

**CITY OF KALAMAZOO EMPLOYEES' RETIREMENT SYSTEM
PENSION BOARD OF TRUSTEES MINUTES
WEDNESDAY, August 24, 2011**

A meeting of the Pension Board of Trustees was held on Wednesday, August 24, 2011 at 8:00 a.m. in the Third floor Conference Room of City Hall.

Members Present: City Manager Ken Collard, James Mallery, Commissioner Barbara Miller, Alden Miller

Also Present: Tom Skrobola, Randy Schau, John Buchtrup, Jenny Spears

Absent: Randy Eberts

Approval of Minutes

A motion was made and supported to approve the minutes of the May 18, 2011 Pension Board meeting.

Approval of Retirement Application

Last Name	First Name	Group	Type	Benefit	Method	FAC	Years
Spencer	Roy	KPSOA	Regular	\$3,336.50	Straight Life	\$77,368.14	19.167
Hartmann	Kenneth	KMEA	Regular	\$2,263.97	100% Survivor	\$57,598.43	27.667
Szopo	Frank	NBU	Regular	\$4,291.21	50% Survivor	\$98,853.96	25.000
Petrick	Robert	NBU	Regular	\$2,946.23	Straight Life	\$63,914.99	27.000
Phillipp	Mary Kathryn	NBU	EDRO-R.Perick (ex-spouse)	\$385.55			
Black	Kathleen	KMEA	Deferred	\$913.09	Straight Life	\$29,304.12	22.000
Pratt	Manual	ATU	Regular	\$1,370.39	Straight Life	\$39,649.51	19.750

A motion was made and supported to approve the retirement application. The motion passed by voice vote.

Employee Refunds 2011

<u>Name</u>	<u>Amount</u>	<u>Group</u>	<u>Method</u>	<u>Service Time</u>
Loegel, Monica	\$1,510.12	NBU	Rollover	10 months
Brigham, Jonna	\$2,067.32	KMEA	Distribution	4 years 1 month
Iocca, Frank	\$546.23	ATU	Distribution	6 years 10 months
Devries, Caroly	\$101.29	KMEA	Distribution	3 months

A motion was made and supported to approve the refunds. The motion passed by voice vote.

Approval of Retirement Benefits for Disability Retirements

The Committee reviewed the supporting documentation for the following non-duty disability applicant:

- Ed Loope

A nonduty benefit is a non-work related total disability from any City employment and it allows for the waiver of the early retirement reduction that would normally apply. The employee must be vested and the benefit is based upon actual credited service times the employees final average compensation.

A motion was made and supported to approve the non-duty disability retirement application. Motion passed by voice vote.

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WEDNESDAY, MAY 25, 2011**

Changes Due to Death – Information Only

Last Name	First Name	Date of Death	Beneficiary Benefit	Benefit Survivor
Dekema	Dorothy	04/03/11		
Smith	Carl D	05/02/11	\$615.86	Gwendolyn smith
Dolph	Allen	05/14/11	\$506.44	Barbara Dolph
Hartegerink	Mildred	05/27/11		
Johnson	Lloyd	06/05/11		
Bare	Doris	06/18/11		

Second Quarter Investment Activity Period Ending June 30, 2011

The market value of portfolio assets decreased from \$529.0 million to \$523.5 million during the second quarter of 2011, a decrease of \$5.5 million or -1.04%.

The weighted average return for the quarter net of manager fees was -0.3%. The 1-year annualized return was 24.0% and the return since October 1982, net of manager fees, through the end of the quarter has been 11.6%.

Equities comprised 71.1% of the City portfolio at the end of the quarter. The equity portion of the City portfolio returned -1.3% for the quarter and 33.6% year-on-year.

Fixed income comprised 25.5% of the City portfolio at the end of the quarter. Total fixed income returned 1.9% for the quarter and 1.1% year-on-year.

For the quarter real estate investments were 3.6% of the portfolio and returned 4.5%. The 1-year return on real estate was 27.9%.

The inflation-adjusted or real return, for the quarter was -1.4% as the inflation rate for the quarter was 1.1%. The 1-year nominal return was 24.0%. With inflation of 3.7%, the one year nominal has been 20.3%. Since 1982 the return on the portfolio, net of manager fees, has been 11.6% nominal and 8.7% real.

Future Meetings:

Wednesday, December 7, 2011
Wednesday, February 22, 2012
Wednesday, May 23, 2012
Wednesday, August 23, 2012

There being no further business, City Manager Ken Collard adjourned the meeting.

Respectfully submitted,



Thomas C. Skrobola, Secretary