

City of Ypsilanti Fire & Police Retirement Board  
**Minutes of Meeting: Monday, April 16, 2018**  
City of Ypsilanti: City Hall-Council Chambers  
1 S. Huron, Ypsilanti, MI 48197  
**9:00 am**

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 9:02 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 (absent)
Secretary Brent Yuchasz	Trustee Richard Barnabo
City Treasurer Kimberly Teamer	

**ALSO PRESENT:**

Robert Diskin, Financial Consultant  
Tom Michaud, Attorney  
Sammone Dixon, Board Assistant

**APPROVAL OF THE AGENDA**—Financial Consultant, Robert Diskin added the anti-money laundering procedures by Raymond James to the agenda. These procedures include the act of the Board giving written authorization to wire funds to the city's accounts. President Don Pearson also added the discussion of the City of Ypsilanti's Administrative Contract to the agenda. After such additions were made, Trustee Teamer offered and Trustee Barnabo supported the motion to approve the agenda. **APPROVED (Teamer/Barnabo)**

**RES 2018-12 APPROVAL OF MINUTES OF February 22 MEETING.** – Trustee Barnabo offered and Trustee Teamer supported the motion to approve the February 22, 2018—RES 2018-12 meeting minutes. **APPROVED (Barnabo/Teamer)**

**AUDIENCE PARTICIPATION** – NONE.

**PRESIDENT'S REPORT (PEARSON)** –

President Pearson mentioned that he spoke with Jeff Tebeau from Gabriel, Roeder, Smith & Co. (GRS) regarding the Supplemental Actuarial Valuation. President Pearson offered the suggestion to have GRS present the Supplemental Actuarial Valuation to the Board to adequately explain in detail its meaning and impact. Attorney Michaud offered an explanation regarding the supplemental actuarial valuation's assumptions and the impacts of the 7.5% rate of return. President Pearson then mentioned that he will discuss the supplemental report with Trustee Quinn prior to the next scheduled Board meeting for clarification on next steps.

President Pearson introduced Police Lieutenant Brent Yuchasz as the new Board Secretary, replacing retired Lieutenant Deric Gress.

City of Ypsilanti Fire & Police Retirement Board  
**Minutes of Meeting: Monday, April 16, 2018**  
**Monday, April 16, 2018**  
**9:00 A.M.**

**Page 2**

President Pearson reiterated his desire to be replaced on the Board by the end of this year. Pearson also mentioned that he has communicated with Mayor Edmonds regarding his replacement. Trustee Barnabo asked if President Pearson had any suggestions. President Pearson responded by stating that he does not have any recommendations at this time.

CORRESPONDENCE (YUCHASZ) – Trustee Yuchasz offered correspondence to the Board from Essex, First Eagle and Orleans Capital.

FINANCIAL REPORT (DISKIN) – Financial Consultant Diskin began his report by addressing recent inquiries regarding the city of Ypsilanti involvement with gun manufacturers and private prisons. Diskin mentioned that he reviewed all accounts and spoke with all money managers regarding such investments and currently, the city of Ypsilanti does not invest funds in gun manufacturers and/or private prisons.

Diskin also requested authorized signatures from the Board on behalf of Raymond James to comply with their new anti-money laundering procedures. Diskin stated that every month, the pension board wires money to the city for the monthly stipend budgeting around \$250,000. Diskin mentioned that Raymond James now requires annual paperwork to properly investigate and ensure that there are no improprieties. President Pearson authorized by signature five wire transfers and four automated clearing house payments (ACHs).

In addition, Diskin discussed the Fiscal and Calendar Year-to-Date (9 months ending 3/1/2018) reports.

Diskin recommends removing the Orleans Dividend account and would like to invite two replacement managers in the future.

Upon the completion of Diskin's report, President Pearson began discussing retiree verifications. Assistant Dixon mentioned that two retirees completed their verifications after the Board decided to stop payments due to non-compliance. Attorney Michaud offered explanation to the Board clarifying why the process of retiree verification exists. Both President Pearson and Attorney Michaud reiterated the importance of receiving verification to avoid payments to deceased retirees/beneficiaries. After this discussion, President Pearson offered and Trustee Yuchasz supported a motion to reinstate pension payments to retirees once completed verification documentation is received by the Board.

**MOTION:** Trustee Don Pearson offered and Trustee Brent Yuchasz supported the motion to reinstate pension payments to retirees that have complied with pension requirements.  
**APPROVED (Pearson/Yuchasz)**

City of Ypsilanti Fire & Police Retirement Board  
Minutes of Meeting: Monday, April 16, 2018  
Monday, April 16, 2018  
9:00 A.M.

Page 3

LEGAL REPORT (MICHAUD) –Attorney Michaud discussed Public Act 202 which requires the city to electronically report contributions and funding levels to the state of Michigan. Attorney Michaud indicated that this report will keep the state informed of municipalities’ financial status. Once this information is received by the state of Michigan, the state analyzes the data and prepares an evaluation. Municipalities facing challenges will move to the next phase. Attorney Michaud mentioned that this next phase may involve participation of the Municipal Stability Board. This board is a three party panel created to assist in stabilizing municipalities’ funding. The state may modify these procedures. Attorney Michaud also reiterated that municipalities are expected to send the state a summary annual report and an annual report.

Attorney Michaud mentioned that there is a requirement that involves an actuarial audit once every eight years. Attorney Michaud encouraged the Board to discuss this matter with the current actuary, Gabriel, Roeder, Smith & Company. The discussion should include explaining what an actuarial audit is and ensure assumptions involved in calculations of pensions etc. are within range.

Attorney Michaud also mentioned the state’s discussion of healthcare. Of the communities that reported to the state, 40% of the systems had not made any contributions to healthcare, but the state declared that those communities were in compliance due to the amount of funds within the community. Attorney Michaud mentioned that moving forward, there may be requirements encouraging municipalities to start setting funds aside for healthcare for new hires.

Attorney Michaud mentioned that the Michigan Department of Treasury took interest in the city of Ypsilanti’s pension system. Attorney Michaud stated that he responded to the MI Department of Treasury and reiterated the following:

- 1.) The retirement board is informed of and understands the importance of managing its’ revenues and expenditures.
- 2.) The retirement board will continue to manage the assets of the Retirement System and work with the City of Ypsilanti to ensure the obligations of the Retirement System are satisfied.

In conclusion of the legal report, Attorney Michaud provided an explanation of the US Supreme Court Case-- CNH Industrial N.V. v. Jack Reese, et al. Attorney Michaud explained that this case dealt with retiree healthcare. Attorney Michaud noted that often times individuals make the assumption that healthcare is a lifetime benefit. Attorney Michaud reiterated the importance of having healthcare benefits in black and white by means of contract or collective bargaining agreement.

City of Ypsilanti Fire & Police Retirement Board  
**Minutes of Meeting: Monday, April 16, 2018**  
**Monday, April 16, 2018**  
**9:00 A.M.**

Page 4

PAYMENT RESOLUTIONS

- A. **RES 2018-13** Approved payment to Gabriel, Roeder, Smith & Company for Invoice #436997, regular actuarial and consulting services for the calendar quarter ended March 31, 2017, in the amount of \$2,250.00. **(Barnabo/Teamer)**
- B. **RES 2018-14** Approved payment to Gabriel, Roeder, Smith & Company for Invoice #437689, supplemental actuarial valuation as of June 30, 2017 regarding amortization policy changes, in the amount of \$1,200.00. **(Barnabo/Teamer)**
- C. **RES 2018-15** Approved payment to Orleans Capital Management for investment management services for the period 01/01/18 to 03/31/18, in the amount of \$6,778.58. **(Barnabo/Teamer)**
- D. **RES 2018-16** Approved payment to Orleans Capital Management for investment management services for the period 01/01/18 to 03/31/18, in the amount of \$3,938.92. **(Barnabo/Teamer)**
- E. **RES 2018-17** Approved payment to the City of Ypsilanti for Fire and Police Administrative Contract 2017-2018, in the amount of \$29,285.94. **(Yuchasz/Barnabo)**  

**Discussion of F&P Board Administrative Contract was tabled to the next scheduled Board meeting—June 18, 2018 by President Pearson.**
- F. **RES 2018-18** Approved payment to *Sammon N. Dixon*, Board Assistant, for services rendered for the period of 2/12/18 - 4/05/18 in the amount of \$1,175.00. **(Barnabo/Teamer)**

OLD BUSINESS

**RFI update from Board members**—President Pearson tabled this agenda item to the next scheduled Board meeting, June 18, 2018.

\*Trustee Richard Barnabo—*Boomershine*  
President Don Pearson—*Gabriel, Roeder, Smith & Company*  
Trustee Patrick Quinn—*Nyhart*  
Secretary Brent Yuchasz—*Rodwan*

NEW BUSINESS

2018 Verifications— Board Assistant Dixon mentioned that the verifications have been completed and sent to all retirees. An update will be provided at the next scheduled Board meeting, June 18, 2018.

---

City of Ypsilanti Fire & Police Retirement Board  
**Minutes of Meeting: Monday, April 16, 2018**  
**Monday, April 16, 2018**  
**9:00 A.M.**

Page 5

ADJOURNMENT

Trustee Teamer offered and Trustee Barnabo supported the motion to adjourn the April 16, 2018 meeting.

Meeting adjourned at 10:31 am.

---

Next Meeting Scheduled:  
**Monday, June 18, 2018 @ 9:00 a.m.**  
City of Ypsilanti: City Hall  
One S. Huron, Ypsilanti, MI 48197