

City of Ypsilanti Fire & Police Retirement Board

Minutes of Meeting of Monday, June 20, 2016

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.

President Pearson called the meeting to order at 9:07 a.m. in the Council Chambers at City Hall, One South Huron St., Ypsilanti, Michigan.

ROLL CALL

President Pearson

Patrick Quinn

Secretary Deric Gress

Richard Barnabo

City Treasurer Kimberly Teamer

ALSO PRESENT - John Roe, YFD Firefighter
Ken Hobbs, YFD Firefighter
Fred Williams, YFD Firefighter
Rheagan Basabica, CPA, Finance Dept.
Tom Michaud, Attorney
Robert Diskin, Finance Manager
Kathleen J. Campbell, Board Assistant

APPROVAL OF THE AGENDA - The Agenda was approved. Barnabo/Gress.

AUDIENCE PARTICIPATION – There was no audience participation.

RES 2016-27 APPROVAL OF MINUTES OF APRIL 18, 2016 MEETING. Barnabo/Gress.

AUDIENCE PARTICIPATION – There was no audience participation

PRESIDENT'S REPORT (PEARSON) – President Pearson reported that the Board's Webpage is accessible in multiple ways and the Board agreed it should be accessed under one heading, "Boards and Commissions". Trustee Eric Gress said he will talk to Ericka Savage, Assistant to the City Manager.

CORRESPONDENCE (GRESS) – The correspondence was distributed.

FINANCIAL REPORT (DISKIN) – Mr. Diskin presented the Financial Report.

BUDGET FOR FY 2016-2017 – Reviewed, with the Board's request for a simplified version. President Pearson noted that he adopted the revised budget received from Rheagan Basabica, CPA, Finance Dept. June 21, pending a Board vote at the August meeting. City Finance Director Uy can use it in her presentation to City Council.

CITY ADMINISTRATIVE SERVICES CONTRACT WITH FIRE AND POLICE

RETIREMENT BOARD - MOTION: City Treasurer Teamer offered and Trustee Gress supported a motion to accept and approve the Administrative Services Contract between the Board and the City of Ypsilanti in the amount of \$29,285.94 for fiscal year 2016-2017.

Approved. Secretary Gress and City Manager Ralph A. Lange signed the contract.

RES 2015-28 DRAWDOWN OF PENSION FUNDS FOR FISCAL YEAR 2015-2016

WHEREAS the Board is in receipt of a request from the City of Ypsilanti Finance Department for

a monthly drawdown from the Retirement Board, in the amount of \$220,000.00, to cover the expenditures of the Fire and Police Pension Fund for the FY 2016-2017, and
WHEREAS, the drawdown will be reviewed by the Retirement Board prior to April 1, 2017 to make any necessary adjustments for the last quarter of FY 2016-2017.

WHEREAS the request is in order; and,

THEREFORE BE IT RESOLVED that the Board accepts the request and directs Mr. Robert Diskin of Raymond James Financial Services, Inc. to take all necessary steps to pay the requested drawdown amount of \$2,640,000.00 in monthly increments of \$220,000.00 for the 2016-2017 Fiscal Year, to be wired to the City's account on or before the 15th of each month.

Gress/Teamer.

LEGAL REPORT (MICHAUD) – Review Policy on Charges for Benefit Estimates

APPROVED FEBRUARY 13, 1992

RESOLUTION NO: 92-18

RECONFIRMED JUNE 20, 2016

**REQUESTS BY MEMBERS FOR ESTIMATES OF RETIREMENT BENEFITS
FROM THE ACTUARY**

WHEREAS, the Board of Trustees is vested with the administration,
management and responsibility for the proper operation of the
Retirement System and for making effective the provisions thereof,
and

WHEREAS, the Board of Trustees has fiduciary duties to the members
and beneficiaries of the Retirement System and shall discharge same
solely in their interests for the exclusive purposes of providing benefits and defraying
reasonable expenses, and

WHEREAS, the Board of Trustees is aware of the administrative burden placed upon the
normal operations of its staff by requests for information made upon it, and

WHEREAS, the Board of Trustees desires to formalize its policies and procedures with respect to the
request by members for estimates of their retirement benefits from the actuary,

RESOLVED, that all requests for estimates from the Actuary be directed to the
Board of Trustees: and

RESOLVED, that the Board of Trustees will provide an estimate at no charge to members at:
any time within one year prior to their eligibility for retirement, and

RESOLVED, that the Board of Trustees will provide, at no charge, one (1) estimate per
calendar year to those members who are eligible for retirement, and

RESOLVED, that any request for an estimate by a member not eligible under the above
provisions, will be forwarded to the actuary with all costs for the estimate to be paid by
the member in advance, and

RESOLVED, that copies of this resolution be made available to the applicable
collective bargaining associations and to members of the Retirement System upon request.

WHEREAS, the Board of Trustees is aware of the administrative burden placed upon the
normal operations of its staff by requests for information made upon it, and

WHEREAS, the Board of Trustees desires to formalize its policies and procedures with respect to the
request by members for estimates of their retirement benefits from the actuary, RESOLVED,

that all requests for estimates from the Actuary be directed to the Board of
Trustees: and

RESOLVED, that the Board of Trustees will provide an estimate at no charge to members at
any time within one year prior to their eligibility for retirement, and

RESOLVED, that the Board of Trustees will provide, at no charge, one (1) estimate per
calendar year to those members who are eligible for retirement, and

RESOLVED, that requests for benefit estimates into the DROP do not need approval from

the Board if the applicant qualifies for an estimate by having been employed for nineteen (19) years (one year prior to being eligible for retirement at 20 years), and
RESOLVED, that any request for an estimate by a member not eligible under the above provisions, will be forwarded to the actuary with all costs for the estimate to be paid by the member in advance, and
RESOLVED, that copies of this resolution be made available to the applicable collective bargaining associations and to members of the Retirement System upon request.
Reconfirmed by the City of Ypsilanti Fire and Police Retirement Board of Trustees, June 20, 2016.

PAYMENT RESOLUTIONS

A. RES 2016-29 Approved payment to City of Ypsilanti for Administrative Contract – FY 2015 2016 in the amount of \$25,783.63. Gress/Teamer.

B. RES 2016-30 Approved payment to Essex Investment Management Co., LLC for investment management services for the quarter of January 1, 2016 – March 31, 2016, in the amount of \$7,615.96. Gress/Teamer.

C. RES 2016-31 Approved payment to Kathleen J. Campbell, Board Assistant, for services rendered for the period 4/12/2016 – 6/14/2016 in the amount of \$1,030.00. Gress/Teamer.

D. RES 2016-35 Approved payment to Gabriel, Roeder, Smith & Company for Invoice #422392 regular actuarial and consulting services performed for quarter ended June 30, 2016 in the amount of \$2,200.00. Barnabo/Teamer.

OLD BUSINESS

RES 2016-32 Scott Maddison YFD – Annuity Withdrawal 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, Scott Maddison has elected to participate in the Deferred Retirement Option Plan (DROP) effective May 5, 2016, and

WHEREAS, the Board of Trustees is in receipt of a request from Mr. Maddison to commence receipt of his Accumulated Contribution Account, and

WHEREAS, Mr. Maddison's Accumulated Contribution Account balance is currently \$142,972.58, therefore be it

RESOLVED, that Mr. Maddison be credited with interest of \$26,051.25 on his accumulated contributions through June 2016, for a total of \$169,023.83, 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 Mr. Maddison's accumulated contribution account balance and interest as detailed above and in accordance with his elections and the DROP, and further

RESOLVED, that Mr. Maddison shall, upon retirement, receive a bi-weekly pension benefit in the amount of \$2,105.73 (based upon an annual regular pension of \$54,749.04), and further

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

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

Barnabo/Teamer.

NEW BUSINESS

RES 2016-33 Adjustment of Pension Benefits to Meet Poverty Thresholds for 2015.

WHEREAS the Board of Trustees is vested with the authority and fiduciary responsibility for the proper administration, management and operation of the Retirement System, and

WHEREAS, The Board, in accordance with its policy (Resolution No. 96-032), shall ensure that the pension benefits of certain retirees and beneficiaries are equivalent to the poverty thresholds in effect on December 31 of the previous year, and

WHEREAS, the pension benefits of retirees and beneficiaries shall meet the poverty threshold for the prior calendar year based upon a two person household 65 years of age and over, as determined by the United States Department of Commerce, Bureau of the Census, and

WHEREAS, the Board is in receipt of a copy of communication from the United States Department of Commerce, Bureau of the Census, which provides information regarding said thresholds, and

WHEREAS, the Board has reviewed the pension benefits of retirees and beneficiaries and has determined that the pension benefits of certain retirees do not meet the current estimated poverty threshold level, therefore be it

RESOLVED, that the current pension benefits of retirees and beneficiaries shall be adjusted effective July 1, 2016, to meet the estimated poverty threshold based upon a two person household 65 years of age and over, which has been determined by the United States Department of Commerce, Bureau of the Census to be \$14,326.00 for 2015, which is an increase of \$17.00 for the year, and further

RESOLVED that the adjustments to pension benefits shall not apply to those individuals or beneficiaries who are receiving benefits based upon a deferred vested retirement, and further

RESOLVED, that in the event pension benefits are being divided pursuant to a court order, the combined total of pension benefits being paid shall be used to determine poverty thresholds and any adjustments shall be apportioned between the parties in accordance with the court order, and further

RESOLVED, that a copy of this resolution shall be forwarded to the Mayor, the City Council, the Finance Director, the Human Resources, and all interested parties.

Barnabo/Teamer.

RES 2016-34 Ali Abdiaziz – Refund of Accumulated Contributions

WHEREAS, the Board of Trustees is in receipt of a request from Ali Abdiaziz requesting refund of his accumulated contributions to the City of Ypsilanti Fire and Police Retirement System; and WHEREAS Mr. Abdiaziz terminated service with the Ypsilanti Police Department effective April 28, 2016 at which time he had eleven months, three weeks and three days of service credit from his hire date of May 4, 2015.

WHEREAS, the Board has discussed this matter, therefore be it

RESOLVED, that the Board of Trustees hereby approves the request of Mr. Abdiaziz to refund accumulated contributions of \$2,552.77 with no interest, and further

RESOLVED, that payment in the total amount of \$2,552.77 be made to Mr. Abdiaziz consistent with Retirement System provisions and this resolution, 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 forwarded to Mr. Abdiaziz.

Barnabo/Teamer

ADJOURNMENT

President Pearson adjourned the June 20, 2016 meeting at 9:55 a.m.

Adjourned 9:55 a.m.

Next scheduled meeting Monday, August 22, 2016, 9 A.M.