



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

REGULAR MEETING MINUTES OF THE  
STERLING HEIGHTS  
POLICE AND FIRE RETIREMENT SYSTEM, ACT 345  
APRIL 18, 2019  
FIRE DEPARTMENT CONFERENCE ROOM  
41625 RYAN ROAD  
STERLING HEIGHTS, MI 48314  
586-446-2958

Randall Schwarb  
Trustee

Robert Maleszyk  
Trustee

Mary Jaganjac  
City Treasurer

1. Schwarb called the regular meeting of the Police and Fire Retirement System to order at 3:32pm.
2. Board Members Present: Burgan, Schwarb, Maleszyk, and Jaganjac. Absent: Lamerato (excused). Also present: Thomas Michaud, Legal Counsel; and Kerrie Dzwonkowski, Pension Technician.
3. APPROVAL OF CONSENT AND REGULAR AGENDAS  
Motion by Burgan, supported by Maleszyk, to approve the consent agenda as presented. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried.
4. APPROVAL OF MINUTES  
No corrections were made to the draft minutes of the regular meeting of March 21, 2019.  
Motion by Burgan, supported by Schwarb, to approve the minutes as presented. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried.
5. CITIZEN PARTICIPATION  
There was no Citizen participation.
6. REPORT FROM LEGAL COUNSEL  
None

CONSENT AGENDA

7. CORRESPONDENCE
  - a. Correspondence received from:
    1. Morgan Stanley - market value monthly updates
    2. Robins Geller Rudman & Dowd, LLP. Settlement Report

CONSENT AGENDA

8. **BILLS AND EXPENDITURES**

c. **Checking Account Summary**

Beginning Balance	\$3,284.63	3/01/19	
Additions (1)			
1. 3/7	\$5,000.00		
Subtractions (2)	\$924.23		
1. 3/4 Ck 2105	\$900.00		MAPERS – reg fee
2. 3/28 Ck 2074	\$24.23		Sterling Hts - printing
Electronic withdrawals (6)	\$3,483.15		
1. 3/6 DD 1078	1,270.27		Contract Payment KD
2. 3/8	85.70		Contract fee – Gurin & Gurin
3. 3/13	361.46		IRS Fed. Tax w/h
4. 3/20 DD 1079	1,270.28		Contract Payment KD
5. 3/20	134.00		Michigan St. tax w/h
6. 3/27	361.44		IRS Fed. Tax w/h
Ending Balance	\$3,877.25	3/31/19	

d. **Transmittal of Checks**

1. A check in the amount of \$3,108.22 was received from Lance Stevens for the purchase of 1 year of eligible Military service credit. The adjusted hire date is November 9, 2012.

9. **FUNDS MANAGEMENT**

a. The current value of funds as of March 31, 2019 is detailed below:

Clearing account	\$ 419,606.33
Winslow	\$ 12,671,601.05
Janus	\$ 11,048,933.75
Eagle	\$ 10,774,808.45
Confluence	\$ 6,011,259.02
Rothschild	\$ 13,991,660.87
Earnest Partners	\$ 14,886,009.28
Cambiar	\$ 20,822,291.92
Western	\$ 24,898,346.02
Met West	\$ 17,948,490.32
Hancock	\$ 23,717,191.00
Cushing	\$ 9,620,120.73
WCM	\$ 36,546,853.45
MS Cash	\$ 8,711.94
Checking account	\$ <u>3,877.25</u>
<b>TOTAL FUNDS</b>	<b>\$ 203,369,761.38</b>

- 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.

CONSENT AGENDA

9. FUNDS MANAGEMENT – cont.
  - c. Benefit Register Listing as of April 1, 2019 from Comerica Bank showing 381 retirees/beneficiaries with a payout for April of \$1,648,812.92 and a total year-to-date of \$8,139,811.71.
  - d. The current Merrill Lynch Bond index for March 2019 is 2.91%.
  
10. BENEFITS & PLAN ADMINISTRATION
  - a. Old Business  
None

REGULAR AGENDA

8. BILLS AND EXPENDITURES
  - a. Disbursements other than retiree benefit payments (bills)
    1. Disbursement to VanOverbeke, Michaud & Timmony, PC in the total amount of \$8,635.50 for legal services rendered for the period of 1/1/18 through 12/31/18.
    2. Disbursement to Rodwan Consulting Company in the total amount of \$2,700.00 for actuary services rendered for the period ending 3/31/19.
    3. Disbursement to Comerica Bank in the total amount of \$1,808.06 for services rendered for the quarter ended 3/31/19.
    4. Disbursement to MetWest Management in the total amount of \$15,727.44 for investment management fees for the period ending 3/31/19.  
Motion by Schwarb, supported by Burgan, to approve the disbursements as presented. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried.
  
  - b. Disbursements to retirees/members other than monthly benefit payments
    1. Jeffrey Valken – DROP distribution – discussion  
Jeffrey Valken of the Police Department terminated his DROP retirement effective June 16, 2016. He is requesting a DROP distribution from his DROP account. All paperwork is on file in the Pension Office.
    2. Alan Byrd – DROP distribution – discussion  
Alan Byrd of the Police Department terminated his DROP retirement effective June 18, 2008. He is requesting a DROP distribution from his DROP account. All paperwork is on file in the Pension Office.  
Motion by Schwarb, supported by Burgan, to approve the disbursements as presented. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried.

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

1. James Kirklin – Pension Recovery - discussion

James Kirklin of the Police Department was deployed for Military duty on July 5, 2018 and returned to work on March 17, 2019. He is requesting to pay back the amount through payroll deductions. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Burgan, to approve the payroll deductions as presented. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried.

2. Account Transfer for May benefit payments – discussion

As of April 15, 2019, the Clearing Account had a balance of \$601,878.69. An additional \$1,500,000.00 is needed for the May 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 April 25, 2019, based on the asset allocation targets.

Winslow	\$500,000
John Hancock	\$500,000
Earnest	\$500,000

Motion by Maleszyk, supported by Burgan, 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 May 1, 2019. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried.

11. TRUSTEE COMMENTS

Mr. Burgan said the new hires asked about the 2.0% multiplier and if that will increase in the future. Mr. Michaud said it would be based on the funding of the retirement system. Mr. Burgan asked if their contribution changed from 8% to 10%, would make a difference. Mr. Michaud said the Board can ask the actuary to do a calculation, but he does not think it would make a significant difference.

Mr. Schwarb talked about the Pension Technician's contract expiring in May. He stated that the contract can be extended and she would receive a 2.5% raise each year. All the Board members agreed.

12. ADJOURNMENT

Motion by Maleszyk, supported by Schwarb, to adjourn at 3:45pm. Absent: Lamerato. Ayes: Burgan, Schwarb, Maleszyk, Jaganjac. Motion carried. The meeting is hereby adjourned.



Kelly Burgan  
Secretary