

REGULAR MEETING MINUTES OF THE
STERLING HEIGHTS
POLICE AND FIRE RETIREMENT SYSTEM, ACT 345
JUNE 16, 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, 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 unanimously.

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

Ayes: All. The motion carried unanimously.
4. APPROVAL OF MINUTES

No corrections were made to the draft minutes of the regular meeting of May 19, 2016.

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

Ayes: All. The motion carried unanimously.

5. CITIZEN PARTICIPATION

There was no Citizen participation.

6. REPORT FROM LEGAL COUNSEL

No formal legal report was presented. Legal Counsel supplied correspondence regarding Recent Legal Issues and Decisions.

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

CONSENT AGENDA

7. CORRESPONDENCE

- a. Other correspondence received from:
 - 1. Morgan Stanley - market value weekly updates
 - 2. P&I conferences
 - 3. Robbins Geller Rudman & Dowd LLP
- b. Magazines received:
 - 1. Institutional Investor for June 2016
 - 2. Pensions & Investments for May 30 and June 13, 2016.

8. BILLS AND EXPENDITURES

c. Checking Account Summary

Beginning Balance		\$4,511.29		5/01/16
Additions (1)				
1.	5/25		\$ 5,000.00	
Subtractions (4)				
			\$ 1,976.54	
1.	5/27	Check 1998	31.53	AT & T phone bill - 5/16/16
2.	5/06	Check 5369	931.84	Contract Payment Nancy Duyck
3.	5/10	Check 5370	81.32	Contract fee - Gurin & Gurin
4.	5/20	Check 5371	931.85	Contract Payment Nancy Duyck
Electronic withdrawals (4)				
			\$1,338.94	
	1.	5/09	461.54	American Funds IRA contribution
	2.	5/11	385.30	IRS Fed. tax w/h
	3.	5/20	106.82	Michigan St. tax w/h
	4.	5/25	385.28	IRS Fed. tax w/h
Ending Balance			\$6,195.81	5/31/16

CONSENT AGENDA

8. BILLS AND EXPENDITURES - cont.

d. Transmittal of Checks

- 1. \$300.00 received from Jeffrey Valken for a deposit for an EDRO actuarial calculation.

2. \$300.00 received from Suzanne Hartley (Valken) for a deposit for an EDRO actuarial calculation.

9. FUNDS MANAGEMENT

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

Clearing account	\$	1,727,143.85
Intercontinental	\$	4,324,011.45
Winslow	\$	15,297,003.73
Janus	\$	15,849,461.03
Eagle	\$	15,657,044.05
Confluence	\$	7,449,112.86
Rothschild	\$	7,442,768.25
Earnest Partners	\$	13,873,611.15
Cambiar	\$	13,832,037.23
AIM/Invesco	\$	16,285,987.20
Western	\$	27,986,359.32
Met West	\$	25,830,251.20
London Co.	\$	29,539,823.55
MS Cash	\$	801.00
Checking account	\$	<u>6,195.81</u>
TOTAL FUNDS	\$	195,101,611.68

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 6/15/16. The System has received \$7,986,312.00 of the 2015/16 budget of \$7,986,312.00, leaving a zero balance.

c. Benefit Register Listing as of June 1, 2016 from Comerica Bank showing 341 retirees/beneficiaries with a payout for June of \$1,425,025.80 and a year-to-date of \$8,992,000.26.

d. The current Merrill Lynch Bond index for May 2016 is 2.10%.

10. BENEFITS & PLAN ADMINISTRATION

a. Old Business - None.

Regular Meeting Minutes - June 16, 2016
Page Four

REGULAR AGENDA

8. BILLS AND EXPENDITURES

a. Disbursements other than retiree benefit payments (bills)

1. Disbursement to Rodwan Consulting Company in the total amount of \$2,100.00 for actuarial services rendered for the Duke EDRO, Valken EDRO re-calculation (\$300.00 each) and for Experience Study follow-up (\$1,500.00).

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

Ayes: All. The motion carried unanimously.

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

1. Guy Holmes - partial DROP distribution

Guy Holmes of the Police Department terminated his DROP retirement as of June 11, 2015. He is requesting 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 unanimously.

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

1. Kenneth Dwinells - DROP termination - discussion

Officer Kenneth Dwinells of the Police Department terminated his DROP retirement on June 14, 2016. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen,, to approve the regular pension disbursement in the gross monthly amount of \$4,969.87 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

Regular Meeting Minutes - June 16, 2016
Page Five

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business - cont.

2. Christopher Wisniewski - DROP termination - discussion

Officer Christopher Wisniewski of the Police Department terminated his DROP retirement on June 14, 2016. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$4,673.01 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

3. Jeffrey Milke - DROP termination - discussion

Officer Jeffrey Milke of the Police Department terminated his DROP retirement on June 16, 2016. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$4,638.96 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

4. Walter Garon III - DROP retirement termination - discussion

Officer Walter Garon III of the Police Department terminated his DROP retirement on June 16, 2016. He also 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 regular pension disbursement in the gross monthly amount of \$3,080.49, subject to the EDRO, the partial DROP distribution as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

Regular Meeting Minutes - June 16, 2016
Page Six

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

4. Walter Garon III - DROP retirement termination - discussion - cont.

Motion by Schwarb, supported by Wellhausen, to approve the revised retirement benefit for alternate payee, Shelley Garon, effective June 17, 2016 with the gross monthly pension benefit of \$2,339.12, under the EDRO straight life option as presented.

Ayes: All. The motion carried unanimously.

5. James Selewski - DROP termination - discussion

Lt. James Selewski of the Police Department terminated his DROP retirement on June 16, 2016. He also requested a total DROP rollover distribution of his DROP account. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$6,971.51, the total DROP rollover distribution as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

6. Kevin DeRoy - DROP termination - discussion

Officer Kevin DeRoy of the Police Department terminated his DROP retirement on June 16, 2016. He also requested a total DROP rollover distribution of his DROP account. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$5,152.66, the total DROP rollover distribution as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business - cont.

7. Jeffrey Poli - DROP termination - discussion

Officer Jeffrey Poli of the Police Department terminated his DROP retirement on June 16, 2016. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$4,964.85 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

8. Linda Deprez - DROP termination - discussion

Sgt. Linda Deprez of the Police Department terminated her DROP retirement on June 16, 2016. She also requested her annuity withdrawal. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$7,269.38, the annuity withdrawal rollover disbursement in the amount of \$86,921.97 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

9. Scott Anderson - DROP termination - discussion

Sgt. Scott Anderson of the Police Department terminated his DROP retirement on June 16, 2016. He also requested his annuity withdrawal. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$7,404.88, the annuity withdrawal rollover disbursement in the amount of \$97,387.85 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business - cont.

10. Jeffrey Plaunt - DROP termination - discussion

Officer Jeffrey Plaunt of the Police Department terminated his DROP retirement on June 16, 2016. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$5,722.15 as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

11. Jeffrey Valken - DROP retirement termination - discussion

Officer Jeffrey Valken of the Police Department terminated his DROP retirement on June 16, 2016. All required paperwork is on file in the Pension Office.

Motion by Schwarb, supported by Wellhausen, to approve the regular pension disbursement in the gross monthly amount of \$2,888.23, subject to the EDRO as presented, and process the retirement certificate.

Ayes: All. The motion carried unanimously.

Motion by Schwarb, supported by Wellhausen, to approve the revised retirement benefit for alternate payee, Suzanne Hartley (Valken), effective June 17, 2016 with the gross monthly pension benefit of \$2,212.26, under the EDRO straight life option and the total DROP rollover of her portion of the DROP account, as presented.

Ayes: All. The motion carried unanimously.

12. Proposed 2016/17 Meeting schedule - discussion

The proposed meeting schedule for 2016/17 fiscal year must be approved and posted. The dates for the regular meetings of the Sterling Heights Police & Fire Retirement System for the 2016/17 fiscal year are as follows:

Regular Meeting Minutes - June 16, 2016
Page Nine

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business - cont.

12. Proposed 2016/17 Meeting schedule - discussion - cont.

July 21, 2016 at 3:30 pm	August 18, 2016 at 3:30 pm
September 15, 2016 at 3:30 pm	October 20, 2016 at 3:30 pm
November 17, 2016 at 3:30 pm	December 15, 2016 at 3:30 pm
January 19, 2017 at 3:30 pm	February 16, 2017 at 3:30 pm
March 16, 2017 at 3:30 pm	April 20, 2017 at 3:30 pm

May 18, 2017 at 3:30 pm

June 15, 2017 at 3:30 pm

Motion by Wellhausen, supported by Varney, to approve the meeting dates for the 2016/17 fiscal year as presented.

Ayes: All. The motion carried unanimously.

13. Election of Officers - discussion

The Board elected Officers for the 2016/17 fiscal year as follows.

President - John Lamerato
Secretary - Mark Wellhausen

Motion by Varney, supported by Schwarb, to certify the election results by unanimous consent.

Ayes: All. The motion carried unanimously.

14. Account transfer for July 2016 benefit payments - discussion

As of June 13, 2016, the Clearing Account had a balance of \$362,910.26. An additional \$2,500,000.00 is needed for the July 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 the following accounts: \$625,000 from Winslow, \$625,000 from Janus Capital, \$625,000 from Western, and \$625,000 from MetWest on or before June 27, 2016, based on the asset allocation targets.

Regular Meeting Minutes - June 16, 2016
Page Ten

REGULAR AGENDA

10. BENEFITS & PLAN ADMINISTRATION

a. New Business

14. Account transfer for July 2016 benefit payments - cont.

Motion by Varney, supported by Wellhausen, 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 July 1, 2016.

Ayes: All. The motion carried unanimously.

11. TRUSTEE COMMENTS

Ms. Varney reported that the 2015/16 Employer Contributions have been fully paid to the Retirement System.

Mr. Schwarb requested that a paper copy of the agenda package be sent to him. The Board discussed possibly purchasing tablets for the Board's use. Mr. Wellhausen will check with the IT Department for information.

12. ADJOURNMENT

Motion by Wellhausen, supported by Maleszyk, to adjourn at 3:52 p.m.

Ayes: All. The motion carried unanimously; the meeting is hereby adjourned.

Mark Wellhausen
Secretary