

REGULAR MEETING MINUTES OF THE
STERLING HEIGHTS
POLICE AND FIRE RETIREMENT SYSTEM, ACT 345
JANUARY 21, 2016
FIRE DEPARTMENT CONFERENCE ROOM
41625 RYAN ROAD
STERLING HEIGHTS, MI 48314

1. President Lamerato called the regular meeting of the Police and Fire Retirement System to order at 3:30 p.m.
2. Board Members Present: Lamerato Wellhausen, Schwarb, Maleszyk, Varney. Also present: Tom Michaud, Legal Counsel; and Nancy Duyck, Pension Technician.
3. APPROVAL OF CONSENT AND REGULAR AGENDAS

Motion by Wellhausen, supported by Schwarb, to approve the consent agenda as presented.

Ayes: All.

The motion carried.

Motion by Wellhausen, supported by Schwarb, to approve the regular agenda as presented.

Ayes: All.

The motion carried.

4. APPROVAL OF MINUTES

No corrections were made to the draft minutes of the regular meeting of December 17, 2015.

Motion by Schwarb, supported by Maleszyk, to approve the minutes as presented.

Ayes: All.

The motion carried.

5. CITIZEN PARTICIPATION

There was no Citizen participation.

6. REPORT FROM LEGAL COUNSEL

Mr. Michaud requested that the Board go into closed session to discuss litigation.

Motion by Schwarb, supported by Varney, to go into closed session to discuss securities litigation.

Ayes: Lamerato, Wellhausen, Schwarb, Maleszyk, Varney.

The motion carried.

Motion by Schwarb, supported by Varney, to exit closed session.

Ayes: Lamerato, Wellhausen, Schwarb, Maleszyk, Varney.

The motion carried.

The following motion was considered:

Motion by Schwarb, supported by Varney, to authorize Legal Counsel to proceed with litigation regarding Chipotle Restaurant.

Ayes: All.

The motion carried.

Mr. Michaud commented on items of new business as they were considered.

CONSENT AGENDA

7. CORRESPONDENCE

a. Other correspondence received from:

1. Insights newsletter from Association of Benefit Administrators
2. Correspondence from Eagle Capital Management dated December 21, 2015 re: Form ADV Part 2A
3. Morgan Stanley - market value weekly updates

4. Pomerantz LLP
 5. E-mail to Rodwan Consulting Co. dated December 18, 2015 re: experience study.
 6. Robbins Geller Rudman & Dowd LLP
 7. The Pomerantz Monitor from Pomerantz LLP
- b. Magazines received:
1. Institutional Investor for January 2016
 2. Pensions & Investments for December 28, 2015 and January 11, 2016.

8. **BILLS AND EXPENDITURES**

c. **Checking Account Summary**

Beginning Balance	\$3,337.39	12/01/15
Additions (1)		
1. 12/16	\$ 5,000.00	
Subtractions (7)		
1. 12/07 Check 1988	69.47	Office Depot - supplies
2. 12/30 Check 1989	100.00	MAPERS - 2016 dues
3. 12/31 Check 1990	29.52	AT & T phone bill - 12/16/15
4. 12/04 Check 5352	932.04	Contract Payment Nancy Duyck
5. 12/08 Check 5353	79.76	Contract fee - Gurin & Gurin
6. 12/18 Check 5354	932.05	Contract Payment Nancy Duyck
7. 12/31 Check 5355	932.05	Contract Payment Nancy Duyck
Electronic withdrawals (4)		
1. 12/07	461.54	IRA contribution
2. 12/09	385.10	IRS Fed. tax w/h
3. 12/21	106.82	Michigan St. tax w/h
4. 12/23	385.08	IRS Fed. tax w/h
Ending Balance	\$3,923.96	12/31/15

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CONSENT AGENDA

8. **BILLS AND EXPENDITURES - cont.**

d. **Transmittal of Checks**

1. There were no checks received this month.

9. **FUNDS MANAGEMENT**

- a. The current value of funds as of December 31, 2015 is detailed below:

Clearing account	\$	4,123,060.29
Intercontinental	\$	4,516,387.42
Winslow	\$	15,834,800.80
Janus	\$	16,614,855.42
Eagle	\$	15,734,020.60
Herndon	\$	14,854,582.26

Earnest Partners	\$	13,664,680.14
Cambiar	\$	14,213,598.82
AIM/Invesco	\$	16,193,761.22
Western	\$	27,030,636.94
Met West	\$	25,170,419.82
London Co.	\$	30,121,272.30
MS Cash	\$	526.00
Checking account	\$	3,923.96
TOTAL FUNDS	\$	198,076,525.99

- b. The Board received a copy of the Summary of Employer Contributions to the Police and Fire Retirement System for the 2015 tax year as of 1/14/16. The System has received \$7,731,677.84 of the 2015/16 budget of \$7,986,312.00, leaving a \$254,634.16 balance.
- c. Benefit Register Listing as of January 1, 2016 from Comerica Bank showing 337 retirees/beneficiaries with a payout for January of \$1,447,616.44 and a year-to-date of \$1,447,616.44.
- d. The current Merrill Lynch Bond index for December 2015 is 2.49%.

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CONSENT AGENDA - cont.

10. BENEFITS & PLAN ADMINISTRATION

- a. Old Business
 - 1. 2016 Annual verifications - update

The 2015 annual verifications were mailed out on August 25, 2015 to 334 retirees/beneficiaries receiving benefits from the Retirement System. Second notices were mailed out to 9 retirees on October 21, 2015. All verifications have now been received.

REGULAR AGENDA

8. BILLS AND EXPENDITURES

- a. Disbursements other than retiree benefit payments (bills)
 - 1. Disbursement to the City of Sterling Heights in the total amount of \$719.68 for accounting services rendered for the fourth quarter 2015.
 - 2. Disbursement to VanOverbeke, Michaud & Timmony, PC in the total amount of \$10,758.00 for legal services rendered for the period of 1/1/15 through 12/31/15.
 - 3. Disbursement to Comerica Bank in the total amount of \$1,928.12 for services rendered to the Clearing and Intercontinental accounts for the fourth quarter 2015.

Motion by Varney, supported by Wellhausen, to approve the bills as presented.

Ayes: All.

The motion carried.

b. Disbursements to retirees/members other than monthly benefit payments

1. Kevin Ernst - partial DROP distribution - discussion

Kevin Ernst of the Police Department terminated his DROP retirement as of September 5, 2014. He requested a partial DROP distribution from his DROP account. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the disbursement as presented.

Ayes: All. The motion carried.

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REGULAR AGENDA

8. BILLS AND EXPENDITURES

b. Disbursements to retirees/members other than monthly benefit payments - cont.

2. Richard Tomaszewski - partial DROP distribution - discussion

Richard Tomaszewski of the Fire Department terminated his DROP retirement as of June 12, 2015. He requested a partial DROP distribution from his DROP account. All required paperwork is on file in the Pension Office.

Motion by Wellhausen, supported by Schwarb, to approve the disbursement as presented.

Ayes: All.

The motion carried.

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

2. William J. Miller - survivor benefit - discussion

Retired Fire Lieutenant William J. Miller passed away on January 3, 2016. At retirement, Lt. Miller chose a Regular retirement with the automatic 60% to his wife, Donna Miller. An application for survivor benefits has been received. A copy of Mr. Miller's death certificate has also been received.

Motion by Wellhausen, supported by Schwarb, to approve the automatic 60% survivor benefit for Donna Miller, wife/beneficiary of William J. Miller, in the gross monthly amount of \$1,623.11 as presented.

Ayes: All.

The motion carried.

3. EROP Forms - discussion

Legal Counsel has prepared EROP Forms for the Board's consideration.

Motion by Schwarb, supported by Wellhausen, to approve the new EROP Forms.

Ayes: All.

The motion carried.

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REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business - cont.

4. Suspensions - discussion

An e-mail was received from HR regarding an Officer's unpaid suspension and how that would affect his DROP.

Legal Counsel advised the Board that there would be no impact on the pension service credit as his DROP benefit has already been calculated, but it may affect service credit for retiree health care when the member terminates his DROP.

The Treasurer will contact the HR Department.

11. TRUSTEE COMMENTS

None.

12. ADJOURNMENT

Motion by Wellhausen, supported by Schwarb, to adjourn at 4:25 p.m.

Ayes: All.

The motion carried; the meeting is hereby adjourned.

Mark Wellhausen
Secretary