

City of Ypsilanti Fire & Police Retirement Board
Minutes of Meeting: Monday, December 10, 2018
City of Ypsilanti: City Hall
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 9:04 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 Lt. Brent Yuchasz	Trustee Richard Barnabo
City Treasurer Marilou Uy	

ALSO PRESENT:

Robert Diskin, Financial Consultant
Tom Michaud, Attorney
Sammone Dixon, Board Assistant
Rheagan Basabica, Accounting Supervisor
John Van Duzen, YPD Retiree
Michael Vincent, Attorney for Mr. Van Duzen

ELECTION OF OFFICERS- Trustee Pearson offered and Trustee Uy supported the motion to elect Trustee Patrick Quinn to Board President. **APPROVED (Pearson/Uy)**

Trustee Pearson offered and Trustee Quinn supported the motion to elect Lt. Brent Yuchasz to Board Secretary. **APPROVED (Pearson/Quinn)**

APPROVAL OF THE AGENDA- President Quinn offered and Secretary Yuchasz supported the motion to approve the agenda. **APPROVED (Quinn/Yuchasz)**

RES 2018-43 APPROVAL OF MINUTES OF October 15, 2018 MEETING- Trustee Quinn offered and Secretary Yuchasz supported the motion to approve the October 15, 2018 Meeting Minutes - **RES 2018-43. APPROVED (Quinn/Yuchasz)**

LEGAL REPORT (MICHAUD) –

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Presentation by Attorney Vincent and Mr. Van Duzen

To ease wait time for Mr. Van Duzen and his council, Mr. Vincent, the legal report was moved to earlier in the agenda.

Board Attorney Michaud summarized Mr. John Van Duzen's request to the board to increase his pension funds.

Attorney Vincent discussed Mr. Van Duzen's long and stellar service record, including his hip injury in the line of duty. This injury has resulted in multiple operations and his retirement from the Ypsilanti Police Department 3 years early. Attorney Vincent presented Mr. Van Duzen's expenses and stated that Mr. Van Duzen would have a higher pension level had he not been forced to retired due to injury. Mr. Van Duzen and Attorney Vincent requested that the Board increase Mr. Van Duzen's pension in line with what he could have expected had he served out his last 3 years.

Board Attorney Michaud thanked Attorney Vincent for his presentation and Mr. Van Duzen for his service. He then explained that as administrative body the Fire and Police Pension Board does not have the authority to increase an individual's pension, but only to implement policies as negotiated between the city and the union. Board Attorney Michaud also discussed the poverty threshold program and it's universal application to all pensioners.

Board Attorney Michaud and Attorney Vincent discussed two options for increasing Mr. Van Duzen's pension: 1. to wait for an increase due to poverty thresholds; 2. to present to city council.

Changing beneficiary after retirement

Board Assistant Osborne requested Board Attorney Michaud discuss the legal issues and options for retiree to change his/her beneficiary after retirement, whether due to divorce or other life change.

Board Attorney Michaud explained the options for retirement and choosing a beneficiary. Upon retirement a pensioner must choose one of three options:

1. Straight life- all benefits go to beneficiary
2. 60% plan where both the pensioner and his/her surviving receive 60% of the benefits.
3. 50% plan where the retiree gets 70% of the benefits while living and his/her surviving beneficiary gets 50%. This option is usually chosen when the retiree elects a child or non spouse beneficiary.

Statute amended to allow court order to change a pensioners plan to straight life. It would not

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allow for beneficiary change, but does allow pensioner to have more money while living and remove any benefits received by the beneficiary after the pensioner passes away. This is something that is usually handled in a divorce decree or by an attorney specializing in divorce.

Any changes to these options would have to come from an agreement between the Union and City Council. This is different than options available in private sector retirement funds.

AUDIENCE PARTICIPATION – none

PRESIDENT'S REPORT (PEARSON) –

President Pearson thanked the Board for its support over the years and stated that the mayor has not yet discussed a replacement to bring the board back up to 5 members. The new Mayor Bashert has discussed plans for an orientation and more formal oversight for people who serve on city boards.

President Pearson reported that changing assumptions and preventing the 60% oversight trigger by the state was much discussed at MAPERS.

CORRESPONDENCE (YUCHASZ) – Letter requesting information from Raymond James was taken care of by Financial Consultant Diskin's office.

FINANCIAL REPORT (DISKIN) –

Financial Consultant Diskin discussed the current state of the stock market, the effects of the global geopolitical instability on financial markets, and the Federal rate increases.

GRS Final report Financial Consultant Diskin also reviewed the final report received from GRS.

President Pearson brought up the unusual election of soon to be retired Fire Chief Max Anthourd to leave all his DROP funds in his DROP account. Board Attorney Michaud stated that IRS regulations force withdrawal of pension funds by the age of 70 ½ if not before. City Treasurer Uy affirmed that they will need to find a way to set up a flag in the system. After discussion, Trustee Quinn offered and Trustee Yuchasz supported, a motion to direct the city to comply with IRS regulations governing required minimum distributions.

MOTION: Trustee Quinn offered and Trustee Yuchasz supported, a motion to direct the city to comply with IRS regulations governing required minimum distributions.

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APPROVED (Quinn/Yuchasz)

MOTION: Trustee Quinn offered and President Pearson supported, a motion to receive and file the final actuarial report from GRS and make the reserve transfers for payments.

APPROVED (Quinn/Pearson)

President Pearson pointed out the newly adopted funding resolutions and the impact they will have on the funding ratio.

NEW BUSINESS- Part 1

City council request for actuarial presentation: The City Council of Ypsilanti has strongly requested an actuarial presentation by GRS at their next meeting. City Council has further asked for the Pension Board to pay for this presentation at a rate of \$325 per hour.

The Board Trustees discussed the arguments for and against the Board agreeing to pay this bill. Arguments for were that this may be a worthwhile expense in the interest of educating city council members on pension funds, actuarial work, and the necessity of the recent assumption changes. Arguments against were that this is a duplication of the presentation already done for the board at public meetings which can be attended by any city council member and that the city has pushed to keep the Pension Board as a very separate entity but is now asking the Board to pay for a presentation on the City's behalf.

Trustee Uy stated that if the Board agrees to pay for a presentation, she will ensure that it is scheduled first thing at the next council meeting to minimize the cost to the Pension Fund.

MOTION: Trustee Quinn offered and President Pearson supported the motion to pay \$325 towards a presentation by board actuary GRS to the City Council of Ypsilanti at their next meeting on December 18, 2018 at 7 pm. Trustee Quinn offers this as a gesture of education and transparency to facilitate discussion of the reasons behind the recent funding changes. **APPROVED (Quinn/Pearson)**

PAYMENT RESOLUTIONS

- A. **RES 2018-44** Approve payment to *Orleans Capital Management* for investment management services for the period 7/01/18 – 9/30/18, in the amount of \$7,118.72.

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(Quinn/Uy)

- B. **RES 2018-45** Approve payment to *MAPERS* for 2019 membership dues, in the amount of \$200.00. (Quinn/Uy)
- C. **RES 2018-46** Approve payment to Janelle Osborne, Board Assistant, for services rendered for the period of 10/11/18-12/5/18 in the amount of \$1,160.00. (Quinn/Uy)

OLD BUSINESS

RFI update from Board members— Trustee Richard Barnabo—*Boomershine*, President Don Pearson—*Gabriel, Roeder, Smith & Company*, Trustee Patrick Quinn—*Nyhart* and Secretary Brent Yuchasz—*Rodwan*

Outgoing President Pearson gave his copies of the actuarial proposals for incoming President Quinn. Board Attorney Michaud reminded the board that law requires an actuarial review or change of actuary every 8 years, but that actuarial review happened last year. After discussion the Board is satisfied with current actuarial services through GRS. Incoming President Quinn will contact GRS to begin negotiations for a new contract.

MOTION: Trustee Quinn offered and Trustee Yuchasz supported the motion to acknowledge the review of actuarial quotes from other firms and to engage in negotiations with GRS for a new contract. **APPROVED (Quinn/Yuchasz)**

2018 Retiree Verification Update - a new address for Chris Roach has been found.

NEW BUSINESS- Part 2

2019 Meeting calendar- time might change pending new board member selection.

Contact information for Board Assistant - a gmail account has been retained for use by the Pension Board and staff. The associated email address is fireandpolicepensionboard@gmail.com and the phone number is (734) 926-9282. Additional email addresses will be retained by Board Assistant Osborne as needed and forwarded to this one to prevent confusion.

RES 2018-47 Jamaica S. Skender - Refund of Accumulated Contributions in the amount of \$5,492.93. **APPROVED (Quinn/Barnabo)**

WHEREAS, the Board of Trustees is in receipt of a request from Jamaica S. Skender request-

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ing refund of her accumulated contributions to the City of Ypsilanti Fire and Police Retirement System; and

WHEREAS terminated service with the Ypsilanti Fire Department effective August 27, 2018 at which time she had 2 years, 4 months, and 2 days of service credit from her hire date of April 25, 2016.

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

RESOLVED, that the Board of Trustees hereby approves the request of Ms. Skender to refund accumulated contributions of \$5,379.19 with interest of \$113.74, and further

RESOLVED, that payment in the total amount of \$5,492.93 be made to Ms. Skender 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 Ms. Skender.

RES 2018-48 Donald Pearson Testimonial Resolution of Appreciation **APPROVED (Quinn/Yuchasz)**

WHEREAS, Donald Pearson has faithfully served the City of Ypsilanti Fire and Police Retirement System as board president pursuant to applicable Retirement System provisions, and

WHEREAS, President Pearson immediately displayed an understanding of the fiduciary responsibilities a Trustee must have to serve the members and beneficiaries of the Retirement System, and

WHEREAS, President Pearson carried out his fiduciary responsibilities with dedication, sincerity, scholarship, hard work and honor and has provided distinguished leadership to the Board and the members and beneficiaries of the Retirement System, and

WHEREAS, the Trustees, the members and beneficiaries of the Retirement System, the City employees and citizenry owe a debt of gratitude to President Pearson for his sacrifice and service to the Retirement System, therefore be it

RESOLVED, that the Board of Trustees, on behalf of itself and all concerned, hereby expresses its gratitude and appreciation to President Pearson for his honorable and distinguished service as a Trustee, and further

RESOLVED, that the Board of Trustees, on behalf of all the aforementioned parties, says

"Thank You for your dedication and a Job Well Done".

~~**RES 2018-49** Approved payment to Trustee Quinn for Donald Pearson's Retirement lunch half on December 10, 2018 at Haab's in the amount of \$_____ **APPROVED (Barnabo/Yuchasz)** Unused- luncheon paid for by Financial Consultant Diskin~~

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RES 2018-50 Fire Chief Max Anthouard – Service Retirement **APPROVED pending payroll information (Pearson/Yuchasz)**

WHEREAS, Max Anthouard is a participant in the Deferred Retirement Option Plan (“DROP”), effective March 3, 2014, and

WHEREAS, at the time of DROP participation, Max Anthouard had 2 years, 6 months, 3 weeks, and 5 days of service credit and met all the requirements for participation in the DROP as established in Act 345 and the applicable collective bargaining agreement, and

WHEREAS, Max Anthouard was provided all the necessary reports and elected a Regular form of retirement benefit naming Mary Elizabeth Anthouard as option beneficiary, and

WHEREAS, Max Anthouard submitted an application for a service retirement to the Board of Trustees requesting an effective retirement date of January 4, 2019, and

WHEREAS, Max Anthouard has elected not to transfer his DROP Account distribution in the amount of \$ _____,* and

WHEREAS, the Board of Trustees is in receipt of all the necessary personal and financial data, including documentation of birth and marriage, and the Board’s actuary has completed all necessary reports regarding the benefits calculations, the Board of Trustees has verified that Max Anthouard meets all the requirements for a service retirement, therefore be it **RESOLVED**, that the Board of Trustees hereby grants the service retirement of Max Anthouard effective January 4, 2018, and further

RESOLVED, that Max Anthouard shall receive an annual pension benefit of \$ 51,780.84, effective January 4, 2018, and further

RESOLVED, that Max Anthouard shall receive a bi-weekly pension benefit of \$1,991.57, effective January 4, 2018, and further

*RESOLVED, that Max Anthouard shall receive a DROP Account distribution in the amount of \$ _____ * effective January 4, 2018, and further*

RESOLVED, that the benefits be paid consistent with the foregoing and that a copy of this resolution shall be forwarded to Max Anthouard, the Personnel Administrator and the Finance Department.

*Upon receipt of calculations from the Finance Department.

RES 2018-51 Brenden Harrison - Refund of Accumulated Contributions in the amount of \$ 19,019.41. **APPROVED pending completion of paperwork (Barnabo/Yuchasz)**

WHEREAS, the Board of Trustees is in receipt of a request from Brenden Harrison requesting refund of his/her accumulated contributions to the City of Ypsilanti Fire and Police Retirement System; and

WHEREAS terminated service with the Ypsilanti Fire Department effective 12/7/2018 at

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which time he had 5 years, 1 month, 3 weeks, and 6 days of service credit from his hire date of 10/10/13.

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

RESOLVED, that the Board of Trustees hereby approves the request of Mr. Harrison to refund accumulated contributions of \$18,319.42 with interest of \$699.99, and further

RESOLVED, that payment in the total amount of \$19,019.41 be made to Mr. Harrison 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 Mr. Harrison.

Ricardo Bolden - YPD Retiree Death (details pending)

ADJOURNMENT- President Pearson offered and Trustee Quinn supported the motion to adjourn the meeting at 11:05 am.

Adjourned 11:05 am

Next Meeting Scheduled:
Monday, February 11, 2019 @ 9:00 a.m.
City of Ypsilanti: City Hall
1 S. Huron, Ypsilanti, MI 48197