



CITY OF MADISON HEIGHTS
FIRE STATION 1 - 31313 BRUSH STREET
POLICE & FIRE RETIREMENT SYSTEM MEETING AGENDA
AUGUST 30, 2022 AT 8:30 AM

CALL TO ORDER

ROLL CALL

ADDITIONS/DELETIONS

APPROVAL OF MINUTES

- [1.](#) Approval of Minutes of the Regular Meeting of July 19, 2022

MEETING OPEN TO THE PUBLIC

REPORTS

2. Morgan Stanley\Graystone Review Investment Report
- [3.](#) Request for Service Retirement Benefits – Backlund R.
- [4.](#) Request for Withdrawal of Accumulated Contributions – Seitz J.
- [5.](#) Request to Terminate Duty-Disability Retirement Benefits effective 08/31/2022 – Lock C.

UNFINISHED BUSINESS

NEW BUSINESS

ADJOURNMENT

The 2022 meetings of the Police and Fire Pension Board are scheduled for:

Tuesday, September 20, 2022 at 8:30 a.m.

Tuesday, October 18, 2022 at 8:30 a.m.

Tuesday, November 15, 2022 at 8:30 a.m.

NOTICE: Persons with disabilities needing accommodations for effective participation through electronic means in this meeting should contact the City Clerk at (248) 583-0826 or by email: clerks@madison-heights.org at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

**CITY OF MADISON HEIGHTS
POLICE & FIRE RETIREMENT SYSTEM
REGULAR SCHEDULED TRUSTEE MEETING
July 19, 2022**

Item 1.

The Meeting of the City of Madison Heights Policemen & Firemen Retirement System Board of Trustees was held on Tuesday, July 19, 2022, at 8:30 a.m. at 300 West Thirteen Mile Road, Madison Heights, Michigan.

Present: Chairperson, Jeff Gerald
Board Members: Kevin Barrett, Linda Kunath, Kevin Powers, Anthony Roberts

Others Present: Retirement System Attorney Thomas Michaud
Morgan Stanley\Graystone investment advisors Brian Brice and Rebecca Wolfe

01-23 Approval of Minutes of the Special Meeting of May 26, 2022

Motion by Trustee Powers and supported by Trustee Roberts to approve minutes of the special meeting of May 26, 2022.

Yeas: Barrett, Gerald, Powers, Roberts, Kunath.
Nays: None
Motion Carried.

Meeting Open to the Public

No items were discussed.

02-23 Morgan Stanley\Graystone Consulting Investment Report – 2Q, 2022 Police & Fire System

Investment Consultants Brian Brice and Rebecca Wolfe discussed the current condition of the markets. The first half of 2022, both equities and fixed income have declined sharply, marking the 60/40 portfolio's most challenging start in decades amid the US's strongest inflationary pressures in more than a generation. Both equities and fixed income, valuations move inversely to real yields. Federal reserve board intervention lowered real yields and likely diminished market and macroeconomic volatility, leading to the favorable conditions.

Continued volatility is expected, as much as 5%-10% decline, the bond market is down 9.5% at June 30, 2022. A .75 to 1.0 bps increase in interest rates is expected from the federal reserve board. The prediction is for a likely short recession and the recommended plan is for cautious international investment.

Hedge funds were discussed, which are not currently part of the portfolio. Hedge funds can be incorporated into the portfolio to further diversify the investments, in place of bonds to achieve greater return. In times of strong equity markets, hedge funds do not have as great of returns. At a future meeting, the Board will review the option of adding hedge funds into the portfolio, which entails approving a policy change and selling stocks to fund the investment.

The total assets as of July 19, 2022 were \$44,187,471 and were \$41,798,517 at quarter ending June 30, 2022. The quarter end return was -10.90% (net of fees) compared to -11.42% benchmark. Returns fiscal year 6/2021 to 6/2022 were -13.54% (net of fees) compared to -12.25% benchmark and the last 5 years was 14.90% compared to 13.35% benchmark.

Motion by Trustee Barrett and supported by Trustee Powers to receive the investment report – 2Q, 2022.

Yeas: Barrett, Gerald, Powers, Roberts, Kunath.
Nays: None
Motion Carried.

03-23 Request for Withdrawal of Accumulated Contributions – Larson N.

Motion by Trustee Powers and supported by Trustee Barrett to approve request for withdrawal of accumulated contributions – Larson N.

Yeas: Barrett, Geraldts, Powers, Roberts, Kunath.
 Nays: None
 Motion Carried.

04-23 Gabriel, Roeder, Smith & Company (GRS) Contract extension through June 30, 2023.

The previous actuarial services contract expired June 30, 2022, this extension will cover annual valuation reports for fiscal year end June 30, 2022, and expire June 30, 2023. The intention by the Board is to solicit bids for actuarial services this fall.

Motion by Trustee Powers and supported by Trustee Barrett to GRS contract extension through June 30, 2023.

Yeas: Barrett, Geraldts, Powers, Roberts, Kunath.
 Nays: None
 Motion Carried

05 -23 Adjournment

Motion by Trustee Roberts and supported by Trustee Powers to adjourn the meeting.

Yeas: Geraldts, Barrett, Roberts, Kunath
 Nays: None
 Motion Carried.

Meeting was adjourned at 9:32 a.m.

Respectfully submitted,

Linda A. Kunath, Secretary

**CITY OF MADISON HEIGHTS
POLICE AND FIRE RETIREMENT SYSTEM**

APPLICATION FOR SERVICE RETIREMENT BENEFITS OR VESTED BENEFITS

To: Board of Trustees of the City of Madison Heights Police and Fire Retirement System
Department Head
Human Resources
Finance

Member's Name: ROBERT S BACKLUND Social Security #: [REDACTED]
Member's Date of Birth: 12/18/73 Department: POLICE
Address: 1020 MEADOW LAKE LANE, ORTONVILLE MI 48462
Telephone: (248) 941-4281
Name of Spouse (if any): RENEE II. BACKLUND Spouse's Social Security #: 371-06-3832
Spouse's Date of Birth: 10/27/78 Date of Marriage: 5/21/05
Evidence Submitted for Marriage: MARRIAGE CERTIFICATE

If previously married, please provide copy of any domestic relations orders/judgment of divorce, etc.

My last day of employment was or will be 10/20/22

I am hereby making an application for benefits: ☒ Service Retirement ☐ Deferred Vested

I request that my retirement become effective on month 10, day 20, year 2022

I am covered by the following collective bargaining agreement (if any): MHCOA

If I elect an optional form of retirement, my option beneficiary will be:

RENEE II BACKLUND WIFE
Name of beneficiary Relationship

Date of Birth: 10/27/78 Social Security #: 371-06-3832
Please submit Evidence for Date of Birth.

Please provide me with a retirement estimate/calculation/option sheet. Upon receipt, I will indicate the manner in which I wish to receive my retirement allowance.

[Signature] 4/13/22
Member Signature Date

FOR RETIREMENT SYSTEM USE ONLY

Date of Hire: 10/20/1997 Years of Service: 25
Date Received: 8/18/2022 By: mgk

**CITY OF MADISON HEIGHTS
POLICE AND FIRE RETIREMENT SYSTEM**

**REQUEST FOR WITHDRAWAL OF ACCUMULATED CONTRIBUTIONS
AND DISTRIBUTION DESIGNATION**

Name: Jason Seitz
 Address: 60257 Stonecrest Drive
Washington Twp, MI 48094
 Social Security Number: [REDACTED] - 41249
 Date of request: 8/1/2022

To the Board of Trustees of the City of Madison Heights Police and Fire Retirement System:

As a result of my separation from employment effective 6/19/2022, I will be eligible on that date for the withdrawal of my accumulated contributions and interest standing to my credit in the Retirement System. Pursuant to the provisions of the Retirement System, I hereby request a withdrawal from my account as follows:

I request that full payment be made to me. I acknowledge that twenty percent (20%) of the taxable portion will be withheld in accordance with applicable Internal Revenue Code requirements and regulations. **(Note: The Retirement System is not required to withhold tax on distributions less than \$200.00.)**

✓ JS

I request that ALL of the taxable portion of the funds in my accumulated contribution account be forwarded to the plan listed herein as a direct rollover/direct transfer and the balance, consisting of employee contributions contributed on an after-tax basis (non-taxable amount), paid to me. I acknowledge that because of this direct rollover no portion will be withheld for Internal Revenue requirements.

Name of Recipient Plan City of Madison Heights - Mission Point 457
 Account No. 300973
 Address Attn: Work Flow Management Team PO Box 96220
 City, State and Zip Code Washington DC, 20090 - 6220

Representatives of the above-named company have assured me that the direct rollover/transfer amount will be deposited in an eligible retirement plan including an individual retirement arrangement qualified under IRC section 408(a) or (b) or IRC Section 408A; a plan qualified under IRC section 401(a), including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; an IRC section 403(a) annuity plan; an IRC section 403(b) tax-sheltered annuity; and an eligible IRC section 457(b) plan maintained by a governmental employer.

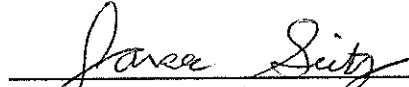
I acknowledge receipt of a Special Tax Notice provided to me pursuant to Section 402 of the Internal Revenue Code. I understand that I have the right to a period of at least 30 days, after receipt of the Notice to consider the decision of whether or not to elect a direct rollover.

I acknowledge that the Retirement System will issue appropriate 1099R forms for the distribution of the funds from the Defined Benefit Plan.

I hereby release the Employer and the Board of Trustees of the Retirement System from any and all liability relative to the aforesaid amounts upon the forwarding of the amounts as directed by me. I have made appropriate arrangements with the forenamed financial institution to accept the transferred amount as a direct rollover, permitted by the Internal Revenue Code and applicable regulations. I hereby waive any and all claims relative to the aforesaid amounts forwarded/transferred consistent with this document. I acknowledge that representatives of the City and Retirement System do not give tax advice and that I will consult with a tax advisor of my choice.



Signature of Witness



Signature of Member

60057 Stonecrest, Washington MI 48094

Address of Witness

Jason Seitz

Name of Member

For Retirement System use:

Annuity Reserve Account

Principal	\$ <u>29237.61</u>
Interest	\$ <u>890.71</u>
Total	\$ <u>30128.32</u>

Amounts and distribution
Calculated by: mgk

Verified by: _____

Payment date: _____

Date: August 24, 2022

To: Police & Fire Pension Board

From: Amy J. Mischak, HR Director 

Re: Duty Disability Retiree Christopher Lock

The Madison Heights Human Resources Department has received verbal confirmation from former Madison Heights Police Lieutenant Christopher Lock that he has been made a conditional offer as a deputy with the Oakland County Sheriff's Department, and the Madison Heights Police Department has also received verbal confirmation from Oakland County that Mr. Lock's start date is August 29, 2022

Mr. Lock was approved for a duty disability pension under Act 345 effective April 8, 2015. As Mr. Lock is no longer considered medically disabled by virtue of his employment with the Oakland County Sheriff's Department, we are requesting that the Board discontinue his duty disability pension benefits effective September 1, 2022. We would also respectfully request that the Police & Fire Pension Board Chairman Jeff Gerald submit a formal written request to the Oakland County Sheriff's Department on behalf of the Pension Board to receive confirmation regarding Mr. Lock's employment status.

Upon an approved motion by the Police and Fire Pension Board to discontinue Mr. Lock's duty disability pension benefits effective September 1, 2022, Mr. Lock will be considered a deferred pensioner under Act 345. He will become eligible for his regular pension effective with his fifty-fifth (55th) birthday on October 20, 2024, upon which he may receive his pension calculated at the 2% multiplier and receive retiree medical benefits available at that date.

Thank you for your attention to his matter.