



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
MARCH 21, 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, Schwarb, Jaganjac. Absent: Burgan and Maleszyk (excused). Also present: Tom Michaud, Legal Counsel; and Kerrie Dzwonkowski, Pension Technician.
3. APPROVAL OF CONSENT AND REGULAR AGENDAS
Motion by Schwarb, supported by Jaganjac, to approve the consent agenda as presented. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.
Motion by Schwarb, supported by Jaganjac, to approve the regular agenda as presented. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.
4. APPROVAL OF MINUTES
No corrections were made to the draft minutes of the regular meeting of February 21, 2019.
Motion by Schwarb, supported by Jaganjac, to approve the minutes as presented. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.
5. CITIZEN PARTICIPATION
There was no Citizen participation.
6. REPORT FROM LEGAL COUNSEL
Mr. Michaud discussed due diligence regarding the Board's service providers (i.e. attorney, actuary, investment consultant, etc.). He commented that it is good practice to review your service providers every few years. He said the most common practice right now with Pension Boards is reviewing the actuary. Per new state laws the actuary is required to provide more information, which can be costly. He suggested that the General Employees and Pension Board could have interview sessions with different actuaries to see what is out there.

CONSENT AGENDA

7. CORRESPONDENCE

- a. Correspondence received from:
 - 1. Morgan Stanley – market value monthly updates
 - 2. Robbins Geller Rudman & Dowd LLP – Settlement Report
 - 3. Eagle Capital Management – 4th Quarter 2018 Review
 - 4. Employee Benefit News - February 2019

8. BILLS AND EXPENDITURES

c. Checking Account Summary

Beginning Balance	\$6,867.26	2/01/19
Additions (0)		
Subtractions (0)		
Electronic withdrawals (6)	\$3,582.63	
1. 2/6 DD 1076	1,270.28	Contract Payment KD
2. 2/8	185.20	Contract fee – Gurin & Gurin
3. 2/13	361.44	IRS Fed. Tax w/h
4. 2/20 DD 1077	1,270.29	Contract Payment KD
5. 2/20	134.00	Michigan St. tax w/h
6. 2/27	361.42	IRS Fed. Tax w/h
Ending Balance	\$3,284.63	2/28/19

9. FUNDS MANAGEMENT

- a. The current value of funds as of February 28, 2018 is detailed below:

Clearing account	\$	1,182,936.11
Intercontinental	\$	811,642.45
Winslow	\$	12,832,265.24
Janus	\$	10,807,023.87
Eagle	\$	11,062,027.28
Confluence	\$	5,873,006.85
Rothschild	\$	13,897,806.14
Earnest Partners	\$	15,443,338.64
Cambiar	\$	20,835,305.57
Western	\$	24,463,150.81
Met West	\$	17,608,066.17
Hancock	\$	23,248,246.79
Cushing	\$	9,238,164.41
WCM	\$	35,320,492.86
MS Cash	\$	4,302.27
Checking account	\$	<u>3,284.63</u>
TOTAL FUNDS	\$	202,631,060.09

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 3/15/19. The System has received \$8,739,100.00 of the 2018/19 budget of \$8,297,366.00.
 - c. Benefit Register Listing as of March 1, 2019 from Comerica Bank showing 381 retirees/beneficiaries with a payout for March of \$1,648,874.13 and a total year-to-date of \$6,378,998.79.
 - d. The current Merrill Lynch Bond index for February 2019 is 3.18%.
10. BENEFITS AND PLAN ADMINISTRATION
 - a. Old Business
 1. Paul Dzikowski – EROP application
Paul Dzikowski of the Police Department has submitted an application for EROP retirement effective April 14, 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. None
 - b. Disbursements to retirees/members other than monthly benefit payments
 1. Joseph Toth – partial DROP distribution - discussion
Joseph Toth of the Fire Department terminated his DROP retirement as of January 2, 2015. He is requesting a partial distribution from his DROP account. All required paperwork is on file in the Pension Office.
 2. Mark Kouza – refund of contributions – discussion
Mark Kouza of the Fire Department terminated his employment effective September 27, 2018. He is requesting his refund of contributions. All required paperwork is on file in the Pension Office.
Motion by Schwarb, supported by Jaganjac, to approve the disbursements as presented. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.
10. BENEFITS & PLAN ADMINISTRATION
 - a. New Business
 1. Richard Werback – EROP termination - discussion
Captain Richard Werback of the Fire Department has terminated his EROP retirement effective March 18, 2019. He is also requesting his annuity withdrawal and his EROP distribution (85%). All required paperwork is on file in the Pension Office.
Motion by Schwarb, supported by Jaganjac, to approve the EROP regular straight life pension benefit in the gross monthly amount of \$6,622.79 with annuity withdrawal and EROP distribution (85%) as presented. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

2. Richard Heins, Jr. – EDRO Resolution – discussion

WHEREAS, the Board is in receipt of an Eligible Domestic Relations Order dated March 7, 2019, wherein Shari Heins, the Alternate Payee, is awarded certain rights to the benefits of Richard C. Heins, Jr., the Participant, and

WHEREAS, the Alternate Payee is entitled to claim a portion of the Participant's retirement benefit from the Defined Benefit Plan which have accrued as of January 9, 2008, and

WHEREAS, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System or upon the Alternate Payee's election, but no time before the Participants earliest retirement eligibility, and **WHEREAS**, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings, and the order provides that the Participant and the Alternate Payee shall be equally responsible for any and all additional costs for actuarial services, and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act of 1991 (MCLA 38.1701) as amended, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said court order subject to an application being filed by the Participant or the Alternate Payee seeking payment, and further

RESOLVED, that upon application of the Participant or the Alternate Payee this file be forwarded to the Board's actuary for calculation of the benefits, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records kept for the Retirement System relative to this matter, and

RESOLVED, which copies of this resolution be sent to Richard. C. Heins, Jr., the Participant; Sandra A. Sharp, Esp., attorney for the Participant; Shari Rae Heins, the Alternate Payee; James M. Simasko, Esp., attorney for the Alternate Payee; and the Board's actuary.

Motion by Schwarb, supported by Jaganac, to approve the EDRO resolution.

Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. Motion carried.

3. Lance Stevens – Buyback Application – discussion

Lance Stevens from the Fire Department has submitted an application for buyback of Military time in the amount of 1 year. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Jaganjac, to approve the buyback application. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business – cont.

4. Account Transfer for April benefit payments – discussion

As of March 18, 2019, the Clearing Account had a balance of \$805,611.90. An additional \$1,500,000.00 is needed for the April 1, 2019 pension benefit payments and bills from the Clearing Account. The Brice Group has forwarded an e-mail that the additional amount needed should be taken from the accounts listed below on or before March 25, 2019, based on the asset allocation targets.

iShares Growth	\$500,000
Eagle	\$400,000
Earnest	\$600,000

Motion by Schwarb, supported by Jaganjac, to approve the transfer of \$1,500,000.00 from the listed accounts, based on the asset allocation targets, to provide for pension benefit payments and other disbursements on April 1, 2019. Absent: Burgan and Maleszyk. Ayes: Lamerato, Schwarb, Jaganjac. The motion carried.

11. TRUSTEE COMMENTS

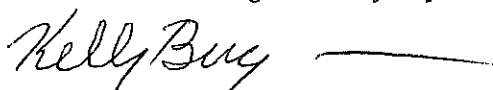
Mr. Lamerato said that he will no be able to attend the April meeting.

12. ADJOURNMENT

Motion by Lamerato, supported by Schwarb, to adjourn at 3:46pm.

Absent: Burgan. Ayes: Lamerato, Schwarb, Maleszyk, Jaganjac. The motion carried.

The meeting is hereby adjourned.



Kelly Burgan
Secretary

KB/kd