

REGULAR MEETING MINUTES OF THE
STERLING HEIGHTS
POLICE AND FIRE RETIREMENT SYSTEM, ACT 345
APRIL 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 3:35 p.m.
2. Board Members Present: Lamerato Wellhausen, Maleszyk, Varney. Absent: Schwarb. Also present: Tom Michaud, Legal Counsel; and Nancy Duyck, Pension Technician.
3. APPROVAL OF CONSENT AND REGULAR AGENDAS

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

Ayes: Lamerato, Wellhausen, Maleszyk, Varney.

Absent: Schwarb.

The motion carried.

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

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Ayes: Lamerato, Wellhausen, Maleszyk, Varney.

Absent: Schwarb.

The motion carried.

2.	3/11	Check 5362	931.84	Contract Payment Nancy Duyck
3.	3/14	Check 5363	81.34	Contract fee - Gurin & Gurin
4.	3/25	Check 5364	931.85	Contract Payment Nancy Duyck

Electronic withdrawals (5) \$1,724.22

1.	3/02		385.28	IRS Fed. tax w/h
2.	3/14		461.54	American Funds IRA contribution
3.	3/16		385.30	IRS Fed. tax w/h
4.	3/21		106.82	Michigan St. tax w/h
5.	3/30		385.28	IRS Fed. tax w/h

Ending Balance \$2,948.17 3/31/16

d. Transmittal of Checks

1. There were no checks received this month.

9. FUNDS MANAGEMENT

a. The current value of funds as of March 31, 2016 is detailed below:

Clearing account	\$	1,599,328.50
Intercontinental	\$	4,364,261.75
Rothschild	\$	7,279,138.67
Winslow	\$	14,997,713.04
Janus	\$	16,097,333.75
Eagle	\$	15,139,724.55
Confluence	\$	7,294,739.18
Earnest Partners	\$	13,877,591.64
Cambiar	\$	13,709,451.03
AIM/Invesco	\$	16,325,985.25
Western	\$	27,820,914.78
Met West	\$	25,783,540.40
London Co.	\$	30,545,996.52
MS Cash	\$	560.00
Checking account	\$	<u>2,948.17</u>
TOTAL FUNDS	\$	194,839,227.23

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CONSENT AGENDA

9. FUNDS MANAGEMENT - cont.

- 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 3/15/16. The System has received \$7,810,377.84 of the 2015/16 budget of \$7,986,312.00, leaving a balance of \$175,934.16.
- Benefit Register Listing as of April 1, 2016 from Comerica Bank showing 339 retirees/beneficiaries with a payout for April of \$1,417,721.72 and a year-to-date of \$5,969,516.91.
- The current Merrill Lynch Bond index for March 2016 is 2.05%.

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 Rodwan Consulting Company in the amount of \$2,700 for actuarial and consulting services rendered for the quarter ended 3/31/16.
2. Disbursement to the City of Sterling Heights in the amount of \$249.12 for accounting services rendered for the Guerra EDRO calculation and \$705.84 for accounting services rendered for the quarter ended 3/31/16 for a total of \$954.96.
3. Disbursement to Comerica Bank in the total amount of \$1,809.99 for services rendered to the Clearing and Intercontinental accounts for the quarter ended 3/31/16.

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

Ayes: Lamerato, Wellhausen, Maleszyk, Varney.

Absent: Schwarb.

The motion carried.

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REGULAR AGENDA

8. BILLS AND EXPENDITURES - cont.

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

None.

10. BENEFITS & PLAN ADMINISTRATION

- a. New Business

1. Thaddeus Kalinowski - DROP termination - discussion - cont.

Officer Thaddeus Kalinowski of the Police Department terminated his DROP retirement on April 20, 2016. He is also requesting a partial DROP distribution from his DROP account. All required paperwork is on file in the Pension Office.

Motion by Wellhausen, supported by Maleszyk, to approve the regular pension disbursement in the gross monthly amount of \$5,076.80, the partial DROP distribution as presented, and process the retirement certificate.

Ayes: Lamerato, Wellhausen, Maleszyk, Varney.

Absent: Schwarb.

The motion carried.

2. Account transfer for May 2016 benefit payments - discussion

As of April 18, 2016, the Clearing Account had a balance of \$183,988.11. An additional \$1,450,000.00 is needed for the May 1, 2016 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: \$307,500 from Janus Capital - Morgan Stanley account (333-129483); \$630,000 from The London Company - Morgan Stanley account (333-129734); \$205,000 from Earnest Partners - Morgan Stanley account (333-129486); and \$307,500 from I shares S&P 500 ETF - Morgan Stanley account (333-129734), based on the asset allocation targets.

Motion by Maleszyk, supported by Varney, to approve the transfers of the appropriate amount of funds from the accounts noted, based on the asset allocation targets, to provide for pension benefit payments and other disbursements on May 1, 2016.

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REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

2. Account transfer for May 2016 benefit payments - discussion - cont.

Ayes: Lamerato, Wellhausen, Maleszyk, Varney.

Absent: Schwarb.

The motion carried.

11. TRUSTEE COMMENTS

None.

12. ADJOURNMENT

Motion by Wellhausen, supported by Maleszyk, to adjourn at 3:45 p.m.

Ayes: Lamerato, Wellhausen, Maleszyk, Varney.

Absent: Schwarb.

The motion carried; the meeting is hereby adjourned.

Mark Wellhausen
Secretary