



Board of Trustees
**Police and Fire
Retirement System**
Act 345



A Pension Plan and Trust Fund
41625 Ryan Rd.
Sterling Heights, Michigan 48314-3945

John Lamerato
President

VanOverbeke, Michaud & Timmony, P.C.
Legal Counsel

Kelly Burgan
Secretary

Randall Schwarb
Trustee

Robert Maleszyk
Trustee

Mary Jaganjac
City Treasurer

REGULAR MEETING MINUTES OF THE
STERLING HEIGHTS
POLICE AND FIRE RETIREMENT SYSTEM, ACT 345
JANUARY 17, 2019
FIRE DEPARTMENT CONFERENCE ROOM
41625 RYAN ROAD
STERLING HEIGHTS, MI 48314
586-446-2958

1. President Lamerato called the regular meeting of the Police and Fire Retirement System to order at 3:30pm.
2. Board Members Present: Lamerato, Burgan, Schwarb, Maleszyk, Jaganjac. Also present: Tim Brice and Brian Brice, representing The Brice Group/Morgan Stanley Graystone Consulting; Daniel LeVan and Andrea Leistra, representing Victory Capital; John Shelar and Seth Marks, representing Fidelity International; Tom Michaud, Legal Counsel; and Kerrie Dzwonkowski, Pension Technician.
3. APPROVAL OF CONSENT AND REGULAR AGENDAS

Motion by Schwarb, supported by Burgan, to approve the consent agenda as presented. Ayes: All. The motion carried unanimously.
4. APPROVAL OF MINUTES

No corrections were made to the draft minutes of the regular meeting of December 13, 2018. Motion by Burgan, supported by Maleszyk, to approve the minutes as presented. Ayes: All. The motion carried unanimously.
5. CITIZEN PARTICIPATION

There was no Citizen participation.
6. REPORT FROM LEGAL COUNSEL

Mr. Michaud commented on items of new business as they were considered.

CONSENT AGENDA

7. CORRESPONDENCE

- a. Other correspondence received from:
 - 1. Morgan Stanley – market value monthly updates
 - 2. Morgan Stanley – correspondence regarding purchasing investments
 - 3. Robbins Geller Rudman & Dowd LLP – Settlement Report
 - 4. The Advocate – Fall 2018 Issue

8. BILLS AND EXPENDITURES

c. Checking Account Summary

Beginning Balance	\$4,301.18	12/01/18
Additions (1)		
1. 12/20	\$5,000.00	
Subtractions (0)		
Electronic withdrawals (6)	\$3,590.40	
1. 12/5	362.84	IRS Fed. tax w/h
2. 12/12 DD 1072	1,268.80	Contract Payment KD
3. 12/14	125.40	Contract fee – Gurin & Gurin
4. 12/19	362.86	IRS Fed. Tax w/h
5. 12/20	201.21	Michigan St. tax w/h
6. 12/26 DD 1073	1,269.29	Contract Payment KD
Ending Balance	\$5,710.78	12/31/18

- d. Transmittal of Checks
 - 1. None

9. FUNDS MANAGEMENT

- a. The current value of funds as of December 31, 2018 is detailed below:

Clearing account	\$	3,434,907.29
Intercontinental	\$	806,232.81
Winslow	\$	11,353,810.52
Janus	\$	9,952,839.43
Eagle	\$	10,441,454.59
Confluence	\$	5,216,407.38
Rothschild	\$	12,545,462.09
Earnest Partners	\$	13,546,450.82
Cambiar	\$	18,799,178.27
Western	\$	23,956,263.96
Met West	\$	17,389,491.00
Hancock	\$	21,051,653.04
Cushing	\$	8,180,924.13
WCM	\$	31,984,214.46
MS Cash	\$	3,348.89
Checking account	\$	<u>4,301.18</u>
TOTAL FUNDS	\$	188,666,939.86

CONSENT AGENDA

9. FUNDS MANAGEMENT – cont.

- b. The Board received a copy of the Summary of Employer Contributions to the Police and Fire Retirement System for the 2018 tax year as of 12/3/18. The System has received \$8,508,100 of the 2018/19 budget of \$8,297,366.00.
- c. Benefit Register Listing as of January 1, 2019 from Comerica Bank showing 380 retirees/beneficiaries with a payout for January of \$1,676,996.99 and a total year-to-date of \$1,693,855.66.
- d. The current Merrill Lynch Bond index for December 2018 is 3.27%.

10. BENEFITS & PLAN ADMINISTRATION

a. Old Business

- 1. Joseph Kaltz – EROP application
Joseph Kaltz of the Police Department has submitted an application for EROP retirement effective January 30, 2019. All required paperwork is on file in the Pension Office.
- 2. Kevin Reese – EROP application
Kevin Reese of the Police Department has submitted an application for EROP retirement effective January 30, 2019. All required paperwork is on file in the Pension Office.

REGULAR AGENDA

8. BILLS AND EXPENDITURES

- a. Disbursements other than retiree benefit payments (bills)
 - 1. Disbursement to Rodwan Consulting Company in the total amount of \$2,700.00 for actuarial and consulting services rendered for the quarter ended December 31, 2018.
 - 2. Disbursement to the City of Sterling Heights in the amount of \$2,991.49 for accounting services rendered for the third and fourth quarters ending 12/31/18.
Motion by Burgan, supported by Schwarb, to approve the disbursements as presented. Ayes: All. The motion carried unanimously.
- b. Disbursements to retirees/members other than monthly benefit payments
 - 1. Thomas Fett – partial DROP distribution – discussion
Thomas Fett of the Police Department terminated his DROP retirement as of January 29, 2016. He is requesting a partial distribution from his DROP account. All required paperwork is on file in the Pension Office.

REGULAR AGENDA

8. **BILLS AND EXPENDITURES**

- b. Disbursements to retirees/members other than monthly benefit payments – cont.
 - 2. Stephen Kovalcik – partial DROP distribution – discussion
Stephen Kovalcik of the Police Department terminated his DROP retirement as of July 29, 2011. He is requesting a partial distribution from his DROP account. All required paperwork is on file in the Pension Office.
 - 3. Christopher Wisniewski – partial DROP distribution - discussion
Christopher Wisniewski of the Police Department terminated his DROP retirement as of June 16, 2016. He is requesting a partial DROP distribution from his DROP account. All required paperwork is on file in the Pension Office.
 - 4. Kenneth Solak – total DROP distribution – discussion
Kenneth Solak of the Police Department terminated his DROP retirement as of May 5, 2014. He is requesting a total DROP distribution from his DROP account. All required paperwork is on file in the Pension Office.
 - 5. Jeffrey Milke – partial DROP distribution – discussion
Jeffrey Milke of the Police Department terminated his DROP retirement as of June 16, 2016. He is requesting a partial DROP distribution from his DROP account. All required paperwork in on file in the Pension Office.
Motion by Schwarb, supported by Burgan, to approve the disbursements as presented. Ayes: All. The motion carried unanimously.

9. **FUNDS MANGEMENT**

- e. Small Cap Fund Class I interviews
 - 1. Fidelity Institutional Asset Management – started presentation at 3:34pm.
John Shelar and Seth Marks, representing Fidelity Institutional Asset Management; were in attendance to give a presentation on small cap value.
 - 2. Victory Trivalent International – 4:00pm
Daniel LeVan and Andrea Leistra, representing Victory Trivalent International; were in attendance to give a presentation on small cap value.

After discussion there was no motion made at this time. The Board is interested in Fidelity and asked for Brice to do a correlation report to see the risk factors. More information to follow at the February Board meeting.

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

1. Daryl Brown – passed away - discussion
Retired Police Sgt. Daryl Brown passed away December 21, 2018. The bank has been notified to stop all future payments. At retirement, Sgt. Brown chose a Regular retirement with the automatic 60% surviving spouse benefit to his wife, Jennifer Faunce. An application for survivor benefits and DROP benefits has been received. A death certificate has been requested.
Motion by Burgan, supported by Schwarb, to approve the surviving spouse benefit as presented. Ayes: All. The motion carried unanimously.
2. James Boylan – retirement separation – discussion
James Boylan of the Fire Department retired effective on January 3, 2019. His actuary report is attached. He is also requesting his annuity withdrawal. All required paperwork is on file in the Pension Office.
Motion by Burgan, supported by Schwarb, to approve the retirement benefit and the annuity withdrawal as presented. Ayes: All. The motion carried unanimously.
3. MAPERS One-Day Seminar - discussion
MAPERS is offering a one-day seminar on Friday, March 1, 2019 at 8:30am at the Sheraton Detroit/Novi Hotel. There is a \$60 registration fee.

11. TRUSTEE COMMENTS

Mr. Burgan discussed the Pension Technician's office keys. He suggested there should be a backup set of keys, in case of emergency, the rest of the Board agreed.

12. ADJOURNMENT

Motion by Maleszyk, supported by Schwarb, to adjourn at 5:11pm.
Ayes: All. The motion carried unanimously. The meeting is hereby adjourned.



Kelly Burgan
Secretary