A meeting of the Employees' Retirement System Board of Trustees was held on Wednesday, November 8, 2006, at Troy City Hall, 500 W. Big Beaver Rd., Troy, MI. The meeting was called to order at 12:18 p.m.

TRUSTEES PRESENT:
Mark Calice
Michael Geise
Thomas Houghton, Chair
Martin F. Howrylak
John M. Lamerato
William R. Need (Ex-Officio)
Phillip L. Nelson
Steven A. Pallotta

MINUTES

Resolution # ER – 2006 – 11 - 041
Moved by Pallotta
Seconded by Calice

RESOLVED, That the minutes of the October 11, 2006 meeting be approved.

Yeas: All 7

OTHER BUSINESS – RECOVERY OF EDRO COST

Resolution # ER – 2006 – 11 - 042
Moved by Lamerato
Seconded by Nelson

Recovery of Costs of Processing Domestic Relations Orders

WHEREAS, The City of Troy Employee Retirement System is subject to the provisions of the Eligible Domestic Relations Order Act, 1991 PA 46, which provides that the Retirement System shall determine if domestic relations orders received by it are eligible domestic relations orders and, if so, must administer same; and

WHEREAS, The Retirement System has adopted policies and procedures to implement the requirements of the Eligible Domestic Relations Order Act which include the involvement of professional advisors due to the legal and actuarial issues inherently involved; and

WHEREAS, Such professional advisors charge fees for such services and, therefore, the Retirement System incurs costs it would not have incurred but for the enactment of the Eligible Domestic Relations Order Act and the divorce or separation of participants submitting domestic relations orders to the Retirement System; and

WHEREAS, The Eligible Domestic Relations Order Act contemplates payment of the costs associated therewith by the parties to such orders and provides that such orders may not require the Retirement System to provide an increased benefit determined on the basis of actuarial value, which includes the cost of administration; and

WHEREAS, The Retirement System has previously determined that the increased costs incurred by the Retirement System due to the administration of the Eligible Domestic Relations Order Act should be borne by the parties to the domestic relations orders submitted to the Retirement System, and the Retirement System desires to clarify and formalize its policy in this regard;

THEREFORE, BE IT RESOLVED, That the parties to any domestic relations order submitted to the City of Troy Employee Retirement System shall be required to reimburse the Retirement System for all additional actuarial fees and costs associated therewith on an equal basis; and

THEREFORE, BE IT FINALLY RESOLVED, That if such costs have not been reimbursed to the Retirement System by the parties prior to the commencement of benefits, such costs shall be deducted from the first and any necessary subsequent benefit payment to each party until that party's share of the costs has been fully recovered.

Yeas: All 7

OTHER BUSINESS – JUNE 30, 2006 QUARTERLY INVESTMENT PERFORMANCE

The Board received and filed the June 30, 2006 Quarterly Investment Report.

INVESTMENTS

Resolution # ER – 2006 – 11 - 043
Moved by Pallotta
Seconded by Houghton

RESOLVED, That the Board buy and sell the following securities:

Buy: 5,000 shares Kohl's
$725,000 John Hancock International Core Fund

Sell: Startek; Lucent Technologies; Compuware; Aim Constellation Mutual Fund and use Proceeds to buy Aim Global Value Fund and Aim European Growth Fund.

Yeas: All 7

PUBLIC COMMENT

There was no public comment.

The next meeting is December 13, 2006 at 1:30 p.m. at City Hall, Conference Room C, 500 W Big Beaver, Troy, MI.

The meeting adjourned at 1:28 p.m.

Thomas Houghton, Chairman

John M. Lamerato, Secretary

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