

MINUTES

**GENERAL EMPLOYEES'
RETIREMENT COMMITTEE MEETING**

THURSDAY - MAY 19, 2011 - 3:00 PM

PRESENT

Vic Espinal
Larry Gordon
Councilwoman Barbara Kramer
Councilman Frantz Pierre

ALSO PRESENT

Charlie Mulfinger – Graystone Consulting
Scott Mullet – GW Capital
Nick Kemerer – MDT Advisors
Todd Wax – Thornburg
Bob Sugarman – Sugarman & Susskind
Martin Lebowitz – Pension Administrator

ABSENT

Lori Helton – Chair

DEPARTMENT REPRESENTATIVES

Laura Wozniak – Finance
Roz Weisblum – Asst. City Manager
Mac Serda – Asst. City Manager
Maria Santovenia – Asst. City Attorney

Councilwoman Kramer called the meeting to order at 3:02 p.m., followed by a roll call of Trustees.

I. GW CAPITAL – Q/E 3/31/2011

Scott Mullet reported the total GW Capital Small Cap Value portfolio was valued at \$3,641,644 (including accrued interest) as of 3/31/2011, with an asset allocation of 94.43% in equities, and 5.57% in cash and equivalents.

For the quarter ended 3/31/2011: Total fund return was 11.85% compared to 6.59% for the Russell 2000 Value.

Plan year results: Total return for their portfolio was 30.39% vs. 20.63% for the Russell 2000 Value.

II. MDT ADVISORS - Q/E 3/31/2011

Nick Kemerer reported the total MDT Advisors Mid Cap Growth portfolio was valued at \$3,640,781 (including accrued interest) as of 3/31/2011, with an asset allocation of 98.96% in equities, 1.04% in cash and equivalents.

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For the quarter ended 3/31/2011: Total fund return was 7.82% compared to 7.86% for the Russell Mid Growth.

Plan year results: Total return for their portfolio was 37.07% vs. 26.61% for the Russell Mid Growth

III. THORNBURG – Q/E 3/31/2011

Todd Wax reported the total Thornburg International Value portfolio was valued at \$3,051,306 (including accrued interest) as of 3/31/2011, with an asset allocation of 95.59% in equities, 4.41% in cash and equivalents.

For the quarter ended 3/31/2011: Total fund return was 2.62% compared to 3.40% for the MSCI AC World x US

Plan year results: Total fund return was 17.37% vs. 13.15% for the MSCI AC World x US

IV. GRAYSTONE CONSULTING – Q/E 3/31/2011

Charlie Mulfinger presented the performance report, indicating a total portfolio market value on 3/31/2011 of \$62,122,024 (including accrued income). This represents a net increase in value from the previous quarter of \$2,441,820. The total asset allocation was reported to be 53.22% invested in domestic equities, 10.2% invested in international, 35.99% in fixed income and .59% in cash and equivalents. The total fund earned 4.09% for the quarter.

For the quarter ended 3/31/2011: Davis Hamilton under-performed Russell 1000 Growth Fund 5.18% vs.6.02%. Buckhead under-performed Russell 1000 Value Fund 5.91% vs. 6.46%. GW Capital returned 11.85% vs. 6.59% for the Russell 2000 Value Fund. MDT returned 7.82% vs. 7.86% for the Russell Mid Growth Fund. Harding Loevner returned 3.40% vs.3.40% for the MSCI AC World x US. Thornburg returned 2.62% vs. 3.40% for the MSCI AC World x US. Davis Hamilton Fixed Income earned .89% outperformed the BC Int. Gov/Credit of .34%.

Plan year results: Total return earned for plan year was 13.44%.

After discussion, motion by Larry Gordon, seconded by Victor Espinal to rebalance the funds according to the Investment Policy target range as recommended by Graystone Consulting.

Motion carried unanimously.

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Charlie Mulfinger discussed other investments such as Real Estate which for we are in the queue and Hedge Funds. The Police & Fire Retirement Committee had a firm called Entrust who met with their committee and presented an educational meeting on what is a hedge fund. Since the Police & Fire Retirement Committee did not have a quorum at today's meeting, Entrust will come back and give a presentation again sometime in June. After discussion, the General Board Members decided that those who choose should attend that meeting as guests.

V. PENSION ATTORNEY REPORT

Bob Sugarman discussed SB 1128 that was passed and is waiting for the Governor to sign. The bill will go into effect 7/1/2011.

Bob Sugarman discussed conducting one meeting a year for the Investment Managers who would send a decision maker to attend. The Committee would still meet quarterly with Graystone but without any Investment Managers.

After discussion, motion by Victor Espinal, seconded by Larry Gordon to approve substituting the quarterly Investment Managers meeting with an annual Investment Managers meeting if the Police & Fire agrees to do the same, also this would be for a one year trial period,

Motion carried unanimously.

VI. APPROVAL OF MINUTES – FEBRUARY 17, 2011

Motion by Larry Gordon, seconded by Councilman Pierre, to accept the February 17, 2011 minutes for the General Employees' Retirement Plan Meeting.

Motion carried unanimously.

VII. FPPTA – WHICH BOARD MEMBER TO VOTE FOR DIRECTORS

FPPTA has an election and we need to determine who will vote for the Plan.

Motion by Larry Gordon, seconded by Councilman Pierre, to have Lori Helton vote for the Directors of the FPPTA, in Lori Helton's absence Larry Gordon will vote.

Motion carried unanimously.

VIII. OPEN DISCUSSION

IX. APPROVAL OF INVOICES

Motion by Larry Gordon, seconded by Councilman Pierre, to approve payment of the following invoices:

Davis Hamilton Jackson – Equity Quarterly Mgt. Fees	\$16,219.57
Davis Hamilton Jackson – Fixed Quarterly Mgt. Fees	14,158.78
Buckhead Capital - Quarterly Management Fees	16,745.18
Morgan Stanley Smith Barney – Qtly. Consulting Fees	5,625.00
GW Capital - Quarterly Management Fees	7,035.60
Harding Loevner – Quarterly Management Fees	6,507.00
Thornburg Management – Quarterly Management Fees	4,864.65
MDT - Quarterly Management Fees	7,282.49
GRS – Actuaries Fees	17,386.00
Sugarman & Susskind – Legal Fees	9,259.00
Salem Trust – Custodial Fees	7,725.41
	<u>\$112,808.68</u>

Motion carried unanimously.

The next regularly scheduled quarterly Board meeting will be held on August 18, 2011 at 3:00 p.m. Meeting was adjourned at 4:30 p.m.

Martin Lebowitz, Pension Administrator