

Present: Chairperson Briggs; Vice-Chair Fisher; Members: Maxwell, Mercer and Shock

Absent: None

Also Present: Village Manager, Wilson
Director of Public Safety, Torongeau
Village Attorney, Ryan

Chairperson Briggs called the regular Retirement Board meeting to order at 6:30 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 AUGUST 27, 2013

Motion by Shock, second by Fisher, that the minutes of a regular Retirement Board meeting held August 27, 2013 be approved as submitted.

Motion passed.

REVIEW AND APPROVE MINUTES OF A REGULAR RETIREMENT BOARD RETIREE HEALTH CARE MEETING HELD AUGUST 27, 2013

Motion by Mercer, second by Fisher, that the minutes of a regular Retirement Board Retiree Health Care meeting held August 27, 2013 be approved as submitted.

Motion passed.

UPDATE ON MERS ANNUAL VALUATION

Manager Wilson stated that Finance Director Wiszowaty has been working to liquidate the remaining holdings from the Village's previous investments. There is about \$11,400 remaining with Lyster Watson to be received and just under \$30,000 with Western Asset Management on the pension side. It is estimated that these funds will be completely liquidated by May, 2014. On the Retiree Health Care side, all funds have been liquidated and transmitted to MERS (Municipal Employees' Retirement System).

Wilson stated that MERS has informed all member communities that annual valuations will be received by June 30. This is a typical schedule for MERS as their valuations are done for the year ending December 31. Wilson has been in communication with MERS regarding his concerns about not receiving the valuation until June 30. He related problems with using the annual required contribution (ARC) number from December 31, 2012 to set the budget for fiscal year 2014-2015. The valuation has contribution figures that, in normal circumstances, would be used in the formation of the upcoming budget. This particular year is unusual for a few reasons as follows:

- The Village transitioned the Pension Fund to MERS
- In this transition, the Village changed many provisions such as the DROP program, COLA, 25 and out, etc.

- The Village “closed” the Defined Benefit plan for new hires, transitioning to a Defined Contribution Plan.
- The 2013 calendar year was an extraordinarily good year for investments
- Since the transition to MERS, the Village has had multiple employees purchase service time, making rather large contributions at the time of purchase.

These factors contribute to some degree of uncertainty as to the appropriate annual required contribution. The Village can use the data as of 12/31/12 but would like more updated information if possible. Wilson has been in contact with MERS representatives to inquire about the possibility of being first in the queue for our annual valuation given the Village’s unique circumstances, or at least receive some input as to a revised ARC calculation. Wilson will provide updated information as it is received.

Retirement Board members are in receipt of a Quarterly Account Statement from MERS for Pension Funds for the quarter ended 12/31/2013. The report shows the beginning balance, what was contributed, what the Village paid out, and the interest (gains made by fund). Over the last quarter, the Village made over \$903,000 in interest. The ending balance was \$19,911,318.88.

Wilson clarified that the Pension Fund balance as of June 30, 2013 was \$16.3 million; now we are at \$19.9. The current balance figure in the quarterly report includes money from five bargaining units including the two Public Safety bargaining units, the Dispatchers’ Union, AFSCME, and Village non-union funds. At the Board’s request, Wilson will verify the bargaining unit numbers with their names.

This report does not include the Retiree Health Care Fund. Wilson will try to obtain quarterly statements for both funds.

Board members were interested in knowing the status of public safety pension fund investments after the transfer to MERS using the \$16.3 million balance. The quarterly report distributed cannot track those investment gains due to the additional contributions to the fund. Wilson will provide the Board with a better breakdown of these bargaining units in order to determine how the pension fund did after the move to MERS. He will forward a report to the members to clarify the numbers.

PUBLIC COMMENTS

None

Motion by Maxwell, second by Shock, to adjourn the meeting at 6:58 pm.

Motion passed.