

CITY OF LINCOLN PARK
POLICE and FIRE RETIREMENT COMMISSION

1427 Cleophus Lincoln Park, Michigan 48146

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES
March 23, 2022**

PRESENT: Jeff Stacho, Trustee
Paul Pavlovich, Trustee
Thomas Karnes, Trustee
Thomas Jankowski, Trustee
Maureen Tobin, Trustee

ALSO PRESENT: Frank Judd, VanOverbeke, Michaud & Timmony, P.C.
Jack Timmony (via telephone), VanOverbeke, Michaud & Timmony. P.C.
Brad Armstrong, Gabriel Roeder Smith & Company
Aaron Aune, PNC Institutional Asset Management
Craig Haynes, PNC Institutional Asset Management
Jacob Witkowski, PNC Institutional Asset Management
Charlotte Benke, Recording Secretary

Chairman Jeff Stacho called the meeting to order at 10: 02 a.m.

APPROVAL OF MINUTES

Re: Minutes of January 26, 2022, Revised

RESOLUTION 3-22-008 By: Maureen Tobin, supported by Paul Pavlovich

Resolved, that the revised minutes of the regular meeting held January 26, 2022 be approved.
Yeas: 5

Re: Minutes of Special Meeting held February 9, 2022

RESOLUTION 3-22-009 By: Paul Pavlovich, supported by Thomas Jankowski

Resolved, that the minutes of the special meeting held February 9, 2022 be approved.
Yeas: 5

Re: Minutes of Regular Meeting February 23, 2022

RESOLUTION 3-22-010 By: Thomas Karnes, supported by Thomas Jankowski

Resolved, that the minutes of the regular meeting held February 23, 2022 be approved.
Yeas: 5

APPROVAL OF BILLINGS

RE: PNC INSTITUTIONAL ASSET MANAGEMENT 3RD QUARTER 2022

RESOLUTION 3-22-011 By: Thomas Karnes, supported by Thomas Jankowski
Yeas: 5

RE: PNC INSTITUTIONAL ASSET MANAGEMENT 4TH QUARTER 2022

RESOLUTION 3-22-012 By: Thomas Karnes, supported by Thomas Jankowski
Yeas: 5

RE: REIMBURSEMENT OF \$250.00 FOR MAPERS DUES FOR THE YEAR 2022 TO TRUSTEE PAUL PAVLOVICH

RESOLUTION 3-22-013 By: Thomas Karnes, supported by Maureen Tobin
Yeas: 5

REPORTS

FEG INVESTMENT ADVISORS

Not present at meeting but provided the Monthly Flash Report which the Board reviewed.

Motion to receive and file.

LEGAL REPORT

Mr. Frank Judd was present at the meeting and discussed Michigan Attorney General Opinion #7318. Mr. Judd distributed and discussed a memorandum regarding that Opinion, as well as the Michigan Open Meetings Act, 1976 PA 267, MCL 15.261, and the expiration of certain provisions that relate to remote meetings. The AG Opinion discusses how public bodies can comply with requirements of the OMA while also following the

requirements imposed by the Americans with Disabilities Act. Legal counsel recommends including the following language on all meeting notices and postings:

The [Retirement System] does not discriminate on the basis of disabilities in admission or access to its programs, activities, or services as required by Title II of the Americans with Disabilities Act of 1990. If you require further information or need to request an accommodation under the Americans with Disabilities Act, please contact _____ by email at: _____ or by calling _____.

Report received and placed on file.

GABRIEL ROEDER SMITH & COMPANY

79TH ACTUARIAL VALUATION REPORT

JUNE 30, 2021

1. Actuarial presentation: Brad Armstrong, Gabriel Roeder Smith & Company, was present at the meeting and presented the **79th Actuarial Valuation Report**, as of June 30, 2021.

Page A-1 shows the Funding Objective and Contribution Rates which are the normal cost and unfunded actuarial accrued liability.

On Page A-2 the City's Computed Contributions for the fiscal Year Beginning July 1, 2022, and 2021, which include normal costs and unfunded Actuarial Accrued Liabilities. Normal Cost of Benefits is determined by collection of data which include age and service, death before retirement, disability and future refunds of member contributions which is 19.40% of covered payroll. Members cover 10.51% of the 22.66% which leaves 12.15% as the City's Normal Cost.

The Unfunded Actuarial Accrued Liability is 114.67% of covered payroll. The City's total contribution is 126.82% of payroll or \$5,628,608. Page A-3 of the Valuation shows the Payment schedule in quarterly payments and accelerated schedule two payments ½ paid in September and second half in March. This accelerated plan is what was used the last four years by the City.

Page A-6 and A-7 is the Comments and Conclusion Section.

Comment A covers Public Act 22 regarding funded status of retirement systems

Comment B: Receipt of contributions is still mission critical.

Comment C covers the 5-year smoothed market asset valuation method

Comment D funded ratio has increased from 35.3% last year to 39.4% this year
Mr. Armstrong stated that much better knowing payments from City being paid on time.

Motion to receive and approve the 79th Actuarial Valuation Report as presented, to provide a copy to the City/Employer, and to certify the amount of Employer Contribution due as reflected on page A-2 of the report.

By: Thomas Karnes, supported by Maureen Tobin Yeas: 5

BENEFITS ADMINISTRATION

Retirements:

Steve Martin has applied for a service retirement to be effective March 18, 2022. Mr. Martin is 50 years of age and has 25 years and 8 months of service. Mr. Martin has elected to receive the \$3,500.00 monthly stipend until his final numbers are received from the Board's actuary. All requirements for a service retirement under the pension provisions have been met.

Motion to grant Steve Martin a service retirement with the \$3,500.00 stipend until his final numbers are received from GRS.

By: Thomas Jankowski, supported by Maureen Tobin Yeas:5

OLD BUSINESS

1. **PNC BANK:** Aaron Aune, Craig Haynes, and Jacob Witkowski of PNC Bank were present at the meeting to discuss retiree benefit payments. Trustee Karnes contacted PNC Bank for an update regarding whether PNC could adjust retiree payments when the payment date fell on the weekend or on a holiday to prevent delays in retirees receiving payment. Discussion followed.

Motion to direct PNC to begin process of adjusting the payment process to prevent delays in retirees receiving benefit payments.

By: Thomas Jankowski, supported by Maureen Tobin Yeas: 5

NEW BUSINESS

Calculations regarding Brian Hawk have been received from the Actuary. Mr. Hawk retired with a duty disability retirement and also had an EDRO. There was an overpayment to Mr. Hawk and his former spouse Carol Hawk.

Motion to direct legal counsel to send letters to both parties regarding overpayment issue

By: Maureen Tobin supported by Thomas Karnes Yeas:5

CORRESPONDENCE

None.

Trustee Thomas Karnes left the meeting at 11:22 a.m.

OPEN FORUM

Persons in the audience comments and requests: The Board Chair requested that speakers limit time to 5 minutes each.

Mr. Mandell: requested a list of retirees reviewed back to 2014.

Michael Powers: requested a copy of his contract January 2019.

Joe Lavis: Copy of Actuarial Report.

Discussion followed.

Motion to give printed copy of the Annual Actuarial Valuation to retiree as requested.

By: Thomas Jankowski, supported by Maureen Tobin Yeas: 4

ANNOUNCEMENTS

Next meeting: Wednesday, April 27, 2022 at 10:00 a.m.

ADJOURNMENT

RESOLUTION 3-22-014 By: Jeff Stacho, Supported by Thomas Jankowski

Resolved, that the meeting be adjourned at 12:20 p.m.

Yeas: 4