

*Robert N. Pollock, Jr.  
2038 Winsted Blvd.  
Ann Arbor, MI 48103*

April 17, 2008

Mayor John Heiftje  
Sent via e-mail: JHeiftje@a2gov.org

Dear Mr. Mayor:

I am writing to inform you that I have resigned my position as Citizen Trustee from The City of Ann Arbor Employees Retirement System and VEBA Boards at Friday mornings' meetings. My career and family passions simply do not permit me to prioritize CAAPERS in the manner it should be given.

However, this is not the only reason I have chosen to resign. I continue to be concerned with City Council's lack of urgency on issues facing CAAPERS and VEBA. I am mindful that there are many issues you face and that not all current Council members have been around long enough to address some of The Retirement Plan issues I refer to, but many have been.

An important example is Item 1A in The 2005 Blue Ribbon Commission delivered to Council (copy attached, please read!). This recommended a change in the composition of The Trustee Board to a majority of independent trustees and removal of The City Administrator as a Trustee. To date, nothing has been done on this. Why not? At the very least, we should articulate the issue and allow the voters who pay the taxes to fund these plans to decide what we should do about it.

Let's just focus on the independence issue. The lack of a majority of independent Trustees deters too many capable professionals with the necessary skill set from considering being a trustee. Many will not sit on a board where primary voting control rests with direct beneficiaries of those boards' decisions. If we learned anything from Corporate America's malfeasance this past decade, it is the importance of a strong, *independent* board to provide balance. We do not currently have that needed balance.

It may be comfortable to relax with the knowledge that we seem to have avoided any major disasters at the trustee level to date. However, absent their continued diligence, prudence and good fortune, what then? What would we do if we were creating The Pension governance system today- It seems obvious to me. We cannot control returns, demographics, etc. but we can put in place a governance system based on current best practices that allows us to look back and say we controlled what we could.

**To that end, I urge City Council to send a charter change amendment to the voters to create a majority of independent trustees on The Pension and VEBA Boards.**

I wish I could thank that City Council years ago who recommended the dedicated millage that in large part is to be credited with the stability of our retirement system to date. I hope to look back years from now and say thanks to you, our current Council, for making that legacy stronger.

Thank you for your service to our City.

A handwritten signature in black ink, appearing to read "Rob N. Pollock, Jr.", written in a cursive style.

Robert N. Pollock, Jr.  
734-717-3402

cc: City Council  
Stephen Postema, City Attorney