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ROBERT E. SULLIVAN, SR. (1922-1998)
DAVID M. TYLER (1930-2002)
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February 25, 2013

Mr. Christopher Crawley
6696 Sadie Lane
Belleville, MI 48111-5256

Mayor Hilliard Hampton, Jr.
26075 Avondale
Inkster, Michigan 48141

Mr. Charles Hines
36750 Parkcrest
Apt. 203
Westland MI 48185

Mr. Barry O'Bryan
6350 Glastonbury
Westland, Michigan 48185

Ms. Jean Overman
26775 Stanford Street
Inkster MI 48141

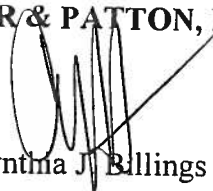
Re: City of Inkster Policemen and Firemen Retirement System

Dear Trustees:

Enclosed please find a draft of the minutes from the February 7, 2013 meeting along with the proposed agenda for the March 7, 2013 regular meeting at 4:00 p.m.

If you have any questions or comments, please advise.

**SULLIVAN, WARD,
ASHER & PATTON, P.C.**


Cynthia J. Billings

CJB/lak

Enclosure

cc (w/enc.): Treasurer Mark Stuhldreher
cc (w/enc.): Brian Green, Morgan Stanley
cc (w/enc.): Dan Berd, Comerica Bank
cc (w/enc.): Deputy Treasurer Lynn Ellyn
cc (w/enc.): Felicia Rutledge, City Clerk

W1244672.DOC/IPF/115995

**BOARD OF TRUSTEES
CITY OF INKSTER
POLICEMEN AND FIREMEN RETIREMENT SYSTEM MINUTES
February 7, 2013**

The Regular Meeting of the Board of Trustees of the City of Inkster Policemen and Firemen Retirement System was held on Thursday, February 7, 2013, at the Inkster Fire Department, 27717 Michigan Avenue, Inkster, Michigan 48141.

Chairman Christopher Crawley called the meeting to order at 4:00 p.m.

Present on Roll Call: Trustees Jean Overman, Charles Hines, Hilliard Hampton, Jr., Barry O'Bryan and Chairman Christopher Crawley.

Absent: None

Others in attendance: Cynthia J. Billings, Esq., Sullivan, Ward, Asher & Patton, P.C., Brian Green, Graystone Consulting and Anthony Abdallah, retiree.

AMENDMENTS TO AGENDA

It was MOVED by Trustee O'Bryan, seconded by Trustee Hines to amend the Consent Agenda to add reimbursement to Trustee Overman for NCPERS 2013 Legislative Conference held January 27-28, 2013 in Washington, DC in the amount of \$175.74.

Unanimously approved.

PUBLIC COMMENT

Trustees Hines thanked everyone on behalf of the Hines family for the condolences sent for his son Shawn Hines.

CONSENT AGENDA

- A. Approval of Minutes January 3, 2013
- B. Invoice from McMillan Office, Inc. Asset Management for Investment Manager fees 4th Quarter 2012 in the amount of \$12,221.13.
- C. Invoice from Loomis Sayles for Investment Management fees 4th Quarter 2012 in the amount of \$5,553.55.
- D. Invoice from Herndon Capital Management for Investment Management fees 4th Quarter 2012 in the amount of \$2,374.36. Note: the fee was prorated for termination date of 12/18/2012.
- E. Invoice from Sullivan Ward Asher & Patton for legal services 4th Quarter in the amount of \$8,253.46.
- F. Invoice from Morgan Stanley for Investment Consulting fees 4th Quarter 2012 in the amount of \$12,751.38.

- G. Reimbursement to Trustee O'Bryan for NCPERS 2013 Legislative Conference held January 27-28, 2013 in Washington, DC in the amount of \$167.85.
- H. NCPERS Membership Renewal for 2013 in the amount of \$225.00
- I. Reimbursement to Trustee Overman for NCPERS 2013 Legislative Conference held January 27-28, 2013 in Washington, DC in the amount of \$175.74.

It was MOVED by Trustee Hines, seconded by Trustee Hampton to approve the Consent Agenda as presented.

Unanimously approved.

OLD BUSINESS

- A. January 2013 Trustee Appointments

The Trustees accepted for informational purposes, Resolution No. 12-11-256R wherein the council of the City of Inkster re-appointed Mayor Hampton to the Police and Fire Retirement Board.

- B. Anthony Abdallah Application for Retirement

The Trustees reviewed the voluntary retirement agreement and release entered into between the City of Inkster, the Teamsters Local 214 and Anthony Abdallah whereby Mr. Abdallah will be entitled to retire with 23 years' of credited service. The Trustees reviewed the benefit calculations prepared by the actuary. Mr. Abdallah advised the Trustees that he intended to request a \$10,000 annuity withdrawal. Mr. Abdallah advised the Board of Trustees that he is currently disputing the amount being deducted by the City from his pension for his health insurance. As a result, it was MOVED by Trustee Hines, seconded by Trustee Overman that,

WHEREAS, Anthony Abdallah, a Teamsters member, has applied for a normal retirement to be effective 12/31/2012; and

WHEREAS, Said applicant is 50 years of age and has 23 years, four months and three days of service; and

WHEREAS, Said applicant has elected the normal retirement with spouse coverage form of retirement benefit under the pension provisions; and

WHEREAS, Said applicant is eligible for the 1 1/2% COLA 3 years after retirement, 1% compound COLA 5 years after retirement, and 2% compound COLA 10 years after retirement;

WHEREAS, It appears that said applicant has met all of the requirements for a normal retirement under the pension provisions;

RESOLVED, That Anthony Abdallah be granted a normal retirement with 60% spouse coverage form of retirement benefit, with annuity withdrawal in the amount of \$10,000 to be effective 12-31-2012; and

RESOLVED, That Anthony Abdallah be granted a monthly pension in the amount of \$3,294.70; and

RESOLVED, That a copy of this resolution be forwarded to the Board's custodial bank with instructions that it add said retiree to the retirement rolls and begin paying monthly pension benefits consistent herewith; and

RESOLVED, That a copy of this resolution be forwarded to said retiree.

Unanimously approved.

NEW BUSINESS

None.

REPORTS

A. Treasurer's Report.

None.

B. Morgan Stanley

Brian Green presented correspondence from JD Martin & Company regarding the fact that ArcelorMittal corporate debt was downgraded by the rating agencies to just below investment grade. The Retirement System, through JD Martin, currently holds 80,000 shares of said corporate debt. The portfolio manager for JD Martin & Company, Mr. Michael Backman, in his correspondence indicated that they recommended this corporate debt be held until the bond matures on June 1, 2013. Further, the consultant indicated his agreement with this recommendation. After discussion, it was **MOVED** by Trustee Hines, seconded by Trustee O'Bryan to direct the manager to use its best judgment in holding said securities and that further the Board is not advising JD Martin & Company to hold the security or to sell the security that that will be up to the manager's discretion.

Unanimously approved.

Mr. Green reported that City contributions received from the tax rolls were received as follows, on January 14, 2013, \$20,732.22 was received; on January 29, 2013, \$51,690.77 was received and on February 5, 2013, \$14,422.34 was received for a total of \$86,845.33.

Mr. Green presented the Performance Measurement Report as of December 31, 2012 for Trustee information, which provided that for the current period as of December 31, 2012 unaudited, Loomis Sayles at 5.51% outperformed the Russell 2500 index of 3.10%. J.D. Martin (fixed income) at .85% outperformed the BC Int Gov't/Cred Index of .35%. The S&P 500 Index ETF at -0.41% trailed the S&P 500 Index at -0.38%. The combined account for the quarter at 1.64% outperformed the manager allocation index of .95%

C. Legal Counsel Report

Attorney Billings reviewed the 2010 and 2011 summary annual report and listed expenses paid by soft dollars. After discussion, it was MOVED by Trustee O'Bryan, seconded by Trustee Hines to approved these reports as represented.

Unanimously approved.

Attorney Billings reviewed with the Trustees the amendments to the Public Employee Benefit Protection Act, PA 100 of 2002 which requires retirees who are elected to the Board of Trustees by their peers, are to be compensated at the same rate as employee representatives elected to the Board.

Ms. Billings advised the Board that she had received a subpoena for documents in the matter of Dennis Watkins versus the City of Inkster et al. and lastly she provided a copy of the Saxena White Portfolio Monitoring Report for the 4th quarter 2012 for Trustee information.

It was MOVED by Trustee O'Bryan, seconded by Trustee Hines to go into closed session at 4:52 P.M. to discuss the matter of Kevin Smith versus the City of Inkster et al.

Roll call vote: Trustee O'Bryan – aye; Trustee Hampton – aye; Trustee Overman – aye; Trustee Hines – aye; Chairman Crawley – aye.

The Board reconvened at 5:07 p.m.

CORRESPONDENCE

MAPERS One Day Conference – February 8, 2013
MAPERS Spring Conference – June 2-4 Shanty Creek, Bellaire MI

After discussion, it was MOVED by Trustee O'Bryan, seconded by Trustee Overman that,

WHEREAS, The Retirement System is subject to Public Act 314 of 1965, as amended, which imposes a fiduciary responsibility and a prudent person standard upon the members of the Board of Trustees; and

WHEREAS, Said statute and applicable case law imposes personal liability upon individual trustees for any breach of fiduciary responsibilities; and

WHEREAS, The Michigan Association of Public Employee Retirement Systems (MAPERS) is holding an educational conference in Bellaire, Michigan on June 2, 2013 through June 4, 2013, at which many issues applicable to the continued sound administration of the Retirement System will be discussed and information provided by the various professionals participating in MAPERS and involved in public pension trust fund administration; and

WHEREAS, The Board of Trustees is of the opinion that attendance at said educational conference is in the best interest of the Retirement System, its members, beneficiaries and employer-sponsor;

RESOLVED, That the Treasurer or any Trustee who so desires be authorized to attend the 2013 MAPERS spring conference; and

RESOLVED, That the Treasurer or any Trustee who attends the 2013 MAPERS spring conference be provided a \$500.00 advance for said conference; and

RESOLVED, That arrangements be made with the Retirement System's custodial bank for the payment of said amounts upon presentation of itemized receipts; and

RESOLVED, That all expense payments be consistent with established policies and procedures.

Unanimously approved.

OTHER BUSINESS

Trustee O'Bryan reported that he and Trustee Overman attended the NCPERS conferences and handed out to the other Trustees information relative to said conference.

There was discussion whether or not terminated employees who are vested can transfer the value of their benefit from the Inkster Retirement System to another System. Legal counsel explained that there currently was no mechanism in the Inkster Policemen and Firemen Retirement System that would allow for such a transfer.

Legal Counsel was requested to find out from the Treasurer's office if retirement benefits had been calculated for members Nadir Jamil and Gene Derwick.

Lastly, the Trustees discussed the recent layoffs and the fact that several employees who took their annuity withdrawals have returned to work. Legal counsel was directed to determine the process that would permit them to pay back those contributions.

NEXT MEETING DATE

Thursday, March 7, 2013 at 4:00 p.m.

ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Trustee O'Bryan, seconded by Trustee Hines to adjourn the meeting at 5:25 P.M.

Respectfully submitted,

Cynthia J. Billings, Recording Secretary

Christopher Crawley, Chairman

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**BOARD OF TRUSTEES
CITY OF INKSTER POLICEMEN AND FIREMEN
RETIREMENT SYSTEM AGENDA**

March 7, 2013

**Place: Inkster Fire Department
27717 Michigan Avenue
Inkster, Michigan 48141
4:00 p.m.**

(PROPOSED) AGENDA

- I. Call meeting to order**
- II. Roll call**
- III. Amendments to Agenda**
- IV. Public Comment**
- V. Consent Agenda** (These items may be approved under one motion)
 - A. Approval of Minutes February 7, 2013
- VI. Old Business**
 - A. Retirement Calculations for Members Nadar Jamil and Gene Derwick
 - B. Repayment of Contributions upon Re-employment
- VII. New Business**
- VIII. Reports**
 - A. Treasurer's Report
 - B. Morgan Stanley
 - C. Legal Counsel
- IX. Correspondence**
- X. Other Business**
- XI. Next Meeting Date**

Thursday, April 4, 2013 - 4:00 P.M.
- XII. Adjournment**