

PENSION ADVISORY BOARD
Meeting Minutes
March 9, 2017 @ 4:30 p.m.
Governmental Center, Commission Chambers

Board Members Present: Michael Gillman, Carol Crawford, Tom Menzel, Jody Lundquist, Heidi Scheppe, Christopher Radu, Robert Zimmerman (via phone)

Call to Order: The meeting was called to order at 4:33 p.m. by Chairman, Christopher Radu.

There were no changes made to the meeting minutes of February 9, 2017. Radu moved to approve the minutes as presented, seconded by Menzel. Unanimously approved.

Menzel provided information regarding Establishment of Irrevocable Trusts. He indicated that the \$5.1 million that was set aside is to be used to minimize the OPEB and Pension liability, suggesting that it be divided 25/75% to pension/health in trusts. We could then make the normal MERS payments but if we fell short the additional amount would come out of the \$5.1. If this funding is placed in an irrevocable trust, future boards would not be able to be used for other purposes. Currently, boiler plate language is being done for health care. If approved, we would ask the same firm to draw up trust language for pension.

The Board discussed details of the formal process for the recommendation from the Pension Advisory Board to the Board of Commissioners. Board Chairwoman Crawford, indicated that the Board of Commissioners wants to see what all of the options are and will ask the Pension Advisory Board why they are making their recommendation.

Discussion also included Bonding and the millage option and the pros and cons of each. Scheppe was in favoring of exploring trust and would like to see comparison – Public Act 20 not invested with private investor.

The analysis on creating pension stabilization should show projections of earnings at various rates.

Whether funding is in Trust or MERS, the difference in earnings should be looked at.

Menzel updated the board on the status of amortization schedule. The ball is in MERS court regarding amortization schedule. They anticipate completion by March 24th. They are looking at each division separately so we can determine the longest sustainable schedule.

Radu wants to make sure that there is wording in the trust to identify how funds can be released – specifically under what circumstances i.e. if the county doesn't meet the annual requirement of MERS.

Gillman added information that 1 mill = 4.5 million. The average per household would be \$77/year. It would have to be very clear that this is totally extra funding. Not in place of our annual commitment. Generational equity means we pay our own bills and they are not handed down to our kids. The millage option should also be presented to the Board of Commissioners.

When Gillman asked when we could realistically have a meeting to get this all together, Menzel responded that as soon as all information is received from MERS, we will schedule a Pension Advisory Board meeting as soon we can.

Lundquist excitedly reported that the survey was sent out this morning and we've already received 85 responses today! Jody presented the final questions, the deadline is March 24th.

There was no Public Comment.

The meeting was adjourned at 4:10 p.m.

Michael Gillman, Chairman
Pension Advisory Board

DATE:

DRAFT