

City of Ypsilanti Fire & Police Retirement Board

Minutes of Meeting of April 20, 2015

9:00 A.M.

This meeting is being recorded for Retirement Board purposes only. The tape will be used solely for a purpose of preparing written Minutes of today's proceedings and in no way replaces the official written record. The tape will be erased upon approval of the Minutes at the next regularly scheduled meeting.

Secretary Roe called the meeting to order at 9:00 a.m. in the Meeting Room at City Hall, One South Huron St., Ypsilanti, Michigan.

ROLL CALL

President Don Pearson - absent

Trustee Patrick Quinn

Secretary John Roe

Trustee Deric Gress

City Treasurer Kimberly Teamer

ALSO PRESENT - Max Anthouard, Chief YFD
Edward Montalvo, YFD
Fred Williams, YFD
Ken Hobbs, YFD
Rheagan Basabica, CPA, Finance Dept.
Tom Michaud, Attorney
Kathleen J. Campbell, Board Assistant

APPROVAL OF THE AGENDA - The Agenda was approved as presented. Roe/Quinn.

RES 2015-10 APPROVAL OF MINUTES OF FEBRUARY 16, 2014 MEETING.

The Minutes of February 16, 2015 were approved as presented. Roe/Gress.

AUDIENCE PARTICIPATION - There was no audience participation.

PRESIDENT'S REPORT (PEARSON) - No report.

CORRESPONDENCE (ROE) – Correspondence was distributed.

FINANCIAL REPORT (DISKIN) – Mr. Diskin was absent. He sent a copy of the Summary of Disbursements and Summary of Accounts for the Board packet which were reviewed at the meeting.

LEGAL REPORT (MICHAUD) –

Mr. Michaud answered questions from the audience.

ACTUARIAL FUNDING POLICY –

MOTION: Trustee Quinn offered and Trustee Gress supported a motion to accept and adopt the **Actuarial Funding Policy** to ensure the systematic funding of future pension obligations of the Retirement System.

Approved.

FOIA Policy – Send to June 15, 2015 Agenda

PAYMENT RESOLUTIONS

A. RES 2015-11 Approved payment to Gabriel, Roeder, Smith & Company for Invoice #412936 regular actuarial and consulting services performed for quarter ended December

31, 2014 in the amount of \$2,150.00; and for quarter ended March 31, 2015 in the amount of \$2,150.00 for a total of \$4,300.00. Roe/Gress.

- B. RES 2015-12 Approved payment to Orleans Capital Management Strategic Dividend Income Fund for investment management services for the period 1/01/15 to 3/31/15, in the amount of \$7,669.38. Roe/Gress.
- C. RES 2015-13 Approved payment to Orleans Capital Management for investment management services for the period 1/1/15 to 3/31/15, in the amount of \$4,460.34. Roe/Gress.
- D. RES 2015-14 Approved payment to Stonebridge Capital Advisors LLC for statement of management fees for the period April 1 to June 30, 2015, in the amount of \$7,240.91. Roe/Gress.
- E. RES 2015-15 Approved payment to Kathleen J. Campbell, Board Assistant, for services rendered for the period 2/10/2015 – 4/13/2015 in the amount of \$1,173.25. Roe/Gress.

OLD BUSINESS

RES 2015-16 Fire Chief Max Anthouard - DROP - Pension Benefits and Annuity Withdrawal.

MAX ANTHOUARD, FIRE CHIEF – Pension Benefits Under DROP Program

WHEREAS, the Board of Trustees of the City of Ypsilanti Fire and Police Retirement System is vested with the authority for the administration, management and operation of the Retirement System, and

WHEREAS, Fire Chief Max Anthouard has elected to participate in the Deferred Retirement Option Plan (DROP) effective November 10, 2014, and

WHEREAS, the Board of Trustees is in receipt of a request from Chief Anthouard to commence receipt of his Accumulated Contribution Account, and

WHEREAS, Chief Anthouard's Accumulated Contribution Account balance is currently \$144,742.24, therefore be it

RESOLVED, that Chief Anthouard be credited with interest of \$27,831.80 on his accumulated contributions through April 2015, for a total of \$172,574.04, and further

RESOLVED, that the Board is in receipt of the option choice of Straight Life (Life Pension with 60% Surviving Spouse Benefit) and supporting documentation, the Board of Trustees authorizes the distribution of Chief Anthouard's accumulated contribution account balance and interest as detailed above and in accordance with his elections and the DROP, and further

RESOLVED, that Chief Anthouard shall, upon retirement, receive a bi-weekly pension benefit in the amount of \$1,986.47 (based upon an annual regular pension of \$51,648.12), and further

RESOLVED, that benefits be paid consistent with the foregoing, and further

RESOLVED, that payment is subject to verification of correct contribution and interest amounts and prior to withdrawals, if any, and further

RESOLVED, that a copy of this resolution shall be provided to Chief Anthouard and the appropriate City representatives.

Quinn/Pearson VOTE: Ayes: 3. Nays: 2 Roe, Teamer. Absent: 0. Vote: Approved.

Fire Chief Max Anthouard disputed the formula used to calculate his final numbers.

Definition Defining 'Year' for Calculating Average Final Compensation

MOTION: Trustee Quinn offered and President Pearson supported a motion to continue the past practice of defining 'year' for purposes of calculating average final compensation as the twenty-six (26) pay periods preceding the date of Retirement or DROP (Deferred Retirement Option Plan) until the City and Unions determine otherwise.

Approved.

RES 2015-17 Fred Williams - Eligible Domestic Relations Order (EDRO) Received.

RE: Linda Williams v. Fred Williams, III

Washtenaw County Circuit Court Case No. 08-2773-DO

WHEREAS, the Board is in receipt of a Eligible Domestic Relations Order dated January 9, 2015, wherein Linda Williams, the Alternate Payee, is awarded certain rights to the benefits of Fred Williams, 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 is subject to the Alternate Payee filing an application for same, and

WHEREAS, the Alternate Payee is also entitled to receive a distribution from the Participant's contributions to the Defined Contribution Plan which is subject to the Alternate Payee filing an application for same, and

WHEREAS, the payments from the Defined Benefit Plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System, unless the Alternate Payee elects to receive benefits at any time after the Participant reaches his earliest retirement date, and

WHEREAS, distribution from the Defined Contribution Plan to the Alternate Payee shall occur when the Participant commences benefits from the Retirement System, unless the Alternate Payee elects to receive benefits at any time after the Participant reaches his earliest retirement date, 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 responsible for any and all additional costs for actuarial services and that the Alternate Payee's share of said costs shall be in proportion to the Alternate Payee's share of the Participant's total retirement allowance awarded to her under the EDRO, 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 46 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 order subject to an application being filed by the Participant or the Alternate Payee seeking payment, and further

RESOLVED, that upon application of either the Alternate Payee or the Participant 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 be kept for the Retirement System relative to this matter, and

April 20, 2015 Minutes

RESOLVED, that copies of this resolution be sent to Cameron E. Miller, Esq., attorney for the Participant; Fred Williams, III, the Participant; Victoria Randolph McLain, Esq., attorney for the Alternate Payee; Linda Williams, the Alternate Payee; and the Board's actuary.

Quinn/Gress

NEW BUSINESS

Thomas C. Eberts – Request for DROP Benefit Estimate

MOTION: Trustee Gress offered and Secretary Roe supported a motion to receive and approve City of Ypsilanti Police officer Thomas C. Ebert's application for the Deferred Retirement Option Plan (DROP) effective June 5, 2015. The Finance Department is directed to provide necessary information to the Actuary to make the calculations.

Approved.

Daniel E. Cain – Beneficiary Name Change.

MOTION: Secretary Roe offered and Trustee Gress supported a motion to receive and acknowledge a change of beneficiaries for benefits held in his DROP account to his Daughter, Morgan Herring, as Primary Beneficiary. If she should predecease Mr. Cain, then to his Son, Daniel E. Cain, Jr., as contingent beneficiary.

Approved.

Edward Montalvo – Request for DROP Benefit Final Actuarial Calculation.

MOTION: City Treasurer Teamer offered and Trustee Quinn supported a motion to receive and approve City of Ypsilanti Firefighter Edward Montalvo's application for the DROP (Deferred Retirement Option Plan) effective March 15, 2015. The Finance Department is directed to provide necessary information to the Actuary to make the final calculations

Approved.

ADJOURNMENT

City Treasurer Teamer offered and Trustee Quinn supported a motion to adjourn the meeting of April 20, 2015 at 11:03 a.m. Approved.

Next scheduled meeting Monday, June 15, 2015, 9A.M.