

**CITY OF OWOSSO  
EMPLOYEES RETIREMENT SYSTEM BOARD**

**APRIL 20, 2006**

**7:00 A.M.**

**PRESENT:** Chairperson Linda Robertson, Vice Chairperson Frances Kukulis, Trustees William Blanchett, Wilfred A. Farrell (arrived at 7:12 a.m.), Mark Mitchell, and James Treadway.

**ABSENT:** Trustee Mark D. Owen.

**ALSO**

**PRESENT:** City Attorney William C. Brown, William Horton, City Treasurer Ronald J. Tobey, and Merrill Lynch Investment Consultant Marie Vanerian.

**CALL MEETING TO ORDER**

Chairperson Robertson called the meeting to order at 7:02 a.m.

**APPROVE AGENDA**

Motion by Vice Chairperson Kukulis to approve the Agenda as presented.

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

**APPROVE MINUTES OF FEBRUARY 16, 2006 REGULAR MEETING**

Motion by Trustee Treadway to approve the Minutes of the February 16, 2006 Regular Meeting as presented.

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

**CITIZEN COMMENTS**

No comments.

**CONSENT AGENDA**

Motion by Vice Chairperson Kukulis to approve the Consent Agenda as follows:

1. Approve Pension Check Reports:
  - a. February, 2006 \$95,418.63
  - b. March, 2006 \$95,392.11
  
2. Approve Statements:
  - a. Chemical Bank and Trust Company  
February-March, 2006
  - b. Fifth Third Bank  
January-February, 2006
  - c. City of Owosso Employees Retirement Fund  
January-March, 2006

3. Payment Authorizations:

|  |              |
|--|--------------|
| a. <u>Chemical Bank and Trust Company</u><br>Investment Management Services<br>12/01/05 through 02/28/06 | \$ 8,148.91  |
| b. <u>City of Owosso</u><br>Retirement System Audit Costs  | \$ 4,800.00  |
| c. <u>Ronald J. Tobey, City Treasurer</u><br>Report of Checks Written – February, 2006                   | \$123,396.33 |
| Report of Checks Written – March, 2006   | \$ 96,540.07 |

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

**COMMUNICATIONS**

- Tom Johnson Investment Management, Inc. Notice of bond sale.

The following communications, publications and conference announcements are on file with the City Clerk – if you would like to read them, please contact her:

- Gabriel, Roeder, Smith & Company: *News Scan and Research Memo*
- Lerach, Coughlin, Stoia, Geller, Rudman & Robbins, LLP. Corporate Governance bulletin
- PlanSponsor: February and March 2006
- Miscellaneous Conference Announcements

**OLD BUSINESS**

**Consulting Services Disclosure Statement.** Marie Vanerian, Merrill Lynch

Ms. Vanerian commented that she will get with City Attorney Brown before next meeting.

**NEW BUSINESS**

**Application for Retirement – Ross L. Stanley**

Motion by Trustee Treadway to approve the application for disability retirement from Ross Stanley effective March 30, 2006.

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

City Attorney brown commented that Mr. Stanley has on file an EDRO agreement and may be coming back to the Board.

**Application for Retirement – William Horton**

Motion by Trustee Mitchell to approve the application for retirement from William Horton effective April 29, 2006.

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

**MAPERS Conference**

Motion by Vice Chairperson Kukulis to designate Wilfred A. Farrell and Mark D. Owen as the two (2) delegates to MAPERS Spring Conference.

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

7:12 a.m. Trustee Farrell arrived.

**Discussion-Done Away Fees.** Marie Vanerian, Merrill-Lynch

Ms. Vanerian reported that all account fees and done away fees through 12/31/05 are paid. She is in contact with City Treasurer Tobey to resolve all outstanding concerns.

**Status Report - Review of Investment Managers.** Marie Vanerian, Merrill-Lynch

Ms. Vanerian commented regarding the status of the investment manager search. She commented regarding choosing from a list of managers who have already had due diligence performed by Merrill Lynch.

Chairperson Robertson will contact Paul Schluckebier, AG Edwards-Owosso, to determine their interest in participating.

Ms. Vanerian commented further regarding the change in the equity investments from Fifth Third Asset Management, Inc., taking time to conduct the search, and not doing equity and fixed income interviews on the same day.

She will have further information available before next meeting. The City Clerk will forward the information to the trustees as soon as it is available.

Motion by Vice Chairperson Kukulis to authorize Chairperson Robertson to execute the authorization documents necessary to start the investment manager search.

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

City Attorney Brown asked Ms. Vanerian to remind the Board on the status of the Fifth Third Asset Management, Inc. relationship. She reported that equity relationship was terminated effective December 31, 2005 and that the dollars were invested in January in S&P index funds. She also reported that Fifth Third Asset Management, Inc. is still handling the fixed income funds.

City Attorney Brown inquired if the Board should observe the funds and what is happening to them. Ms. Vanerian commented that she would include this information in the next report.

Trustee Mitchell commented regarding city agreements with union groups regarding changes in contribution plans. City Treasurer Tobey commented regarding a meeting and the status of whom and how the plans will be administered.

There was further discussion regarding the new agreements and new employees not being a part of this retirement system. There was discussion regarding a new employee and how her contributions are being handled in the interim.

**INVESTMENT CONSULTANT REPORT**

**Merrill Lynch Investment Managers**

Ms. Vanerian reported that the First Quarter 2006 Performance Report was not yet available. She indicated a preliminary increase of 3.5 to 3.6%.

**CITIZEN COMMENTS**

City Clerk Schultz reported that the 2005 Actuarial Report will be on the June 15<sup>th</sup> meeting agenda. Mr. Koss from Gabriel, Roeder and Smith will be in attendance.

**NEXT BOARD MEETING**

The next regular board meeting is scheduled for June 15, 2006 at 7:00 a.m.

**ADJOURNMENT**

Motion by Trustee Treadway for adjournment at 7:51 a.m.

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

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Gail L. Schultz, Owosso City Clerk