

City of Ypsilanti Fire & Police Retirement Board
Minutes of Meeting: Monday, December 18, 2017
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 Don Pearson called the meeting to order at 9:11 am in the Council Chambers at City Hall, located at One S. Huron Street, Ypsilanti, MI 48197.

ROLL CALL

President Don Pearson

Trustee Patrick Quinn

Secretary Deric Gress

Trustee Richard Barnabo

City Treasurer Kimberly Teamer (absent)

ALSO PRESENT:

Attorney, Tom Michaud

Accounting Supervisor, Rheagan Basabica, CPA

Sammone Dixon, Board Assistant

Fire Fighter, Fred Williams III

ELECTION OF OFFICERS – President Pearson announced his intentions to serve as the President of the Board for another year and anticipates to resign after 25 years of service with the Retirement Board. Trustee Barnabo asked President Pearson if he had any recommended candidates in mind. President Pearson mentioned that he does not have any recommendations at this time and he will be speaking with Mayor Edmonds regarding his plans. President Pearson offered to have someone take the place of president in his last year. Trustee Quinn requested President Pearson remain as President to assist in the transitioning process. The Board concurred with Trustee Quinn's recommendation.

Motion: Trustee Patrick Quinn offered and Trustee Richard Barnabo supported a motion for the nominations of Trustee Don Pearson for President and Trustee Deric Gress for Secretary. A unanimous ballot was cast for the nominees. **APPROVED.**

APPROVAL OF THE AGENDA – The Agenda was approved as presented. **Gress/Quinn**

RES 2017-55 APPROVAL OF MINUTES OF October 16, 2017 MEETING. – Trustee Quinn offered and Secretary Gress supported the motion to approve the October 16, 2017 meeting minutes. **APPROVED--Quinn/Gress**

AUDIENCE PARTICIPATION – Attorney Michaud offered clarification regarding Chief Anthouard's concern on the definition of a "year" in calculating his final average compensation. Trustee Barnabo and Secretary Gress raised questions in regards to the fire fighters contract. Attorney Michaud stated that Public Act 345 provides the statute for the retirement benefit. Attorney Michaud addressed the differences between union and non-union members as it relates to the Collective Bargaining Agreement. For nnion members, the Collective Bargaining

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agreement supersedes the state statute. However, non-union members would need to comply with the state statute. President Pearson asked Rheagan about past practices of the city. Rheagan offered several examples where previous fire chiefs' final average compensations were calculated using 26 pay periods. The Board acknowledged that Chief Anthouard's grievance is with the employer—City of Ypsilanti and the interpretation of the Union contract and not with the Retirement Board. The Board encouraged the Chief to address his concern with the City of Ypsilanti.

PRESIDENT'S REPORT (PEARSON) – President Pearson acknowledged the auditor and actuary presentations on December 11, 2017.

Motion: Secretary Gress offered and Trustee Quinn supported a motion to receive and file the “City of Ypsilanti, MI Police and Fire Retirement System Audit Report year ended June 30, 2017”, as presented by Alan D. Panter, CPA, Principal—*Yeo & Yeo*. **APPROVED**

Motion: Secretary Gress offered and Trustee Quinn supported a motion to receive and file the City of Ypsilanti Fire and Police Retirement System 62nd Actuarial Valuation Report, June 30, 2017, as presented by Jeff Tebeau—*Gabriel, Roeder, Smith & Co.* **APPROVED**

CORRESPONDENCE (GRESS) – Secretary Gress shared the correspondence.

FINANCIAL REPORT (DISKIN) – Mr. Diskin was absent; President Pearson mentioned that Mr. Diskin presented the City of Ypsilanti Fire and Police Retirement Calendar and Fiscal Year to Date reports and requested to distribute financial presentation materials to Trustee Barnabo and Secretary Gress due to their absence on December 11, 2017.

Trustee Quinn offered to contact actuary Gabriel, Roeder, Smith & Co. to request the cost of the following scenarios for the City of Ypsilanti: 1. Changing the amortization to a 20 year period rather than the current a 27 year amortization period. 2. Explaining the impact of a fixed level monetary payment and 3. Reducing the assumed rate of return over a five year period.

Motion: Trustee Barnabo offered and Trustee Quinn supported the motion to contact actuary Gabriel, Roeder, Smith & Co. to request the cost of the following scenarios for the City of Ypsilanti: 1. Changing the amortization to a 20 year period rather than the current a 27 year amortization period. 2. Explaining the impact of a fixed level monetary payment and 3. Reducing the assumed rate of return over a five year period. **APPROVED**

LEGAL REPORT (MICHAUD) – Attorney Michaud discussed the legislative process of the Michigan House Bill No. 5298/Senate Bill No. 686.

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PAYMENT RESOLUTIONS

- A. **RES 2017-56** Approve payment to MAPERS for Membership Dues for the year 2018 in the amount of \$100.00. **Barnabo/Gress**
- B. **RES 2017-57** Approve payment to *Sammon N. Dixon*, Board Assistant, for services rendered for the period of 10/13/17-12/06/17 in the amount of \$1,210.00. **Barnabo/Gress**

OLD BUSINESS --

RES 2017-26 Drawdown of Pension Funds for Fiscal Year 2017-2018 Amended—
APPROVED—Quinn/Gress

WHEREAS, the Board was is in receipt of the request from the City of Ypsilanti Finance Department for a monthly drawdown from the Retirement Board, in the amount of \$125,000.00, to cover the expenditures of the Fire and Police Pension Fund for the FY 2017-2018, and
WHEREAS, the Board adopted this request on June 19, 2017, and

WHEREAS, the drawdown will be reviewed by the Retirement Board prior to April 1, 2018 to make any necessary adjustments for the last quarter of FY 2017-2018, and

WHEREAS, the Board is now in receipt of a request from the City of Ypsilanti Finance Department as of October 31, 2017 for a monthly drawdown from the Retirement Board, in the amount of \$250,000.00 *effective November 1, 2017*, to cover the expenditures of the Fire and Police Pension Fund for the FY 2017-2018, and

WHEREAS, in order to maintain the \$600,000 threshold of cash balance, the Board authorizes a one-time transfer of \$701,000 from the Fire and Police Retirement System account to the City of Ypsilanti, and

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 \$250,000.00 per month for the 2017-2018 Fiscal Year, to be wired to the City's account on or before the 15th of each month. This amount may be subject to change dependent upon the needs of the Finance Department.

RESOLVED, that the Board accepts the request for a one-time transfer of \$701,000 from the Fire and Police Retirement System account to the City of Ypsilanti, in order to maintain the \$600, 000 threshold of case balance.

RES 2017-47 Payment to *Gabriel, Roeder, Smith & Company* for Invoice #432526, EDRO calculations for participant Robert Peto and Alternate Payee Mariellen Peto, in the amount of \$1,700.00.

President Pearson mentioned that this agenda item will be tabled for the February meeting. Both Detective Robert Peto and Alternate Payee Mariellen Peto are aware of their financial responsibilities to the Retirement Board.

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Outstanding Retiree Verifications— Suspended retirement payments *(There are currently three verifications that have not been received. The Board will notify Secretary Gress of these individuals and will proceed with further investigation.)*

NEW BUSINESS

RES 2017-58 Linda Maria Williams—Annuity Withdrawal Distribution APPROVED
Quinn/Gress

WHEREAS, the Board of Trustees is in receipt of a request from Linda Maria Williams requesting refund of accumulated contributions to the City of Ypsilanti Fire and Police Retirement System; and

WHEREAS, Linda Williams is the ex-spouse of Firefighter, Fred Williams with the City of Ypsilanti Fire Department, and

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

RESOLVED, that the Board of Trustees hereby approves the request of Linda Maria Williams to refund accumulated contributions of \$42,219.59 with interest of \$14,073.16, and further

RESOLVED, that payment in the total amount of \$56, 292.75 be made to Linda Maria Williams consistent with Retirement System provisions and this resolution, and further

RESOLVED, that Linda Maria Williams shall receive an annual retirement benefit of \$19,965.00 and a bi-weekly benefit in the amount of \$767.88, 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 Linda Maria Williams.

RES-2017-59 Mariellen Peto—Annuity Withdrawal Distribution APPROVED
Gress/Pearson

WHEREAS, the Board of Trustees is in receipt of a request from Mariellen Peto requesting refund of accumulated contributions to the City of Ypsilanti Fire and Police Retirement System; and

WHEREAS, Mariellen Peto is the ex-spouse of Detective Robert Peto with the City of Ypsilanti Police Department, and

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

RESOLVED, that the Board of Trustees hereby approves the request of Mariellen Peto to refund accumulated contributions of \$21,029.16 with interest of \$4,176.92, and further

RESOLVED, that payment in the total amount of \$25,206.08 be made to National Financial Services 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 Mariellen Peto.

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RES 2017-60 Linda Maria Williams—Annuity Withdrawal Distribution Under DROP Program-
RES 2017-60 was removed from the agenda. Annuity Withdrawal Distribution Under DROP Program is not applicable to Linda Maria Williams.

Annual Report to Members: President Pearson noted that the minimum pension benefit needs to be updated in the Annual Report to members. Attorney Michaud mentioned that once the update is complete, the Annual Report will need to be submitted to the state by the Finance Department.

Motion: Secretary Gress offered and Trustee Barnabo supported the motion to accept the Annual Report to Members once it has been updated. After changes have been made to the Annual Report it can be posted on the website and submitted to the state. **APPROVED**

2018 Meeting Calendar: Dates for 2018 meetings are as follows:

February 12, 2018

April 16, 2018

June 18, 2018

August 20, 2018

October 15, 2018 – 3:00 p.m. Eagle Crest, Review Financial Managers

December 10, 2018

The Regular Bi-Monthly Meetings of the City of Ypsilanti Fire and Police Retirement Board for the year of 2018 will be held on the third Monday of every other month, unless a holiday falls on that date or otherwise noted. Unless otherwise indicated, meetings will start at 9:00 a.m. in the Council Chambers at Ypsilanti City Hall, One South Huron Street Ypsilanti Michigan.

Rheagan Basabica asked the Board to make a motion to accept and file Fire Chief Max Anthouard's request. Attorney Michaud offered to provide the Board with a motion to receive and file Chief Anthouard's correspondence as well as confirm his annual benefit.

Motion: Trustee Quinn offered and Trustee Barnabo supported a motion to receive and file the correspondence from Fire Chief Max Anthouard, dated December 4, 2017, and to confirm his annual benefit of \$51,780.89 based upon a DROP participation date of November 10, 2014 and the Retirement System policy of defining 'year' for purposes of calculating final average compensation as the twenty-six (26) pay periods preceding the date of Retirement or DROP (Deferred Retirement Option Plan). **APPROVED.**

RFI update from Board members: Secretary Deric Gress distributed a summary of Rodwan's RFI to the Board. Trustee Quinn offered highlights of Nyhart's RFI as did President Pearson for Gabriel, Roeder, Smith & Co.. Trustee Barnabo's presentation is scheduled for the February 12th meeting.

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ADJOURNMENT— Trustee Barnabo offered and Secretary Gress supported the motion to adjourn the meeting at 11:33 am.

Meeting adjourned: 11:33 am.

Next Scheduled Meeting:
Monday, February 12, 2018 at 9:00 A.M.