

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

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July 31, 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

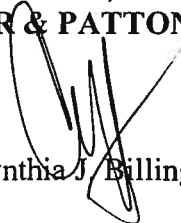
**Re: City of Inkster Policemen and Firemen Retirement System**

Dear Trustees:

Enclosed please find a draft of the minutes from the July 25, 2013 meeting along with the proposed agenda for the September 5, 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.): Felicia Rutledge, City Clerk

W1244672.v5DOC/IPF/115995

**BOARD OF TRUSTEES  
CITY OF INKSTER  
POLICEMEN AND FIREMEN RETIREMENT SYSTEM MINUTES  
July 25, 2013**

The Regular Meeting of the Board of Trustees of the City of Inkster Policemen and Firemen Retirement System was held on Thursday, July 25, 2013, at the Inkster Fire Department, 27717 Michigan Avenue, Inkster, Michigan 48141.

Chairman Christopher Crawley called the meeting to order at 4:07 p.m.

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

Absent: None.

Others in attendance: Cynthia J. Billings, Esq., Sullivan, Ward, Asher & Patton, P.C., Mark Stuhldreher, Treasurer, Brian Green, Graystone Consulting.

**AMENDMENTS TO AGENDA**

None.

**PUBLIC COMMENT**

None.

**CONSENT AGENDA**

- A. Approval of Minutes June 6, 2013
- B. Invoice from McMillan Office, Inc. for investment management fees second quarter 2013 in the amount of \$12,120.79
- C. Invoice from Morgan Stanley for investment consulting fees second quarter 2013 in the amount of \$12,819.23
- D. Invoice from Bactes for medical records related to member Fitzpatrick McLaughlin payable to Sullivan, Ward, Asher & Patton in the amount of \$33.89
- E. Invoice from Sullivan, Ward, Asher & Patton for legal services second quarter 2013 in the amount of \$12,240.00

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

Unanimously approved.

**OLD BUSINESS**

A. Ethics Policy

Each Trustee signed an acceptance to comply with the terms of the Ethics Policy as adopted by the Board on May 2, 2013.

B. Fitzpatrick McLaughlin Application for Disability Retirement

The Trustees reviewed the Medical Authority report dated July 15, 2013 and based on the recommendation of the Medical Authority that the member is physically totally incapacitated for duty as a policeman in the employ of the City of Inkster and that such incapacity will probably be permanent and the member should be retired and that further the injury could be directly related to Mr. McLaughlin's employment as a police officer with the City of Inkster, it was MOVED by Trustee O'Bryan, seconded by Trustee Hines that Mr. McLaughlin should be retired under a duty disability retirement benefit effective August 1, 2013.

Unanimously approved.

After discussion, it was MOVED by Trustee O'Bryan, seconded by Trustee Hines that Mr. McLaughlin receive a monthly annuity in the amount of \$1,500.00 effective August 1, 2013 and that further that this amount should be reconciled once the actuary has calculated his actual disability retirement benefit.

Unanimously approved.

C. Signature Verification of Pension Recipients

Attorney Billings reported that the Retirement System continues to receive the verification from pension recipients and she will continue to follow up with the Trustees regarding this matter.

**NEW BUSINESS**

A. Former member Jeffrey Ballard request for withdrawal of contributions.

After discussion, it was MOVED by Trustee O'Bryan, seconded by Trustee Hines to approve Mr. Ballard's request for withdrawal of contributions in the amount of \$8,652.40.

Unanimously approved.

B. Former member Brandon Jousma request for deferred benefit calculation/contributions available for withdrawal

Attorney Billings reported that a request has been made to the Treasurer to obtain Mr. Jousma's deferred benefit calculation so that Mr. Jousma may decide if he wants to keep his contributions in the System to be eligible for a deferred vested benefit or if in the alternative, he chooses to forfeit his retirement benefit and withdraw his contributions.

C. Correspondence regarding the City of Inkster pension valuation census data

Attorney Billings presented for Trustee information correspondence that she provided to Plante Moran regarding the pension valuations census data.

D. Former member Greg May inquiry regarding disability benefits

Trustee O'Bryan advised the Board that former member Greg May inquired about his eligibility for a disability benefit from the Retirement System. Specifically, Trustee O'Bryan indicated that Mr. May stated he was retired by the City in 1993 for a shoulder injury and that the Pension Board approved a medical retirement for him at that time. However, for some reason, he was never transitioned from workers' comp to the City pension system and also he recalls taking an annuity from the pension. After considerable discussion, it was determined that it was Mr. May's responsibility to provide the Retirement System with proof that he is eligible for disability benefits. This matter will be removed from the agenda until such time as Mr. May provides additional information.

E. Steven Tye domestic relations order

Attorney Billings provided the Trustees with a copy of a domestic relations order submitted on behalf of Steven Tye, along with her correspondence dated June 25, 2013 to Mr. Tye's former spouse, Beatrice Morgan, indicating that the Order as submitted is not acceptable.

**REPORTS**

A. Treasurer's Report.

None.

B. Morgan Stanley

Mr. Green presented the Performance Measurement Report as of June 30, 2013 for Trustee information, which provided that for the current period as of June 30, 2013 unaudited, Loomis Sayles at 1.12% underperformed the Russell 2500 index of 2.27%. McMillan (fixed income) at -1.82% underperformed the BC Int Gov't/Cred Index of -1.70%. The S&P 500 Index ETF at 2.89% underperformed the S&P 500 Index at 2.91%. The IShares MSCI EAFE at -0.93% outperformed the MSCI EAFE index at -0.98%. The combined account for the quarter at -0.09% underperformed the manager allocation index of 0.10%

C. Legal Counsel Report

Attorney Billings advised that she was preparing the application for the IRS Letter of Determination. She also presented a proposed amendment to the Public Employment Relations Act as it will impact defined benefits plans.

Ms. Billings presented her correspondence dated June 25, 2013 directed to attorney Denise Hudson, the personal representative for Mr. Shawn Hines estate. She explained that pursuant to the actuary's report, the death benefit payable totaled \$119,709.25. Of this amount, \$29,173.14 would be payable to the Alternate Payee, Melandie Hines pursuant to the EDRO. The remaining \$90,536.11 is payable pursuant to the Charter to the dependent, minor child. Ms. Billings presented a benefit schedule for both the dependent minor child and the Alternate Payee prepared by the consultant Brian Green which illustrates the monthly payment payable to both the Alternate Payee and the dependent minor child over a 36 month period with interest credited at 3.5% per annum as required by the City Charter. After discussion, it was MOVED by Trustee Hampton, seconded by Trustee Crawley that the Alternate Payee would receive a monthly payment of \$854.83 payable for 36 months. The taxable and non-taxable portion would be calculated pursuant to the amortized spreadsheet prepared by the Retirement System investment consultant.

Unanimously approved.

After discussion, it was MOVED by Trustee Hampton, seconded by Trustee Crawley that the dependent minor child would receive a benefit amount of \$2,652.90 per month for 36 months with the taxable and non-taxable portion determined by the amortized spreadsheet prepared by the Retirement System's investment consultant.

Unanimously approved.

Ms. Billings presented for Trustee information the Robbins Geller portfolio monitoring report for May 2013 and the Milberg portfolio monitoring report for the first quarter 2013.

**CORRESPONDENCE**

None.

**OTHER BUSINESS**

After discussion, it was MOVED by Trustee Hampton, seconded by Trustee Hines 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 MAPERS 2013 Fall Conference, Amway Grand Plaza Hotel, Grand Rapids, Michigan September 22-September 24, 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 this conference 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 any Trustee who so desires be authorized to attend the MAPERS 2013 Fall Conference September 22 through September 24, 2013 in Grand Rapids, Michigan; and

RESOLVED, That any Trustee who attends the MAPERS 2013 Fall Conference, September 22 through September 24, 2013 in Grand Rapids, Michigan 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.

After discussion, it was MOVED by Trustee Hampton, seconded by Trustee Hines 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 International Foundation 59<sup>th</sup> Annual Benefits Conference, Las Vegas, Nevada October 20-October 23, 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 this conference 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 any Trustee who so desires be authorized to attend the International Foundation 59<sup>th</sup> Annual Benefits Conference October 20 through October 23, 2013 in Las Vegas, Nevada; and

RESOLVED, That any Trustee who attends the International Foundation 59<sup>th</sup> Annual Benefits Conference, October 20 through October 23, 2013 in Las Vegas, Nevada be provided a \$1,000.00 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.

It was MOVED by Trustee Hines, seconded by Trustee Overman to go into closed session at 4:50 p.m..

Roll call Vote:           Hines - Aye  
                                  Overman – Aye  
                                  Hampton – Aye  
                                  O'Bryan – Aye  
                                  Chairman Crawley – Aye

The Board reconvened at 4:55 p.m.

It was MOVED by Trustee Hines, seconded by Trustee O'Bryan to approve the minutes of the closed session meeting held on June 6, 2013.

**NEXT MEETING DATE**

Thursday, September 5, 2013 at 4:00 p.m.

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

**September 5, 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 July 25, 2013
- VI. Old Business**
  - A. Fitzpatrick McLaughlin Application for Disability Retirement (benefit calculation)
  - B. Signature Verification of Pension Recipients
  - C. Former member Brandon Jousma request for deferred benefit calculation/contributions available for withdrawal
  - D. Former member Casey Workman request to rollover contributions
  - E. Former member Eric Ramirez request for deferred vested benefit calculation
- 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, October 3, 2013 - 4:00 P.M.
- XII. Adjournment**