

**CITY OF OWOSSO
EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES
VIRTUAL SPECIAL MEETING**

MAY 12, 2020

9:00 AM

CALL MEETING TO ORDER:

Chairperson Farrell called the meeting to order at 9:00 a.m.

ROLL CALL:

PRESENT: Trustees Richard Brewbaker, Douglas Morrice, Vice Chairperson Mark Mitchell, and Chairperson Wilfred Farrell.

ABSENT: Trustees Jerome Haber and Susan Osika.

ALSO

PRESENT: Graystone Consultant Brian Brice; Graystone Analyst Erik Burger; City Treasurer Katherine R. Fagan; City Attorney Scott J. Gould; and City Clerk Amy K. Kirkland.

Chairperson Farrell asked that Trustees state their last name when making a motion or support.

APPROVE AGENDA:

Motion by Trustee Brewbaker to approve the Agenda as proposed.

Motion supported by Vice Chairperson Mitchell and concurred in by unanimous vote.

Chairperson Farrell made the following announcement:

Due to the Governor's orders on social distancing and EO 2020-15 this meeting is being held as a virtual meeting. Opportunity will be provided for citizen comment. Those wishing to comment need to indicate they would like to comment by typing "Comment" along with their name in the chat dialogue and those joining via telephone may raise their hand by typing "*9" on their phone. Anyone wishing to comment must indicate so by 9:05 a.m.

CITIZEN COMMENTS:

There were no citizen comments.

NEW BUSINESS:

Funding Allocation - Consider the process by which amounts that will be allocated to each division upon their transfer to MERS.

Chairperson Farrell and City Clerk Kirkland informed the Board as follows:

This meeting is to update you on the process for determining the amounts allocated to each employee division when they are transferred to MERS. Last week we had a meeting scheduled to discuss this item but the meeting was cancelled because it was discovered that the Board may not

have to allocate a specific amount to each division prior to the transfer, because the entire remaining portion of the portfolio is to be transferred MERS could make that calculation. The meeting was cancelled last week so that we could verify this is a possibility, get the details on how MERS would make the calculation, and run those details by the System's actuary to see if what they are suggesting would be fair. After speaking with Actuarial Consultant Ken Alberts, we came away with a decent comfort level in regard to allowing MERS to handle the allocation. The method they will use will ensure that the groups are funded at the same levels as they are currently according to the actuarial report. The calculations they will perform will be much like the calculations that were used to determine the funding that would transfer with the Police Patrol unit, and what was being suggested for this transfer as well.

Moving on, Graystone Consultant Brice gave the Board an update on the status of the portfolio saying markets continue to slowly climb. The portfolio is up 8% for the quarter and another 9% is needed to completely make up the losses experienced in March. He went on to note that the "securities in kind" at Franklin Templeton had yet to find a buyer, though their value had gone up. Chairperson Farrell thanked Mr. Brice for the update.

In housekeeping news it was announced that City Council would be considering the contracts with MERS at their meeting on May 18th.

Also in housekeeping, Chairperson Farrell inquired whether City administration had met with members of the General City Non-union group. It was noted the meeting took place and went well.

Lastly, City Clerk Kirkland announced that MERS had requested the City hold back 2-3 months of funding when the transfer is made. The money will be used to pay retirees if there is a hiccup in the transfer process. The amount proposed for the hold-back is \$800,000. The Board will be informed of the exact amount when the transfer is made.

Motion by Chairperson Farrell to move forward with MERS determining the allocation of assets for the various divisions in the system.

Motion supported by Trustee Brewbaker and concurred in by unanimous vote.

NEXT BOARD MEETING:

The next board meeting is scheduled for June 24, 2020 at 7:15am

ADJOURNMENT:

The meeting was adjourned at 9:14 a.m. with wishes for everyone to stay safe.

Amy K. Kirkland, City Clerk