

Date: \_\_\_\_\_

Dear Representative \_\_\_\_\_ or

Senator \_\_\_\_\_

I'm writing to express my vehement opposition to the legislation introduced in the Michigan Legislature on March 18, 2010 that would take control of the General Retirement System of the City of Detroit and the Police and Fire Retirement System of the City of Detroit away from their employee-elected and locally-appointed Boards of Trustees (Boards) and turn it over to the Municipal Employees Retirement System (MERS).

The proponents of this proposed legislation say this isn't about a takeover of Detroit's Pension Funds. But it is about Detroit! The two Detroit pension funds are the largest municipal pension funds in the state of Michigan (with assets totaling approximately \$6 billion).

It's time to stop these senseless attacks on Detroit and its right to govern itself!

I strongly agree with Detroit City Council and the Detroit Retirement Systems -- this proposed legislation is **BAD FOR DETROIT!**

- It gives \$6 billion of the Detroit Pension Funds' assets to a poorer performing statewide entity over which the Boards would have **no control**.
- Transfer of the Detroit Pension Funds' assets would bring **no economic benefit** to Detroit – in fact, it would likely have a detrimental economic impact on Detroit.
- The Detroit Pension Funds have not only **outperformed** MERS in recent years, they also have substantially **higher funding levels**. *As of 12/31/08 MERS was 75% funded. As of 6/30/08 (the last approved audit for both the GRS & PFRS) the GRS was 101% funded and the PFRS was 107% funded.*
- MERS Board of Directors **lacks diversity** and has **no understanding of Detroit**, the needs of its people or the important of local investment.
- It violates the will of the people of Detroit, who created the systems in the Detroit City Charter and specified that they would be pension funds that were directed by employee-elected and locally appointed Boards of Trustees.
- The Detroit Retirement Systems have invested hundreds of millions of dollars in Detroit. **MERS has no record of investment in Detroit!**
- It threatens benefits of Detroit Pension System members! MERS may have **no obligation to continue** the General Pension Fund's Employee Loan Program - potentially cutting members off from their hard-earned money.
- The Detroit Pension Funds' 13,000 active members and 20,000 retirees may have to **travel to Lansing** for direct customer service.

- MERS **administrative costs were double** those of the Detroit Pension Funds in 2008, and its travel expenses – for less than half the number of people – were higher.
- A transfer **DOES NOT eliminate or reduce** the city’s legally required employer contributions to the pension funds and would not solve the City’s overwhelming budget problems.
- It could ultimately **lead to the takeover of Detroit** by state government! MERS caused this to happen to a nearby Michigan city in 2007.

With these facts in mind, I don’t understand how you could even consider supporting this proposed legislation. It does not make sense for any municipality, most especially Detroit.

I urge you to stop this proposed legislation **now!**

Sincerely,

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Telephone \_\_\_\_\_