Deirdre Waterman, Mayor (*arrvd @ 10:17am*)
Patrice Waterman, City Council Pres. (*arrvd @ 10:44am*)
Kevin Williams, Vice Chair

TRUSTEES ABSENT

Koné Bowman (*excused*)
Nevrus Nazarko (*excused*)
Billie Swazer (*excused*)

OTHERS PRESENT

Cynthia Billings, Sullivan Ward
Deborah Munson, Interim Executive Director
Kurt Lofters, Gray & Company (*by phone*)
Peter Brown, The Bogdahn Group
Mike Welker, The Bogdahn Group
David Lee, Dahab Associates
Steven Roth, Dahab Associates
Henry Juang, Meketa Investment Group
Alexandra Wallace, Meketa Investment Group
Clarissa Cayton-Grigsby
Larry Marshall, City Retiree
Carol McCrary, Hospital Retiree
Kathi McNally, Hospital Retiree
Linda Watson, City Retiree
Debra Woods, City Retiree

Chairman Moore opened the meeting at 10:10 a.m.

PUBLIC COMMENT

City Retiree, Linda Watson questioned the amount of the legal fees (\$23,121.83) submitted by Sullivan Ward. She also asked what the fees were for.

Ms. Munson indicated the Sullivan, Ward legal fees were for March 2016 in the amount of approximately \$15,000 and the April 2016 invoice is approximately \$7,900 and indicated that those are the monthly billings for regular legal services.

City Resident, Linda Hasson asked what number of Trustees represents a quorum on the Board.

Chairman Moore indicated that there are currently six Trustees present including Trustee Albritton who has phoned into the meeting. There are also two Trustees who are available by phone.

Ms. Hasson stated her concerns regarding the Trustees who abstain from voting on issues.

She told the Board she has been in contact with the Treasury Department regarding Trustee Bowman's appointment. The Treasury Department referred her to the March 16, 2016 minutes of the TAB meeting. The minutes indicate that Trustee Bowman's appointment was confirmed for the period starting on April 1, 2014 through March 31, 2018. She believes that Trustee Bowman was confirmed as a seated Trustee on the Board.

City Retiree, Debra Woods, expressed her concerns regarding the reinstatement of retiree healthcare. She questioned whether the \$400.00 temporary increase will be continued and indicated it will be difficult for her to keep her healthcare if it is discontinued. She asked if there is anything in the works to continue the temporary increase.

Chairman Moore suggested that Ms. Woods refer her question to the City Council.

Mayor Deirdre Waterman stated that the City is aware of the situation and are looking to address the issue and are willing to protect the retirees. She indicated that she has been informed that - as of yesterday - CPREA is withdrawing from the mediation. She thought that they had arrived at a resolution to the retiree healthcare issue. This is the last issue that keeps the City in receivership and protects the City's interest as well as the retirees' interest. There is a hearing scheduled before Judge Cohen on May 31, 2016.

Chairman Moore indicated that the CPREA Board has not been informed of this information.

Hospital Retiree, Darlene Wummel suggested that the Retirement Board research how other cities structure their Boards. She noted that this Board is rude and is constantly interrupting each other. This needs to change since they are responsible for the members' money.

Trustee Giddings asked if he could get a copy of the information from the Treasury Department regarding Trustee Bowman's appointment.

INVESTMENT CONSULTANT FINALISTS PRESENTATIONS

Chairman Moore reported that the System's investment consultant resigned some time ago. The Ad Hoc Committee was formed to implement the RFP process and to review potential candidates to replace the current investment consultant. The RFP was issued on February 29, 2016 and the ad hoc committee has been in deliberation since then. Eight proposals were submitted and three were disqualified. The ad hoc committee reviewed the five proposals.

A special meeting was held on May 24, 2016 to review the language in two of the disqualified proposals. A 3 to 2 vote taken by the committee determined that they would review the Marquette proposal and would include them in the process.

In terms of process the committee is sticking with the timeline. Three candidates will be making presentations today.

The deadline is July 1, 2016 and the committee intends to meet the deadline.

Trustee Deirdre Waterman indicated that the vote was 4 to 1 not 3 to 2 in favor of reviewing the Marquette proposal. She also asked about the process and whether Marquette would be added to the group of presenters.

Chairman Moore indicated that the three consultants in attendance will make their presentations.

Trustee Deirdre Waterman felt that the process needs to move forward expeditiously due to the resignation of the former investment consultant and the issue with the Peritus investment and the need for guidance investment issues.

As part of discussion it was determined that the current investment consultant be contacted to ensure the System is getting what it is paying for.

Trustee Deirdre Waterman indicated the Committee voted four to one to add the additional candidate. She asked if a vote should be brought forward.

Chairman Moore indicated the Board should move forward with the presentations from the three investment consultant candidates.

Trustee Deirdre Waterman felt it was important to bring forward the vote based on the current consultant's lack of service, investment losses and protection of the Fund.

Chairman Moore felt it was important to ensure that the System is getting full service from the current investment consultant.

He indicated each Trustee should have a summary of the investment consultants in their agenda packet.

The Bogdahn Group

Peter Brown, Consultant

Mike Welker, CFA, President/CEO

Mike Welker introduced himself and Peter Brown to the Board. He indicated that Chris Kuhn could not be with them today indicating that Mr. Kuhn would be a large part of the service team if selected.

He provided a brief summary of his firm. He stated that they are truly independent and dedicated to the public fund space. The firm would be a fiduciary of the System. They provide full transparency and only receive compensation for investment consulting services. They are completely open and can work with anyone. They reinvest 100% of their profits into the firm. They do not want to do something that would put themselves or the System on the front page of the newspaper. The firm also provides investment consultant services for the City of Pontiac Police & Fire Retirement System.

The firm currently has \$60 billion in assets under advisement with three hundred public fund accounts totaling \$35 billion in assets under advisement. They are MAPERS corporate member and

have helped to shape the public fund space. Their firm was appointed by the Governor to the Detroit Police & Fire Retirement System Board post-bankruptcy.

He described the firm's client service culture which has created long-term partnerships with their clients with annualized client retention rate of 99%. The firm's employee-investment professional retention rate is 95%. They have the infrastructure of a large firm but are nimble because they are a smaller firm. They offer a service guarantee which is part of their agreement. If - over the course of the initial twelve months of service - the client is unhappy they will refund the service fees. The client is basically receiving a free look.

He reviewed their total public fund performance against the average of the national public fund sponsors. They outperformed the national average over the one year interval 0.08% versus -0.02%; three year at 8.38% versus 7.74%; five year at 7.40% versus 7.05% and ten year at 6.01% versus 5.89% . This shows that they can perform better than most institutional sponsors adding an additional \$10 million in performance.

They are a full service provider. He reviewed their general consulting services model.

Mr. Brown reviewed the consulting team that would be working with the System. They provide a number of administrative services to assist in managing the portfolio including Letters of Direction, raising cash and custodial reporting. They have an efficient process to ensure there are good communications between their firm and the System.

Mr. Welker indicated that they position themselves to make sure there is redundant support. They have found it is the most efficient way to service the relationship.

Mr. Brown indicated that they have an eight-member research team. The team does the due diligence and meetings with investment managers to provide guidance and recommendations. This can help when interviewing managers. Their goal is to work with the Board so that they can make strong, educated investment decisions.

Mr. Welker asked if the Board had any questions.

Trustee Deirdre Waterman asked about the pros and cons of having the same investment consultant for both City of Pontiac Retirement Systems.

Mr. Welker indicated it adds to their institutional knowledge working with both Funds. Mr. Kuhn knows both sides. They want to be an asset and ally for the Fund. As a service team they have a lot of Michigan experience and city specific knowledge which is important.

He indicated that the people who have come in have done a good job and they want to build on those successes. After review of the System's current asset allocation, they feel it is too aggressive with 70% allocated to equities. They do not feel the Fund needs to take as much risk. They would reduce that risk 5% to 10%.

He provided an overview on how they would reduce the risk in the System's portfolio including reviewing the manager-of-managers mandates and potentially consolidating the fixed income mandate.

Chairman Moore asked about investing in Business Development Corporations (BDC's).

Mr. Welker indicated that they would not invest in BDC's. They are high risk private equity investments.

They want to be a partner and extension of the staff. They have the ability to assist with the administration of the System.

Their annual fee of \$175,000.00 is all inclusive (i.e. monthly meeting attendance, trustee educational sessions, asset allocation consulting, investment searches and monthly and quarterly performance reports).

Trustee Patrice Waterman asked what is the current fee paid to Gray & Company.

Miss Munson indicated the System pays Gray & Company \$97,500 annually for their investment consulting services.

Mr. Welker indicated that that was the compensation for the investment consultant fees. It did not include the fees from the manager-of-managers programs and the private equity investment.

There was discussion of the six clients that Mr. Kuhn brought to the Bogdahn Group from his former relationship with Gray & Company.

Mr. Welker indicated they have been successful transitioning Gray & Company clients. They are able to provide flash reports five days after month end and performance versus the universe three weeks after quarter end.

Trustee Deirdre Waterman questioned what other types of investment strategies Bogdahn would recommend based on Mr. Welker's statement that they would recommend changes to the System's portfolio.

Mr. Welker stated they are looking for the most cost effective approach. There is a lot of overlap in fixed income in the System's portfolio. They are looking to reduce fees. This would also apply to the private equity investments. They would like to lower the overall risk profile of the portfolio. They would also look at the way the System is handling the manager-of-managers programs.

Trustee Deirdre Waterman confirmed that Bogdahn is familiar with the recent losses associated with the Peritus investment. The manager was terminated in April 2015 and eight months later the portfolio was liquidated. During those eight months, high yield tanked and the System lost a lot of money. The Board has looked at how that happened and whether it was the fault of the attorney or the investment consultant and questioned whose responsibility it was to manage the transition. She

also noted the investment consultant was on watch and should have been monitored by the attorney. She asked how their firm would avoid this type of situation.

Mr. Welker indicated they would be accountable for the total fund performance because they are responsible for the asset allocations of the Fund. The Board makes the calls but the investment consultant is ultimately responsible. He also stated that the firm can negotiate side letters with the managers to make these investments friendly.

Trustee Gaffney asked what their firm would do if the Board seemed determined to invest in something that their firm thought was a really bad idea.

Mr. Welker indicated at the end of the day their firm works for the Board. They would provide information and reasons why this would not be an investment they could support.

Mr. Brown told the Board it is their goal is to educate the Trustees so they make informed decisions. They are willing to take on ideas but if they are not comfortable with an investment idea they could not support it.

Mr. Welker stated that Mr. Brown was fired because he submitted a document indicating that he would not recommend that the Board make a specific investment.

Vice Chair Williams asked how recently they lost the client that received a refund of fees based on The Bogdahn Group's service guarantee.

Mr. Welker indicated they were hired by a System after their investment consultant retired. They were unable to supply a specific report requested by the Board within a short timeframe. They were told their firm could not meet the Board's needs so they were terminated and the Board took them up on their service fee guarantee. They eventually prepared the correct report and provided it to the Board's new consultant.

Trustee Giddings indicated he went through the firm's responses to the RFP. Their responses indicated that they were involved with a manager that was hired and part of their fee went to a third party.

Mr. Welker indicated that it was a small manager that used a third party marketer to solicit business. They made sure that this was disclosed and that the fee was reasonable and came from the manager.

Mr. Brown and Mr. Welker left at 11:18 a.m.

Dahab Associates

David Lee, CFA

Steven Roth, CFA

Mr. Lee introduced himself and Mr. Roth to the Board.

He provided a brief overview of the firm. The firm was founded in January, 1986 by Richard Dahab. They are 100% employee-owned and both he and Mr. Roth are owners of the company. The majority of their clients are public funds. They have extensive experience in understanding the needs of public funds. They currently have eighty-four clients with aggregate assets in excess of \$13 billion under advisement.

Both Mr. Lee and Mr. Roth provided an overview of their biographies.

Mr. Lee indicated that they interact with the managers. At one time he managed the research group. Each year they sit down and interview approximately four hundred managers. This helps make them better consultants and keeps them on point with the investment trends. It also helps them to determine what is best for their clients and not just a Wall Street sales pitch. They make sure they find the best manager fit for their clients. Most of their consultants are CFA's.

Every client is assigned a team of two consultants and a portfolio analyst. Their diverse backgrounds provide a unique perspective on the investment environment and individual managers. They make decisions with clients not dictate investments to clients.

Based on the size of the System, they feel they are the right size firm. They have no conflicts of interest and provide full transparency. The Fund it would be in their top ten based on their assets and would be an important client. They provide easy to understand customized reports for their clients. The firm has a high level of client satisfaction.

They have been serving public funds for thirty years and 60% of their clients are public funds. By size 40% of their clients have assets between \$100 million and \$1 billion.

They actually calculate the returns based on the custodian's account records and compare the manager fee to the custodial bank's information to check to ensure the amount is correct. They also look at the System's cash flows and dividends.

Mr. Roth also noted they go back and re-calculate the past five years of performance.

Technology is one of their firm's greatest assets. He indicated some databases can be accessed by their clients via the internet.

The basic goal of the System is to maintain its funding status. They looked at where the Fund is today and where the Board wants it to be in the next ten to twenty years. They reviewed the System's assets with regard to benefit payments, cash flow projections and volatility in the portfolio.

Mr. Roth stated that based on their review, approximately 6% of the current Fund value is being paid out annually. The cash flow will also increase based on the COLA benefit. Their basic goal is to maintain the funded status of the System.

They would suggest having a more conservative posture in the portfolio and adding real assets like real estate, timber or agriculture into the portfolio to reduce volatility while evaluating the liquidity of these investments.

They look to increase transparency. All searches will be publicly posted and available for any firm meeting the search criteria to submit a proposal. They provide a documented selection process including how they got from ninety managers down to three. The client is part of the process at every level. They look at themselves as an extension of the Board and part of the team.

They act as a fiduciary partner by providing unbiased advice and trustee education. They would not come to the Board without a presentation to limit risks and focus on downside protection. The upside takes care of itself.

They are familiar with most of the managers that are currently in the System's portfolio but not the Robinson or the GrayCo private equity investment. They are not unsure of which managers are in the GrayCo portfolio.

He stated they could come in and provide education on Business Development Corporation investments.

Chairman Moore asked them to further describe BDC investments.

Mr. Roth indicated that BDC's are like private equity investments. They are senior subordinate debt because these companies cannot get traditional loans.

Mr. Lee indicated that BDC's are low quality higher risk debt. They would look to focus on other alternative investments with better risk profiles. They believe in keeping things simple and taking the risk where you get paid for it.

Real estate investing is in the seventh or eighth inning. He described for the Trustees the different categories of real estate. Core real estate would be a better place to invest for the System. Core real estate invests in \$50 million to \$500 million industrial, retail and business buildings that are 95% leased with some expected capital appreciation and approximately 20% leverage. Core plus real estate invests in similar properties but with a little more leverage - around 30% to 40%.

He described value-added real estate investments that are 50% to 60% leveraged and on to Opportunistic Real Estate investments. He described the difference between both open and closed-end funds and their liquidity limitations. Open-end funds provide liquidity on a quarterly basis. Closed-end funds tie up invested assets for a pre-determined minimum number of years.

He described timber investments. The volatility is similar to bonds but the returns are better. Trees come in two flavors, hardwoods and softwoods. Hardwoods are more expensive and grow slower and softwoods are less expensive and grow faster. You would look for a timber manager that has a blended mix in their portfolio with dividends ranging from 2% to 4%. The challenge is that you cannot get out of the investment for ten to fifteen years. He stressed that the Fund is long-term investor.

Mr. Roth explained portfolio risk and the need to talk about and understand downside risk.

Mr. Lee indicated that they spend a lot of time disagreeing with managers with regard to whether value tilts are better at providing longer-term moderate returns or growth tilts with better short-term returns. They look to find good managers and indices. He explained that Apple is a good stock that started out as a growth stock and is now also considered a value stock.

Mr. Roth noted that the Fund's portfolio has a value bias tilt and that value has outperformed growth over time. He indicated that they like simplicity. The biggest risk is in permanent loss of capital.

Mr. Lee stated that three-quarters of the volatility in the System's portfolio is stock related. One-third of the portfolio currently sits in mid-cap and small-cap which experienced a lot of volatility during the first quarter due to headline news.

Mr. Lee stated that they build portfolios by keeping things simple.

Mr. Roth indicated that they would go through and provide a complete review of the System's portfolio summarizing each manager's performance.

Mr. Lee stated that they provide unbiased investment manager recommendations. They have no relationships with brokers or managers.

Their annual all-inclusive fee is \$120,000.00. The fee includes performance reports and meetings; a \$2 million professional liability insurance; unlimited manager searches; unlimited asset/liability studies; policy and guideline reviews; education and travel expenses. Their fee contract term is for four years.

He reviewed a representative public funds client list.

Mr. Roth described the educational modules they provide which are customized for each client.

Mr. Lee noted that they are not good marketers and are a truly independent firm.

Vice Chair Williams asked what the client to consultant ratio is at their firm.

Mr. Lee stated that he and Mr. Roth currently share support of seventeen clients.

Trustee Giddings noted in Dahab's RFP response they indicated quarterly meetings. He asked if the \$120,000.00 fee schedule is all inclusive. He also asked if Dahab Associates has any other Michigan public fund clients or Taft-Hartley clients.

Mr. Lee indicated that the System would be their first public fund client in Michigan. He also indicated that they would be willing to make whatever time commitment is needed.

Trustee Gaffney asked what they would do if the Board of Trustees wanted to invest in something that they would not recommend.

Mr. Lee explained a former client situation. They went on notice with a letter to the client indicating that they did not support the decision. He stated that if it does not pass the smell test they will not recommend the investment. Mr. Lee stated that the Board would never get something from them because the Board really wanted it.

Trustee Deirdre Waterman asked whether manager conferences help in the review process.

Mr. Lee indicated that they do not sponsor or pay for managers. They attend conferences at the state level. They conduct one-on-one interviews with managers. They do not rely on manager performance as only guideline for recommendation.

Trustee Deirdre Waterman confirmed that Dahab Associates does not provide any other services outside of consulting.

She explained the Peritus high yield investment termination and transition issue noting the System loss approximately \$5 million. The consultant was on watch and should have been monitored by legal counsel.

Mr. Lee explained how they would make sure things would not fall between the cracks. If a manager is terminated they would first look to reallocate the assets. He indicated that they have a paper trail, they are on top of what is happening and they have a timeline to monitor the cash flows and the manager termination process so things don't fall through the cracks.

Trustee Arndt asked if they are familiar with Public Act 314.

Mr. Roth indicated they have done a lot of research on Public Act 314. He understands the limitations and their recommendations would be within those limits.

Chairman Moore asked what their philosophy is on diversity and whether they look for opportunities for emerging managers.

Mr. Roth indicated they know and invest with most of the emerging and minority managers in the System's portfolio.

Trustee Patrice Waterman asked if they have done their homework with regard to the City of Pontiac.

Mr. Lee explained that they have conducted research and become very familiar with the City of Pontiac.

Mr. Lee and Mr. Roth left at 12:18 p.m.

Meeting Break at 12:18 p.m.

Trustee Albritton left at 12:18 p.m.

Meeting Resumed at 12:25 p.m.

Meketa Investment Group

Henry Jaung, Principal

Alexandra Wallace, CFA, Principal

Ms. Wallace made their introductions to the Board and provided an overview of their firm. They currently work with over one hundred clients representing 200 funds of which 80% are public funds. The firm was founded in 1968. Their first client was from the Midwest. The only revenue they generate is as an investment advisor. They have six offices located in: Boston; Chicago; Miami; Portland; San Diego and London. They are 100% independently owned by the senior professionals of the firm. The firm has aggregate assets of \$830 billion under advisement.

Mr. Jaung indicated that they are fiduciaries for all their clients. Their common core values allowed for growth internally and organically in all areas of the firm.

Ms. Wallace stated that they maintain a low client to consultant ratio and they have a high client retention rate. Nothing they provide is off the shelf and everything is customized for the System. Over the past ten years they have experienced significant client growth which has contributed to the organic growth of the firm.

She reviewed a representative client list which included a number of public funds.

They continue to evaluate emerging managers and will be testifying to the Senate regarding their emerging manager program.

Mr. Jaung explained that their research is specifically focused on asset liability and allocation which would be important to this System. They do not perform research for the sake of research. They have a team of twenty-five to thirty analysts that perform their research. They do not use existential data; the data they use is up-to-date. He noted they are well-versed in Public Act 314.

He discussed the City's bond rating and the actuarial review. The System has had stellar performance results. He noted it is important to protect the body. Based on the City's financial situation and inability to make contributions they would be cautious when making investment recommendations.

Each consultant has an average of four to six clients which is half the ratio of the industry. It is not easy to work with a large amount of clients. This is a big advantage to the client and consultant. You will not get voicemail when you call. They have a six member team including three consultants, two research analysts and one client service member.

Ms. Wallace stated that the Board would always see and work with her and Henry.

Mr. Jaung stated they know that Michigan public pension plans use Public Act 314 as their bible. They would evaluate the portfolio based on Public Act 314 for every meeting. They are participants

of MAPERS. He stated that in order to be successful with Michigan plans you better know Public Act 314.

Ms. Wallace described their investment philosophy. They would evaluate the System's Investment Policy Statement to determine the System's risk and comfort level. She noted that the Fund's portfolio currently has a large allocation to domestic equities. She stated that it is important to use passive management. Using passive management fees are 5 basis points versus 50 basis points using active management. It is difficult to make money in active large cap investments.

Mr. Jaung agreed with using passive management and that it is important to be thrifty when making investment decisions.

Ms. Wallace told the Board that they believe it is extremely important to educate their clients. They can meet to discuss asset classes and can set up classes or meetings. They believe it is important to provide accurate monthly reports.

Mr. Jaung stated that as a portfolio manager they make sure that the information they present is concise and understandable. They do not want their clients to invest in something they do not understand. They strive to communicate effectively with their clients.

They typically begin their client relationships with a comprehensive initial fund review. They would list and prioritize their recommendations based on the following timeframes: one to six months; six months to one year and twelve to thirty-six months.

Miss Wallace stated that they can assist with the Fund coordination. They would negotiate with managers to reduce fees. They help facilitate and strictly monitor manager transitions and work with the custodian. They can also provide administration.

Mr. Jaung explained that with \$28 to \$29 million in expenses a lot of time is spent rebalancing and explaining issues. They would coordinate this process starting on day one.

Ms. Wallace provided an overview of Meketa's trustee education philosophy. The firm holds a Group Client Conference annually and offers ongoing trustee education quarterly. They publish white papers and supply interim memos to keep trustees apprised of significant market and retirement system-related events.

He explained that most funds are not typically funded at 153%. However, the higher the funding ratio the faster the funding ratio can drop if assets drop which is why it is important to understand liability and how it works.

He discussed how to reduce expenses for the System. The more active the investment management the greater the transaction costs. Northern Trust also charges additional fees for separate accounts. He discussed how they could reduce fees and how making changes could save the System \$1.1 million annually. He also stated that the System should reduce its equity exposure which would reduce the portfolio's volatility.

He reviewed their lower volatility portfolio versus the System's current portfolio based on the asset allocations.

He described their risk budgeting analysis which compares the capital allocation versus risk allocation. The System's current portfolio has an equity volatility risk of 90%.

Ms. Wallace explained their expected return-based risk analysis and the performance needed to replace lost performance. This included the worst case returns, probability of experiencing negative returns and the probability of achieving at 7.5% returns using the System's current portfolio versus Meketa's recommended lower volatility portfolio.

She also described the historical scenario analysis comparison using the same portfolio data to quantify performance based on the last market events. The lower volatility portfolio significantly reduced the volatility in the portfolio based on the most recent global financial crisis from the fourth quarter of 2007 through the first quarter of 2009; the 1994 interest rate spike; the crash of 1987; the dot.com bubble, etc.

Mr. Jaung stated they take a great deal of care when it comes to liability because it is just as important as performance. They would work closely with the System's actuary and auditor. They are one of the largest firms in the country but operate like a boutique firm within the firm. They have a great deal of resources.

Ms. Wallace stated that Meketa can deliver top-notch analysis and client service.

Chairman Moore asked about their fee schedule.

Mr. Jaung stated that their annual all-inclusive fee is \$165,000.00. He indicated that he does not want the fee to be a determining factor and is negotiable.

Chairman Moore asked if the Trustees had any questions.

Trustee Gaffney asked what their firm does when their clients wants to make a bad decision. She asked how they would address that issue.

Ms. Wallace indicated that they make recommendations but the decision comes from the Board. They are not afraid to express their opinion.

Trustee Giddings asked what they would do if the client was going to do something they (Meketa) are not comfortable with it.

Mr. Jaung told the Board that they are not afraid to tell the Board that they stand by their opinion and they would do everything they could to dissuade the Board from making a bad decision.

Ms. Wallace explained a similar circumstance. She indicated they are not afraid to push back.

Mr. Jaung stated that they took a lot of time looking at Michigan private equity investments. They believe strongly in enriching pension systems. But when they found someone local and after a thorough review they would not recommend that firm.

Ms. Wallace stated they work with a number of asset managers in Michigan.

Trustee Deirdre Waterman asked about Meketa's internal checks and balances. She indicated that the Board terminated their high yield manager last April and the transition was not made for eight months and the System lost a significant amount of assets. The investment consultant was under watch by the attorney yet the issue occurred.

Mr. Jaung indicated their history and communication makes sure that these situations do not occur. He knows how to transition portfolios and the timing of transitions. The coordination between them and the System would ensure these types of things would not occur.

Ms. Wallace indicated that they have a research team that provides the general investment theme of their firm. They scrutinize the managers to ensure that they recommend the best investment managers for the System.

Trustee Waterman asked about the notation regarding the System moving to MERS.

Mr. Jaung was not sure whether they should dive into the MERS issue. They work with the Massachusetts version of MERS. There are a lot of municipalities that join the System. The average funded ratio of MERS is 78%. Their objective is very different from this System's. By merging into MERS it was noted that some of the System's assets could be used to fund retiree healthcare. He is not sure that could happen and whether the IRS would come down and rule on that type of issue.

He noted that there are pension obligation bonds that could be used to fund retiree healthcare liability if the City's bond ratings improved. With the current CCC bond rating it would cost 6% - 7%. That question was posed in the RFP.

Trustee Giddings referred to the liability concerns with regard to pension obligation bonds. He wanted to go back to what Mr. Jaung said about the \$30M negative annual cash flow the System has. He indicated that we would just be switching the problem by funding the healthcare but hurting the pension.

Mr. Jaung stated that it shows they do a lot of thinking and focus on what could impact the System.

Trustee Patrice Waterman thanked them for doing the research.

Chairman Moore thanked Mr. Jaung and Ms. Wallace for their participation.

*Mr. Jaung and Ms. Wallace left at 1:20 p.m.
The meeting reconvened at 1:30 p.m.*

Chairman Moore asked that Miss Munson provide the information regarding the ad hoc committee meeting held on May 24, 2016.

Miss Munson read a summary report regarding the investment consultant RFP, including the responses, evaluations and the disqualified applicants:

“The Board issued its Request for Proposals for investment consultant on February 29, 2016 and proposals were due by April 15, 2016. At their March 30, 2016 meeting the Board was provided with a list of eight firms who had submitted their Intents to Respond.

The System received hard copy proposals from all eight firms by the deadline. The process for evaluating the proposals is outlined in the RFP. Relevant sections include:

Section V. Information to be provided by Respondent

- Intent to Respond Notification
- Cover Letter
- Statement of Minimum Qualifications
- Proposal Questionnaire
- Fee Proposal

Section VIII (A) “You must submit an electronic copy of your proposal with your hard copy proposal to dmunson@pontiacgers.org

Section IX (A3) “Standards for Evaluation Proposals” All proposals will be reviewed to determine if they satisfy the minimum qualifications specified in Section IV, and contain all the required submittals specified in Section V.

Per the RFP, all proposals were time and date stamped when received and the labels were inspected to ensure they were sealed and labeled properly. The next step was to evaluate the proposals to ensure that all of the requirements of section V had been satisfied. From the RFP, Section VB. Cover Letter states:

“A cover letter, which will be considered an integral part of the proposal package, shall be signed *by the individual(s) who is (are) authorized to bind the respondent contractually. This cover letter must indicate the signer is so authorized, and must indicate the title or position the signatory holds in the responding firm.*” (emphasis added)

Section VB goes on to list the seven items that the cover letter shall contain. Number six on the list repeats the request for “The name, title or position, the telephone number of the individual signing the cover letter and *a statement indicating that the signer is authorized to bind the company contractually.*” (emphasis added)

The eight cover letters were reviewed to ensure that they conformed to the RFP’s requested information and I have attached a copy of those here. Six of the eight respondents included the requested language in their cover letters.

The proposals from Morgan Stanley and Marquette Associates were excluded from further evaluation because they did not include the plain language requested in the RFP. Morgan Stanley did not include in its cover letter any language indicating that the signers were authorized to bind the company contractually. Marquette Associates' cover letter made the following statement: "As President and CEO, I am legally authorized to make representations on behalf of the firm." (Gavion never submitted an email version of their proposal.)

In early May, I discussed with the Chair of the committee the three proposals that were excluded and the reason for their exclusion. The Chair contacted me on May 20, 2016 and indicated that the decision to exclude the two firms should be reviewed and directed her to schedule a committee meeting which was held on May 24, 2016. The committee determined that the language Marquette Associates used in its cover letter is a satisfactory substitute for the language requested in the RFP and is recommended that the Board vote to allow Marquette Associates to be included and reviewed among the other three finalists."

There was discussion regarding the special ad hoc committee meeting held on May 24, 2016.

Chairman Moore stated that - based on the language submitted by Marquette Associates - the committee was satisfied that the language met the requirement and that Marquette should be reviewed along with the other proposals. He believes that the language referencing the President and CEO of the firm was satisfactory for meeting the requirement of the requested language. The committee can review and determine if their proposal meets the requirements. He indicated the committee can meet after reviewing the proposal and make their final recommendation.

Vice Chair Williams asked when the additional consultant would be brought in to make their presentation.

Chairman Moore stated the ad hoc committee would review the proposal and determine if they would be brought in for the Board's consideration.

Trustee Deirdre Waterman asked if legal counsel participated in the RFP application process. There was no indication that they did participate.

There was discussion that a special meeting may be needed.

Trustee Deirdre Waterman stressed that there is an immediate need for the System to hire a new investment consultant.

Trustee Giddings indicated he was going to vote no to including Marquette among the finalists since all of the other respondents provided the specific language in their proposals that was requested in the RFP.

Trustee Moore reiterated that if we would like to have specific language in the future we should provide respondents with a template cover letter.

RESOLUTION 16-086 By D. Waterman, Supported by P. Waterman

Resolved, that the Board allow the proposal for investment consulting services submitted by Marquette Associates be reviewed and evaluated along with the other three finalists.

Roll Call:

Trustee Arndt – yea	Trustee Deirdre Waterman - yea
Trustee Gaffney – yea	Trustee Patrice Waterman - yea
Trustee Giddings – no	Vice Chair Williams - yea
Chairman Moore - yea	

Trustee Arndt asked Ms. Billings how the language that Marquette uses in their cover letter meets the requirement set forth in the RFP. Ms. Billings responded that in the cover letter we are requesting that the individual state that they are authorized to bind the company contractually. She read Brian Wrubel’s statement from the Marquette proposal where he states that he “legally authorized to make representations on behalf of the firm.” Ms. Billings said that it is a pretty strong statement and that it is “absolutely in the spirit of what we requested.”

When pressed further by Trustee Arndt about the other firms that had responded with the exact language, Ms. Billings stated that she did not know and that she was not part of that process.

Chairman Moore indicated that he feels that the best way to handle this going forward is that we should put together a template of the cover letter for firms to just sign if we want them to include specific language.

AGENDA CHANGES

Trustee Deirdre Waterman was concerned that the agenda does not include a conflict of interest statement. She felt it is good practice for this Board to include the statement. It provides a way for the public to be ensured that the Board is operating in an ethical way.

Trustee Gaffney believed that conflict of interest is covered in the System’s ethics policy. This may be a good time to review the policy.

Chairman Moore stated that he does not feel that conflict of interest was needed as an agenda item.

Trustee Deirdre Waterman noted she has never received anything to sign indicating she does not have a conflict of interest.

Vice Chair Williams felt it is a good idea to review the ethics policy.

Chairman Moore also felt this would be a good time to sit down and look at the goals and objectives of the Board. He recommended having a retreat.

The Trustees agreed to move on to action items on the agenda to accommodate those who have to leave early.

Re: Trustee Request to Purchase iPad

Miss Munson reported that former Trustee Shirley Barnett has requested to purchase her System-provided iPad. Ms. Arndt researched the resale value of the model of iPad used by the System and provided documentation. The resale value ranges from \$70.00 to \$92.00. Ms. Arndt also provided articles indicating that an iPad with engraving reduces the value by up to an additional 30%. Miss Munson recommended selling the iPad to former Trustee Barnett for \$51.00.

Trustee Giddings asked if everyone currently has an iPad and if former Trustee Barnett purchases hers will the System have to replace it.

Miss Munson indicated that a new one would not be needed until a third staff member is added.

Vice Chair Williams explained that the newer models of iPads have lightning connectors versus the thirty pin connectors on the older generation models.

RESOLUTION 16-087 By Williams, Supported by Giddings

Resolved, That the Board approves the purchase by former Trustee Barnett of her System-provided iPad for \$51.00.

Yeas: 7 – Nays: 0

Re: 2015 Actuarial Valuation

Miss Munson indicated that the actuary had presented the 2015 valuation at the April 2016 meeting. She indicated that there were questions about the significant swing in the accrued liability that was attributed to Rodwan’s calculation of the COLA. Nyhart has answered the questions that she and the auditors had and there is a memo from Nyhart included in the agenda packets explaining the liability change related to the COLA. The revised valuation is included in the agenda packages as well. The Board has not approved the December 31, 2015 valuation.

Chairman Moore confirmed the results of the miscalculation included a \$24 million reduction in the System’s liability due to the COLA calculation correction and an \$8 million increase to the liability based on the Board’s decision to change to the RP 2014 blue collar mortality table.

RESOLUTION 16-088 By Gaffney, Supported by P. Waterman

Whereas, The responsibility for the direction and operation of the City of Pontiac General Employees’ Retirement System and for making effective the provisions thereof are vested in the Board of Trustees; and

Whereas, The pension provisions provide that an actuarial valuation shall be made at the close of each fiscal year for the purpose of establishing the financial condition of the Retirement System and as a check on its current operating experience, and that the Secretary shall prepare each year the

annual report of the Board to be submitted to the City Council showing among other things, a statement of assets, liabilities and reserves certified by the actuary; and

Whereas, The pension provisions further provide that an annual determination shall be made of the actuarial reserve requirements or the several annuities and benefits prescribed, to be financed in addition to interest and other income accruing to the Retirement System by contributions by the members and by the City; and

Whereas, The actuary has computed the pension reserves and contributions necessary for the July 1, 2017 through June 30, 2018 fiscal year and has presented the Annual Actuarial Valuation of the City of Pontiac General Employees' Retirement System as of December 31, 2015 to the Retirement Board;

Now, Therefore, Be it Resolved, That the Report of the Annual Actuarial Valuation of the City of Pontiac General Employees' Retirement System as of December 31, 2015 be accepted by the Retirement Board and be placed on file; and

Be It Further Resolved, That the City contribution requirements of covered member payroll for the period contained on page 4 thereof, and the City dollar contribution and payment schedule requirement contained on page 4 thereof is hereby certified to the City Council as the amount necessary for the July 1, 2017 through June 30, 2018 fiscal year appropriation by the City Council to finance the pension reserves of the City of Pontiac General Employees' Retirement System; and

Be It Further Resolved, That the annual transfers implied on page 9 thereof be authorized; and

Be It Further Resolved, That a copy of this resolution be provided to the actuary and copies of this resolution and the report of the Sixty-Eighth Annual Actuarial Valuation of the City of Pontiac General Employees' Retirement System be provided to the City Council.

Yeas: 7 – Nays: 0

Re: Resolution to Update Signature Authority

Miss Munson reported that the signature authority needs to be updated to add Vice Chairman Kevin Williams.

RESOLUTION 16-089 By Gaffney, Supported by P. Waterman

Whereas, the Board of Trustees has various responsibilities associates with administering the business of the Retirement System; now, therefore, be it

Resolved That the Northern Trust Authorized Parties Document will be updated by removing Robert J. Giddings and adding Kevin Williams, and further

Resolved, that the Northern Trust Web Cash Movement Individual User Authorization will be updated by removing Robert J. Giddings and adding Kevin Williams, and further

Resolved, that the Northern Trust Client Communication Callback Process will be updated by removing Robert J. Giddings and adding Kevin Williams, and further

Resolved, that the Northern Trust Trade Order - Access Form will be updated by removing Robert J. Giddings and adding Kevin Williams, and further

Resolved, that the Retirement Office Disbursements Process be updated to require Chairman Walter Moore and Vice Chairman Kevin Williams to review and sign off on a daily transaction report.

Yeas: 6 - Abs: 1 (Giddings)

APPROVAL OF CONSENT AGENDA

A. Approval of the Minutes of the Regular Board Meeting held April 27, 2016

B. Ratification of Retiree Payroll & Staff Payroll

Retiree Pay Date: April 27, 2016
TOTAL PENSION PAYROLL \$1,963,065.30

Staff PPE March 12th & 26th
TOTAL STAFF PAYROLL \$ 13,694.40

C. Communications:

1. Correspondence from Gray & Company Re: Update on Legal Action May 2016
2. FOIA Request from/to Linda Hasson – April 2016
3. FOIA Request from/to Linda Hasson – May 2016
4. FOIA Request from/to Linda Hasson – May 2016
5. Correspondence from Seizert Re: Portfolio Management Team
6. Correspondence from Kennedy Capital Re: Chief Operating Officer
7. Correspondence from Loomis, Sayles RE: Chief Operating Officer
8. Plante & Moran Governmental Client Training: June 20, 2016 (Dearborn, MI)

D. Financial Reports:

1. Gray & Company Status Update: AUM as of April 30, 2016 - \$5,043,000,000
2. Accounts Payables – May, 2016
3. Attucks Asset Management, Manager of Managers Report – Emerging Manager & Michigan LCV – April, 2016
4. Statement of Changes – April, 2016

F. Applications for Retirement, Final Calculations, Refunds, Re-examinations

1. New Retirements

Ret No.	Member's Name	Years/Months of Service	Union	Age	Retirement Option	Monthly Benefit*	Effective Date
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2790	Parsell, Sharlene	18-11	Hospital	60	Option II		06/01/2016
2789	Schmees, Thomas	10-2	Local 2002	60	Option II		06/01/2016

**Emergency Manager Order S-307 as amended July 2015: Retiree is eligible for the temporary \$400.00 per month supplemental benefit until sunset date of September 1, 2016.*

Bold type entry indicates Reciprocal Service Credit with another eligible agency or municipality.

2. Terminated Retirements (Deaths)

Ret No.	Member's Name	Date of Death	Benefit Amount	Union or Dept.
1747	Burnett, Maryann	05/12/2016		PMEA
2488	Tucker, Charles	05/17/2016		NU
701016	Rhue, Joann	05/07/2016		SAEA

3. J&S Continued Retirements

Ret No.	Name	Date of Death	Survivor's Name	Member Benefit	Beneficiary Benefit	Union or Dept.
1707	Gallero, Florentine	05/04/2016	Gallero, Patricia			PMEA
691	Williams, Clayton	04/25/2016	Williams, Addie			SAEA

4. Pop-Up Continued Retirements

Ret No.	Beneficiary's Name	Date of Death	Retiree's Name	J&S Option	Benefit Amount	Union or Dept.

When beneficiary precedes Retirant in death, the monthly benefit "pops up" to what would have been the monthly Regular benefit amount (plus applicable COLA).

5. Recalculated Retirements

Ret No.	Name	Effective Date	Reason For Change	Old Amount	New Amount
2632	Lewis, Jr. Thomas*	06/28/2013	Emergency Mgr MOU Granted Member Additional Service Credit		

**Member's benefit is split with Alternate Payee*

6. Disability Medical Re-Exams/Benefit Continuation

Ret No.	Name	Reason	Benefit Amount	Union or Dept.

7. Refunds of Employee Contributions

8. Other Benefit Changes – Add COLA Payments

Ret No.	Name	Reason For Change	Effective Date
701311	Jakubiak, Joan	PPMA Member was not set up with COLA @ date of Retirement	02/01/1989

Trustee Giddings asked about the calculation regarding the Jakubiak COLA benefit.

Miss Munson indicated that there was a notation when member Adam Jakubiak retired indicating he would not receive a COLA benefit because he retired under the Reciprocal Retirement Act which is incorrect. Members receive the COLA benefit allowed under their collective bargaining agreement whether or not they are eligible for a benefit under the RRA. His beneficiary will receive a retroactive check. The maximum percentage of his annual benefit is 14%. The System owes Joan Jakubiak approximately \$5,400.00.

RESOLUTION 16-090 By Gaffney, Supported by Williams

Resolved, That the Board approves and ratifies actions described in the Consent Agenda for May 25, 2016.

Yeas: 7 – Nays: 0

Trustee Deidre Waterman had questions regarding the votes taken at the April meeting regarding the Legal Services RFP. She questioned whether counsel had made representations about their participation in the RFP application process.

Trustee Deirdre Waterman questioned whether the election of officers at the last meeting was in compliance with the Retirement Ordinance. She wanted to bring to the Board's attention that – as we are following our protocols (the Ordinance) – the Ordinance does require that elect our officers annually.

Trustee Deirdre Waterman left at 2:05 p.m.

COMMITTEE REPORTS

Re: Chairman

Chairman Moore told the Board that he met with Miss Munson regarding staffing concerns and that she still needs to hire an accounting clerk. He feels the Board needs a permanent solution. He would like to refer the issue to the Personnel and Finance sub-committees. This will be the second time the Board has had to replace the Executive Director.

He believes the Board needs to look into the staffing issue and the committee structures.

Chairman Moore suspended his Chairman's report until after the consultant's presentation.

CONSULTANT

Re: Gray & Company – First Quarter 2016 Performance Report

Mr. Lofters provided a review of the first quarter 2016 performance report and the flash report as of May 23, 2016.

The total Plan value as of March 31, 2016 was \$459.2 million. The performance for the first quarter was 1.29% net of fees versus the policy index at 1.19%. Net of fees performance for the one-year period was -2.59% versus -2.53%; the three-year period was 6.70% and the five-year period was 6.80% versus 7.82%.

The S&P was down just under 12% through mid-February but there was a v-shaped recovery and performance rebounded to 12.6% through the end of the quarter. There continues to be headline news with interest rate concerns, the European and Asian central banks and energy prices.

International equity led the way performing well from a value sense and was a good place for investors to be.

Mid-cap out performed both small and large cap.

Large cap growth manager Sawgrass outperformed the index net of fees 2.98% versus 0.74%.

Attucks emerging manager large cap core portfolio returned negative performance versus the benchmark net of fees at -0.03% versus 1.35%.

Attucks large cap value portfolio also returned negative performance net of fees at -0.03% versus the index at 1.64%.

Mid-cap growth manager Victory Capital outperformed the benchmark net of fees 1.39% versus 0.58%.

Mid-cap value manager Systematic underperformed the benchmark net of fees 0.72% versus 3.92%.

International global equity value manager First Eagle performed well for the quarter with performance of 3.17% versus the index at 0.24%.

International equity growth manager WCM performance for the quarter was 0.20% net of fees versus the index at -3.01%.

He reviewed the preliminary, unaudited private equity investments as of May 23, 2016.

The Invesco portfolio had a value of \$2.164 million including a \$1.3 million increase with an annualized rate of return of 10.8%.

Mesirow Fund IV value was \$3.605 million including a \$2.5 million increase with an annualized rate of return of 11.1%. Mesirow Fund VI value was \$651,212.00 which was a decrease of \$53,788.00 and an annualized rate of return of -6.7%. He explained that Fund VI is the early investment stage of the J curve.

GrayCo Alts value was \$7.059 million with an increase of \$34,196.00 and an annualized rate of return of 12.6%.

He provided an update of the Attucks manager-of-manager's portfolio. They have rebalanced the large cap core portfolio and increased the allocation to Piedmont by 15%. The 29% allocation to Ativo was reduced to 24% and the 24% allocation to Matarin was reduced to 20%.

Total Fund value as of May 23, 2016 was \$453.8 million.

Trustee Giddings recommended that the Board review the performance reports from Attucks. Past Gray & Company performance should not be used in the Attucks reports. He indicated that the performance numbers do not tie out.

Trustee Arndt questioned small cap manager Kennedy Capital's performance and the performance of the Attucks portfolio which has underperformed.

Mr. Lofters indicated that Kennedy Capital is still beating the benchmark net of fees. The manager has been a return generator over the long-term.

Trustee Giddings questioned the status of the City National Rochdale account. He indicated that it has been over a year and since they resigned. He questioned whether the account is still being actively traded in the Attucks portfolio. If not, the System is paying fees for nothing.

Mr. Lofters indicated he was not sure. It is like an active manager holding onto cash. He said that if you are not generating those returns it (paying fees) is a valid concern.

Chairman Moore asked if any new reports have been received from Oppenheimer regarding the Peritus transition.

Mr. Lofters stated he does not have the hard numbers in front of him.

Chairman Moore also asked whether there have been any changes to the services provided by Gray & Company.

Mr. Lofters told the Board nothing material has changed with regard to the services Gray & Company delivers. They are still providing valuations and monitoring the investments in the System's portfolio.

Chairman Moore asked if Gray & Company is concerned about any managers in the portfolio.

Mr. Lofters indicated they are concerned about mid-cap managers Victory Capital and Systematic. They are seeing a lot of managers in transition mode in the portfolio. There is a lot of high value transitioning to earnings and power stocks. There has been a move to cyclicals like technology and financials which is what goes on in this type of interest rate environment.

He stated that Gray & Company does not have any major concerns.

Chairman Moore indicated the Board is in the final stages of hiring a new investment consultant. He questioned whether Gray & Company would be able to assist if necessary during the process.

Mr. Lofters stated they have no problem working with the new consultant.

He completed his report indicating that the April 2016 performance returns were 0.6%.

Mr. Moore asked that any additional action items be addressed in order to accommodate another Trustee and the loss of the quorum.

RESOLUTION 16-091 By Gaffney, Supported by Williams
Resolved, That the Board approve the closed session minutes from April 27, 2016.

Yeas: 6 – Nays: 0

Trustee Patrice Waterman left at 2:39 p.m.

Loss of Quorum at 2:39 p.m.

COMMITTEE REPORTS

Re: Chairman (Continued)

The Chairman indicated that the directed brokerage policy needs to be revised.

He plans to meet with Vice Chair Williams to discuss the committee structures. He believes the most important thing at this point is determining how the System will be administered moving forward.

Re: Trustee/Committees

Personnel Sub-Committee – The Committee Did Not Meet

Finance Subcommittee – The Committee Did Not Meet

Ad Hoc Subcommittee – Refer to Investment Consultant Presentations

EXECUTIVE DIRECTOR

Miss Munson reported that she would be sending a save-the-date reminder to the investment managers about the manager review meeting being held on August 30, 2016.

Asset Transition Update/Peritus Update

Miss Munson reviewed the monthly Asset Transition update memo included in the agenda packages. She indicated that between May 1 and May 18, 2016 Oppenheimer had sold securities

with a cost basis of ~1.098M for \$929K resulting in a loss of ~\$187K. There was a corporate action to tender another bond for net proceeds of \$413K resulting in a small loss of ~\$6K. In April, Northern Trust transitioned all of the assets from the Herndon account to the Matarin account at no cost to the System. Attucks also rebalanced the large cap core portfolio. Piedmont received an additional \$4.5M allocation by transferring \$2.5M from Ativo and \$2.0M from Matarin.

Nyhart Review of Non-Spouse Beneficiary Payments

Miss Munson reported that the finance sub-committee had requested that Nyhart perform a review of the payment amounts calculated by the GRS software currently in use. The results of the review are included in the agenda packages. The difference in the calculations is less than 1.5% in all cases and is mostly due to rounding.

She reported that Gabriel, Roeder, Smith is currently working on an update to incorporate the recently adopted mortality tables into the member software.

Website Updated

Miss Munson reported that the office had received calls indicating that the minutes posted to the System's website could not be printed. The IT administrator has resolved the issue and all of the posted minutes are downloadable and printable.

Former Employee 457 Distribution

Miss Munson referenced the email to ICMA dated February 1, 2016 informing them of the former employee's separation from employment. She indicated that she has not received any communications from either the former employee or ICMA regarding a distribution. She reminded the Board that the distribution was approved at the February meeting. She indicated that she would follow up with ICMA about the paperwork and what – if anything – was required of the System.

Trustee Giddings asked if Miss Munson has had any conversations with ICMA. Miss Munson indicated that she had communicated the termination to ICMA in February.

Chairman Moore asked if Miss Munson has responded to the former employee's correspondence.

Miss Munson explained the deferred compensation asset distribution process to the Board.

Chairman Moore asked Miss Munson to respond to the former employee's correspondence.

UNFINISHED BUSINESS – Under Agenda Changes

NEW BUSINESS – Under Agenda Changes

Legal Report – Deferred to Next Meeting

The Meeting Adjourned at 2:48 p.m.

SCHEDULING OF NEXT MEETING/ADJOURNMENT

Regular Meeting: Wednesday, June 29, 2016 @ 10:00 a.m. – Retirement Office

I certify that the foregoing are the true and correct minutes of the meeting of the General Employees Retirement System held on May 25, 2016

As recorded by Jane Arndt