

SPECIAL MEETING NUMBER 2680

JOURNAL OF PROCEEDINGS OF THE BOARD OF TRUSTEES OF THE POLICE  
AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT



PROCEEDINGS HELD TUESDAY, MAY 13, 2008  
9:00 A.M.  
IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
910 COLEMAN A. YOUNG MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226



PRESENT

Marty Bandemer	Elected Trustee/Vice Chairperson
Jeffrey Beasley	Ex/Officio Trustee/Treasurer
Seth Doyle	Ex/Officio Trustee
Shereece Fleming-Freeman	Ex/Officio Alternate Trustee
DeDan Milton	Ex/Officio Alternate Trustee
George Orzech	Elected Trustee
Jeffrey Pegg	Elected Trustee
Paul Stewart	Elected Trustee
Cynthia Thomas	Assistant Executive Secretary
Janet S. Lenear	Recording Secretary
Ronald Zajac	Legal Counsel
Joe Turner	Special Legal Counsel

EXCUSED

Gregory Best	Elected Trustee/Chairperson
Barbara-Rose Collins	Ex/Officio Trustee/Councilperson
James Moore	Elected Trustee
Walter Stampor	Executive Secretary
Richard Huddleston	Investment Analyst

ABSENT

None

## VICE CHAIRPERSON

Marty Bandemer

ROLL CALL WAS TAKEN AT 11:50 A.M. BY THE BOARD'S RECORDING SECRETARY AND VICE CHAIRMAN BANDEMER CALLED THE MEETING TO ORDER.

EMPLOYER CONTRIBUTIONS DUE THE SYSTEM  
JUNE 30, 2008, JUNE 30, 2009, JUNE 30, 2010

BY MR. STEWART – SUPPORTED BY MR. MILTON

WHEREAS, the Board is aware that MCL 38.1140m provides in part that: "In a plan year, any current service cost payment may be offset by a credit for amortization of accrued assets, if any, in excess of actuarial accrued liability," thus providing discretionary authority to the Board of Trustees, and

WHEREAS, the employer, City of Detroit, has requested the Board of Trustees to consider financial challenges due to economic conditions faced by the employer and to allow an offset against employer contributions of \$25,000,000.00 (if available) for each of the following payment dates of June 30, 2008, June 30, 2009 and June 30, 2010 provided that statutory requirements are met and the Board of Trustees granting the request acts in compliance with fiduciary duties, and

WHEREAS, any credit allowed by the Board of Trustees is allowed subject to the extent such credit is available as computed by the actuary pursuant to discretionary decisions of the Board of Trustees, and

WHEREAS, the Board notes that the employer contributions due June 30, 2008 are based upon the June 30, 2006 actuarial valuation which allows (consistent with applicable law) for a \$25,000,000.00 credit, and

WHEREAS, the Board notes that the employer contributions due June 30, 2009 will be based on the June 30, 2007 actuarial valuation (as

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JUNE 30, 2008, JUNE 30, 2009, JUNE 30, 2010

amended due to the action to allow a \$25,000,000.00 credit regarding the employer contributions due June 30, 2008) which overfunded status (unadjusted \$410.4 million dollars) appears to allow for a \$25,000,000.00 credit) with the applicable amortization period regarding calculation of possible offset of current service cost payment to be determined by the Board of Trustees after consultation with the Retirement System actuary, and

WHEREAS, the Board will allow an offset/credit of up to \$25,000,000.00 regarding employer contributions due June 30, 2010 to the extent available based upon the actuarial valuation dated June 30, 2008 (which has obviously not yet been completed but which the Board anticipates to allow for a \$25,000,000.00 credit), and

WHEREAS, the Board has discussed this matter and takes these actions in the Board's consideration of the best interests of the Retirement System, therefore be it

RESOLVED, that a credit of \$25,000,000.00 be given to the employer with respect to the employer contributions due June 30, 2008 based on the June 30, 2006 actuarial valuation using an amortization period of eight (8) years relative to the 178.5 million dollar overfunded amount as of June 30, 2006. In the event the calculation results in an amount exceeding \$25,000,000.00, the credit is limited to \$25,000,000.00, and be it further

RESOLVED, that a credit of \$25,000,000.00 be given to the employer with respect to the employer contributions due June 30, 2009 based on the June 30, 2007 actuarial valuation which unadjusted overfunded amount is \$410.4 million dollars (as amended to reflect the foregoing action) to the extent available using an amortization period regarding the overfunded status to be determined by the Board of Trustees after consultation with the Retirement System actuary, and be it further

EMPLOYER CONTRIBUTIONS DUE THE SYSTEM  
JUNE 30, 2008, JUNE 30, 2009, JUNE 30, 2010

RESOLVED, that the Board (noting the likelihood of continued overfunded status using the June 30, 2007 \$410.4 million dollars amount as a factor being considered) will provide a credit of up to \$25,000,000.00 to the employer with respect to the employer contributions due June 30, 2010 based upon the June 30, 2008 actuarial valuation subject to overfunded status existing and based upon an amortization period regarding overfunded amounts using an amortization period to be determined by the Board of Trustees after consultation with the Retirement System actuary, and be it further

RESOLVED, that these actions are not intended to establish a policy as to any payment dates other than listed herein, and be it further

RESOLVED, that a copy of this resolution be forwarded to the Finance Director, Budget Director, the Board's Actuary (Gabriel, Roeder, Smith and Company), and the Accounting Division of the Retirement Systems:

Yeas – Trustees Beasley, Doyle, Freeman, Milton, Orzech, Pegg, Stewart and Vice Chairman Bandemer – 8

Nays – None

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, VICE CHAIRPERSON BANDEMER ADJOURNED THE MEETING AT 11:51 A.M. UNTIL THURSDAY, MAY 15, 2008 AT 9:00 A.M., IN ROOM 910 OF THE COLEMAN A. YOUNG MUNICIPAL CENTER, DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,

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CYNTHIA A. THOMAS  
ASSISTANT EXECUTIVE SECRETARY