

**MINUTES OF THE RETIREMENT COMMISSION
Monday, December 19, 2016**

A special meeting of the Retirement Commission was held on Monday, December 19, 2016 at 3:00 p.m., in the Administration Building, 9th Floor Conference Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Chair David Flynn, Vice-Chair Gary Cutler, Mark Deldin, Carol Grant, Bob Hoepfner, Derek Miller, George Brumbaugh

Excused:

Matthew Murphy

Also Present:

Stephanie Dobson, Stephen Smigiel, Eric Herppich, Karen Bathanti, John Schapka, Bryan Santo, John Kravitz, Tom Michaud

1. Call to Order

There being a quorum of the Board present, the meeting was called to order at 3:06 p.m. by Chair Flynn.

2. Adoption of Agenda

Chair Flynn requested to move Chairman's Comments to the end of the agenda. There were no objections.

A motion was made by Trustee Hoepfner, supported by Trustee Deldin to approve the agenda and move Chairman's Comments to the end of the meeting. The motion carried.

3. Public Participation

None

4. Pension Calculation Question

-- Coleen Head

-- Mark Steenbergh

A motion was made by Trustee Deldin, supported by Trustee Grant to enter into closed session to discuss these matters and the opinion provided by Mr. Michaud. A roll call vote was taken with all members responding affirmatively to enter into closed session. The motion carried.

A motion was made by Trustee Hoepfner, supported by Trustee Deldin to come out of closed session. The motion carried.

In the case of Ms. Head, a motion was made by Trustee Deldin, supported by Trustee Hoepfner to recommend Ms. Head's Final Average Compensation (FAC) be based on her last date of employment, back four years upon her effective retirement date with a multiplier of 2.4. The motion carried.

In the case of Mr. Steenbergh, a motion was made by Trustee Miller, supported by Trustee Deldin to recommend Mr. Steenbergh's FAC be based on his last date of employment, back five years upon his effective retirement date with a multiplier of 2.2. The motion carried.

5. 2017 Proposed Budget

Mr. Smigiel presented the recommended budget for 2017. He also provided some prior year history for the years 2013, 2014, 2015 and year-to-date 2016. This budget starts January 1, 2017 and runs through December 31, 2017.

A motion was made by Vice-Chair Cutler, supported by Trustee Grant to approve the 2017 Proposed Budget as presented. The motion carried.

6. Executive Session to Review Proposed Settlement

A motion was made by Trustee Deldin, supported by Trustee Miller to enter into closed session to review the proposed settlement. A roll call vote was taken with all members responding affirmatively to enter into closed session. The motion carried.

A motion was made by Trustee Hoepfner, supported by Trustee Deldin to come out of closed session. The motion carried.

A motion was made by Trustee Deldin, supported by Trustee Grant to approve the proposed settlement as presented by Corporation Counsel. The motion carried.

7. Legislative Update

Mr. Michaud provided the Board members with an update regarding the lame duck bill that had been proposed in early December. This was proposed legislation dealing with retiree health care liabilities and benefits. That particular bill was primarily focused on limiting health care contributions an employer can make toward retiree health care and it was tied to a retirement system's funded status. At this point, that bill did not make it through and is not going to be a law in 2016. He mentioned, however, that this is likely to be renewed in early 2017 and he anticipates significant discussion dealing with changes to pension and health care. Mr. Michaud will keep the Board posted on any changes that arise in the coming months.

8. Independent Counsel Review

Mr. Smigiel gave the Board an overview of the two bids that were received (one from VanOverbeke, Michaud & Timmony and the other from Clark Hill). VanOverbeke has been legal counsel for the Retirement Commission for many years and came back with a bid of \$175.00 per hour. Clark Hill's bid was \$240.00 per hour which is about 37% higher than VanOverbeke. VanOverbeke is paid approximately \$28,000 per year and he is estimating that at the Clark Hill rate, the yearly expenditure would increase roughly \$10,000.

Chair Flynn reminded the Board that the Intermediate Trust Board just went through the interview and selection process for Independent Counsel about a year ago. He stated that the experience that VanOverbeke has with municipal clients and the depth of their team definitely gave them an edge over the other candidates.

A motion was made by Trustee Deldin, supported by Trustee Hoepfner to continue with the same legal firm (VanOverbeke, Michaud & Timmony). The motion carried.

9. Chairman's Comments

This is Chair Flynn's last meeting and he stated that he has enjoyed learning about the investment process and working with the other members of the Board. He feels that the Board does a really good job and has a lot to be proud of because promises have been made to employees and those promises can be kept. He said that shows the strength of the system. Moving forward he would recommend a deeper investment on educating the employees on different benefit levels to help them gain a better understanding of what is available to them when they retire.

10. Other Business

Trustee Hoepfner stated that this is also his last Retirement Commission meeting as he will be retiring at the end of the year. He said it has been a pleasure to serve with all of the members of this Board (past and present) and he expressed appreciation for his time spent sitting on this Board.

This is also Trustee Miller's last meeting and he stated that he enjoyed the learning process very much and found the time he spent serving on the Retirement Commission very rewarding.

11. Adjournment

There being no further business before the Board, a motion was made by Trustee Deldin, supported by Trustee Miller to adjourn the meeting at 4:09 p.m. The motion carried.