

MINUTES

**GENERAL EMPLOYEES'
RETIREMENT COMMITTEE MEETING**

TUESDAY - OCTOBER 14, 2008 - 3:00 PM

PRESENT

Councilman John Julien – Chair
Councilman Jay Chernoff
Victor Espinal
Larry Gordon
Lori Helton

ALSO PRESENT

Charlie Mulfinger – Citi
Michael DeGenoa - Citi
Howard Lenard – City Attorney
Martin Lebowitz – Pension Administrator

ABSENT

DEPARTMENT REPRESENTATIVES

Laura Wozniak -Finance

Councilman Julien called the meeting to order at 3:00 a.m., followed by a roll call of Trustees.

I. DISABILITY CASE – BISSOONDATH PANCHOO

Roll Call Vote:	Councilman Julien	Yes
	Councilman Chernoff	Yes
	Victor Espinal	Yes
	Larry Gordon	Yes
	Lori Helton	Yes

Following discussion, Motion by Councilman Chernoff, seconded by Councilman Julien, to approve Bissoondath Panchoo's Total and Permanent Disability Retirement Income.

Motion Approved

II. CITI – INVESTMENT CONSULTANT

Charlie Mulfinger and Michael DeGenova presented the performance report, indicating a total portfolio market value on 6/30/2008 of \$52,333,407 (including accrued income). This represents a net decrease in value from the previous quarter of \$599,107. The total asset allocation was reported to be 47.5% invested in domestic equities, 13.0% invested in international, 38.9% in fixed income and .6% in cash and equivalents. The total fund earned -1.27% for the quarter.

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For the quarter ended 6/30/2008: Davis Hamilton underperformed Russell 1000 Growth Index 1.26% vs. .86%. Buckhead returned -2.27% vs. -5.32% for the Russell 1000 Value Index. Pimco Bond fund returned -1.29% vs. -1.52% for the LB Intern. Bond Index. The fund experienced a total return of -4.27% in Templeton International Equities and -2.35% Europacific International Fund vs. -2.26% MSCI EAFE. The Mid-Cap Value fund earned -1.88% vs. .08% Russell Mid Value and Small-Cap earned 2.39% vs. 4.47% Russell 2000 Growth.

Plan year results: Total return earned for plan year was -3.96%.

Charlie Mulfinger and Michael DeGenova presented the performance report, indicating a total portfolio market value on 9/30/2008 of \$48,177,183 (including accrued income). This represents a net decrease in value from the previous quarter of \$4,206,262. The total asset allocation was reported to be 46.9% invested in domestic equities, 11.6% invested in international, 40.6% in fixed income and .9% in cash and equivalents. The total fund earned -8.03% for the quarter.

For the quarter ended 9/30/2008: Davis Hamilton outperformed Russell 1000 Growth Index -12.32% vs. -10.29%. Buckhead returned -4.91% vs. -6.11% for the Russell 1000 Value Index. Pimco Bond fund returned -4.01% vs. -1.19% for the LB Intern. Bond Index. The fund experienced a total return of -17.76% in Templeton International Equities and -18.04% Europacific International Fund vs. -20.56% MSCI EAFE. The Mid-Cap Value fund earned -9.88% vs. -7.52% Russell Mid Value and Small-Cap earned -14.30% vs. -6.98% Russell 2000 Growth.

Plan year results: Total return earned for plan year was -13.74%.

Charlie Mulfinger handed out to the committee a recommendation to change the Statement of Investment Policy Goals and Guidelines.

After discussion, Motion by Larry Gordon, seconded by Councilman Chernoff, to accept the proposed changes recommended by Citi for the Statement of Investment Policy Goals and Guidelines as discussed. Subject to legal review.

Motion Approved

Charlie Mulfinger is not recommending any changes for Davis Hamilton, but will place them on a "watch list" due to the fact that senior Manager Catherine Woodruff has left the firm.

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Charlie Mulfinger has recommended not replacing Buckhead as our Large Cap Value Manager.

Charlie Mulfinger handed out to the committee Investment Manager Firms information. He is recommending replacing mutual funds holding with the following managers:

Small/Mid Cap Value Managers:

*Anchor Capital
*Golden Capital
*GW Capital

Small/Mid Cap Growth Managers:

*MDT Advisors
Voyageur Asset Mgmt
*Wells Capital

International Growth Managers:

**Harding Loevner
**Henderson Global
Renaissance

International Value Managers:

*Delaware Investments
Philadelphia Investment Advisors
*Templeton Portfolio Advisors
*Thornburg Investment Mgmt.

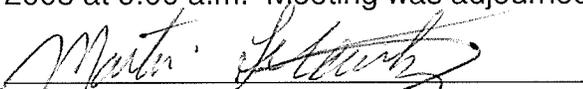
Intermediate Fixed Income Managers:

Madison Investment Advisors
Pacific Income Advisory
**Sage Advisory Services
**Wasmer, Schroeder

***These managers will be interviewed at the November 4th meeting.**

****These managers will be interviewed at the December meeting.**

The next regularly scheduled quarterly Board meeting will be held on Tuesday, November 4, 2008 at 9:00 a.m. Meeting was adjourned at 6.15 p.m.



Martin Lebowitz, Pension Administrator