

**CITY OF KALAMAZOO EMPLOYEES' RETIREMENT SYSTEM  
PENSION BOARD OF TRUSTEES MINUTES  
FRIDAY, MARCH 2, 2007**

A meeting of the Pension Board of Trustees was held on Friday, March 2, 2007 in the Third floor Conference Room of City Hall.

Vice Chairman Collard called the meeting to order.

Members Present: Mary Balkema, Barb Blissett, Ken Collard and Chuck Dahlinger

**A motion was made and seconded to excuse Randy Eberts. The motion passed by voice vote.**

Also Present: Patsy Moore, Jeanette Meyer, Randy Schau and John Buchtrup

**Approval of Minutes**

**A motion was made and supported to approve the minutes of the Pension Board meeting of November 29, 2006. The motion passed by voice vote.**

**Approval of Retirement Applications**

The following retirement applications were submitted for approval:

<u>Last Name</u>	<u>First Name</u>	<u>Group</u>	<u>Type</u>	<u>Benefit Amount</u>	<u>Method</u>	<u>FAC</u>	<u>Years</u>
Lampen	Judith	CSO	Early Duty	\$1,433.21	Straight Life	\$53,877.31	20.750
Saldivar	Felix	AFSCME	Disability	\$1,721.84	Joint & 100%	\$45,149.84	27.083
Gunderson	Deborah	CSO	Regular	\$1,795.10	Straight Life	\$48,425.22	26.166
Skalski	Richard	NBU	Regular	\$4,083.14	Joint & 50%	\$66,460.01	37.917
Morehouse	Charles	KMEQ	Regular	\$1,613.29	Joint & 100%	\$56,622.36	21.833

**A motion was made and supported to approve all applications.**

**Roll call vote:**

**Ayes: Ken Collard, Mary Balkema, Barb Blissett, Chuck Dahlinger**

**Nays: None**

**Approval of Duty Disability**

**A motion was made and seconded to approve the Duty Disability for Felix Saldivar.**

Jeanette Meyer provided the facts of Mr. Saldivar's condition to the Board.

**CITY OF KALAMAZOO EMPLOYEES' RETIREMENT SYSTEM  
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WEDNESDAY, NOVEMBER 29, 2005**

**Ayes:** Ken Collard, Mary Balkema, Barb Blissett, Chuck Dahlinger

**Nays:** None

**Approval of EDRO**

A motion was made and seconded to approve the EDRO submitted on behalf of Timothy Meulenberg. A voice vote was taken and the motion passed.

**Information: Changes Due to Death**

<u>Retiree</u>	<u>Date of Death</u>	<u>Beneficiary Benefit</u>	<u>Benefit</u>
Theodore Ray	11/20/06	None	\$943.02

**Third Quarter 2005 Investment Activity**

The market value of the portfolio increased from \$495.5 million to \$523.3 million during the fourth quarter of 2006, an increase of \$27.8 million or 5.6%. The market value is net of approximately \$3.6 million in benefit payments and \$6 thousand in participant withdrawals. Employee contributions for the quarter were about \$433 thousand. The City made no contribution in the quarter.

The weighted average return for the quarter on portfolio assets was a positive 6.3%. The portfolio returned 14.2% for the year 2006. The annualized return since October 1982, net of manager fees, through the end of the quarter has been 13.2%.

Equities comprised 70.5% of the City portfolio at the end of the quarter. The equity portion of the City portfolio gained 8.4% for the period. Total fixed income essentially broke even with a gain of 0.4% for the quarter. The returns for calendar year 2006 were 18.0% for equities and 2.2% for fixed income.

Real estate returned 6.4% for the quarter and 24.6% for the year.

The strong fourth quarter pushed all equity and real estate managers into double digit calendar year returns. Four of the seven equity/real estate managers had annual returns above 20%. For the year small cap international returned 25.1%, and the DFA REIT product returned 35.2%. Intermediate fixed income returned 3.5% for the year, and the long portfolio returned only 0.9%. The inflation-adjusted, or real return, for the quarter was 7.3% as the inflation rate for the quarter was a negative 1.0%. Since 1982 the return on the portfolio, net of manager fees, has been 13.2% nominal and 11.0% real.

The plan remains fully funded from an actuarial and a market basis.

**Future Meetings**

**CITY OF KALAMAZOO EMPLOYEES' RETIREMENT SYSTEM  
PENSION BOARD OF TRUSTEES MINUTES  
WEDNESDAY, NOVEMBER 29, 2005**

Wednesday, May 23, 2007  
Wednesday, August 22, 2007  
Wednesday, November 28, 2007  
Wednesday, February 27, 2008

There being no further business, Vice Chairman Collard adjourned the meeting.

Respectfully submitted,

Patsy Moore,  
Acting Secretary