

Present: Chairperson Shock; Members: Briggs, Maxwell and Mercer

Absent: Fisher

Also Present: Village Manager, Wilson  
Village Attorney, Ryan  
Asset Strategies, Ghannam and Vitta

Chairperson Shock called the regular Retirement Board meeting to order at 6:32 p.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

**REVIEW AND APPROVE MINUTES OF A REGULAR RETIREMENT BOARD MEETING HELD ON MAY 28, 2013**

Motion by Maxwell, second by Briggs, that the minutes of a regular Retirement Board meeting held May 28, 2013 be approved as submitted.

Motion passed.

**2013 SECOND QUARTER PERFORMANCE REPORT BY ASSET STRATEGIES**

Motion by Maxwell, second by Briggs, to accept the 2013 Second Quarter Performance Report from Asset Strategies as published.

Motion passed.

**UPDATE ON LIQUIDATION OF ASSETS AND TRANSFER TO MERS**

Katherine Ghannam from Asset Strategies distributed an updated report dated August 27, 2013 regarding the liquidation of Beverly Hills PSO Retirement Plan and transfers to Michigan Employee's Retirement System (MERS). Transfers to MERS since July 30, 2013 total \$16,308,000 including \$194,576.72 from the cash account. Remaining funds include the following:

**Cash:**

1. \$1,500.41 – World Asset Management S&P 900 Account
2. \$374,522.35 – Munder Capital Account
3. \$6,764.85 – Mutual Fund Account

**Other (pending liquidation):**

4. About \$29,000 – Western Liquidating Trust: MERS will not accept an in kind contribution from a transfer of the trust to MERS.
5. Lyster Watson – approximately \$11,000 has yet to be distributed. A return of capital of \$7,835.85 was made on August 21, 2013. The balance of the fund has not been distributed.

Ghannam referred to the Western and Lyster Watson accounts, noting that they are securities that have been sold but are pending settlement. She suggested that the Village speak with the custodial officer at Comerica Bank regarding how they recommend these two securities be

maintained until they are settled. Manager Wilson remarked that the Village is maintaining a cash account for payments to Drop Plan employees.

Further comments and questions from Board members and Wilson on the liquidation process were addressed by Ghannam. She mentioned that the Village Manager or Finance Director can direct its custodian bank to make the necessary transfers.

### **CONTRACT FOR SERVICES WITH ASSET STRATEGIES**

Wilson stated that the Village has a contract with Asset Strategies that has been discussed recently in lieu of the process of liquidating pension assets and transferring those funds to the MERS Public Safety Defined Benefit Pension Plan. He added that the Retiree Health Care funding option will be going before the Village Council for consideration of transferring the management of that fund to MERS. Those assets would also be liquidated and transferred if that occurs.

If there are no objections from the Board, Wilson would be willing to forward a recommendation to Council to send notice to Asset Strategies to terminate the contract for management of the Retirement Plan as per the terms of that contract. The Public Safety Pension Plan and the Retiree Health Care plan are under separate agreements.

Village Attorney Ryan affirmed that the liquidation process is in place, and there will no longer be assets for Asset Strategies to manage relative to the PSO Pension Fund. He concurred that the contract termination clause could be initiated.

Motion by Maxwell, second by Briggs, that the Retirement Board recommend that the Village Council invoke termination of the contract with Asset Strategies Portfolio Services, Inc. once the final liquidation issues relative to the PSO Pension Plan are resolved.

Members discussed items related to the liquidation process. In response to an inquiry, Vitta stated that there is a relatively automated process in place whereby the contact at Comerica Bank is notified by Western or Lyster Watson when a distribution is made, and the money is wire transferred into the appropriate account. At that point, it will be up to the Finance Director or Asset Strategies to transfer that money to MERS. Vitta remarked that the Village does not need Asset Strategies to do this; the work of Asset Strategies is effectively concluded on the Pension Fund. The termination clause requires the Village to serve the firm 30 days notice of intent to terminate the contract with no financial obligation after that time.

Wilson said that consideration of the 30-day notice to terminate the contract with Asset Strategies could be on the Council agenda for it September 17, 2013 meeting.

Roll Call Vote:

Motion passed (4 – 0).

### **PUBLIC COMMENTS**

None

**ELECT CHAIRPERSON AND VICE CHAIRPERSON**

Shock questioned whether the Retirement Board will continue to exist following the transfer of asset management and investment decisions to MERS. Attorney Ryan stated that the Village Ordinance requires the designation of members to a Retirement Board. The function of this body will be different in terms of oversight of investment decisions. There will continue to be decisions or recommendations that could be forwarded to Council in terms of budget considerations relative to pension contributions; contributions to the retiree health care fund, and; review of the annual audit report. The Board may decide to meet less often.

Motion by Mercer, second by Briggs, to table the election of chairperson and vice chairperson to be considered during the Retiree Health Care Fund portion of the Retirement Board meeting.

Motion passed.

Motion by Mercer, second by Maxwell, to adjourn the meeting at 7:10 pm.

Motion passed.