

**CITY OF OWOSSO
EMPLOYEES RETIREMENT SYSTEM BOARD
ORGANIZATIONAL MEETING**

AUGUST 18, 2011

7:15 A.M.

PRESENT: TRUSTEES WILFRED A. FARRELL, BENJAMIN FREDERICK, FRANCES KUKULIS, MICHAEL MCCLOSKEY, MARK MITCHELL, AND RONALD PEARSALL.

ABSENT: TRUSTEE MICHAEL ERFOURTH.

CALL TO ORDER

Trustee Farrell called the meeting to order at 7:18 a.m.

APPROVAL OF AGENDA

Motion by Trustee Kukulis to approve the agenda as presented.

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

ELECTION OF CHAIRPERSON

Motion by Trustee Kukulis to nominate Trustee Farrell for Chairperson.

Motion supported by Trustee McCloskey.

There were no further nominations.

The appointment of Trustee Wilfred Farrell as Chairperson was approved by unanimous vote.

ADMINISTRATION OF OATH OF OFFICE

City Clerk Amy K. Kirkland administered the oath of office to Chairperson Farrell.

ELECTION OF VICE-CHAIRPERSON

Motion by Trustee McCloskey to nominate Trustee Kukulis for Vice-Chairperson.

Motion supported by Trustee Mitchell.

The appointment of Trustee Frances Kukulis as Vice-Chairperson was approved by unanimous vote.

ADMINISTRATION OF OATH OF OFFICE

City Clerk Kirkland administered the oath of office to Vice-Chairperson Kukulis.

REVIEW OF RULES OF PROCEDURE

Motion by Trustee Mitchell to adopt the Rules of Procedure as follows:

CITY OF OWOSSO
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM BOARD

RULES OF PROCEDURE

1. These rules are adopted pursuant to Section 2-406 of the City of Owosso Municipal Employees Retirement System Ordinance.
2. The purpose of these rules is to establish procedures to be followed by the Board in its organization and conduct of its business.
3. These rules shall be reviewed, amended, and adopted annually at the organizational meeting of this board.
4. Pursuant to Section 2-406 such rules shall become effective when a copy thereof is filed with the Clerk. A copy of such rules shall also be placed in the Owosso Public Library.
5. The Board shall hold meetings regularly, at least once in each quarter of each year and shall designate the date, time and place thereof annually at their organizational meeting.
6. The Board shall notify the Clerk of the schedule of meetings. This schedule shall be posted along with the Schedule of Regular Meetings of all Boards of the City of Owosso.
7. The Board shall meet in the established Council chambers. If any time set for the holding of a regular meeting of the Board shall be a legal holiday, then such regular meeting shall be held at the same time and place on the next day, which is not a legal holiday.
8. The Board will hold its organizational meeting at the first regular meeting following the installation of new trustees each year.
9. Pursuant to Section 2-408 (a), the Board shall elect from its membership a Chair and Vice-Chair, and will do so each year at its organizational meeting.
10. The Chair shall preside at all meetings of the Board and shall have an equal voice and vote upon all matters of the Board.
11. In the absence or disability of the Chair the Vice-Chair shall act in their place.
12. In the absence of both the Chair and Vice-Chair the trustees present at any meeting shall appoint one of their number to act as Chair during such absence.
13. The Chair and persons acting in his place shall not possess veto power.
14. The Vice-Chair shall succeed to the office of Chair when a vacancy occurs in that office and the Board shall then elect from its membership a new Vice-Chair.
15. Vacancies on the Board will be filled pursuant to Section 2-405 of the City of Owosso Retirement System Ordinance.
16. By order of these rules, an office of trustee shall become vacant upon the occurrence of any of the following events: (1) Expiration of the term of office; (2) Death of the trustee; (3) Resignation of the trustee; (4) Removal from office; (5) Ceasing to possess the qualifications or eligibility required for election or appointment to office; (6) Failure to take the oath for the office within ten days from the date of election or appointment; or (7) Any other event which by law, creates a vacancy.

17. Resignations of trustees who are not members of the City Council or appointed by the City Council shall be made in writing and filed with the Clerk. The Clerk shall notify the Board, forthwith of all resignations and shall read the same to the Board at its next meeting. All such resignations shall be effective when filed with the Clerk, unless a later time of taking effect is specifically stated therein.
18. Absences from more than fifty percent of all meetings in any calendar year shall require notice by the City Clerk to the appropriate appointing or electing entity.
19. Special meetings of the Board, upon notification to the Clerk, shall be held at the regular meeting place of the Board unless otherwise specified at the time a meeting is called, and shall be called on the written request of the Chair, or any two members of the Board, designating the time and purpose of such meeting. The Clerk shall serve a copy of such meeting notice on each member of the Board, and post such meeting notice in a conspicuous place as notice to the membership and general public.
20. No business shall be transacted at any special meeting of the Board except that stated in the notice of the meeting.
21. All regular and special meetings of the Board shall be public meetings and the public shall have a reasonable opportunity to be heard.
22. Pursuant to section 2-408 (b), of the City of Owosso Retirement System Ordinance the city clerk shall serve as secretary to the board, and shall be the administrative officer of the retirement system. By order of these rules and as required of section 2-403 (b) of this ordinance, the Clerk shall conduct an election of trustees each May. Elections will be administered in accordance with Attachment A, Procedure For Electing Trustees To The Employees Retirement System Board Of Trustees.
23. Pursuant to section 2-408 (d), of the City of Owosso Retirement System Ordinance the Board shall appoint an actuary who shall be the technical advisor to the board on matters regarding the operation of the retirement system. By order of these rules the Board shall review and appoint an actuary annually at its organizational meeting each year.
24. Pursuant to Section 2-409, the board shall from time to time adopt such mortality, service, and other tables of experience, and a rate or rates of regular interest, as are necessary to maintain the operation of the retirement system on an actuarial basis. By order of these rules and as recommended by generally accepted practice, an experience review of assumptions and methods used in the actuarial valuations should be accomplished by the actuary every five to ten years, as ordered by this board. (Editor's Note: Date of last experience review 2004)
25. Pursuant to section 2-408 (e), of the City of Owosso Retirement System Ordinance, the Board shall appoint a medical director to hold office at the pleasure of the Board. By order of these rules the Board shall review and appoint a medical director annually at its organizational meeting each year.
26. The Board will refer to and follow by Roberts Rules of Order when not in conflict with the preceding rules of procedure.

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

DESIGNATE DATE, TIME AND PLACE OF 2006 BOARD MEETINGS

Motion by Vice Chairperson Kukulis to continue with the same meeting schedule of six meetings a year in 2012 as follows: 7:15 a.m. on February 16, 2012, April 19, 2012, June 21, 2012, August

16, 2012, October 18, 2012, and December 20, 2012.with a yearly review at the organizational meeting.

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

REVIEW OF ATTACHMENT A, PROCEDURE FOR ELECTING TRUSTEES TO THE EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES

Trustee Mitchell mentioned that the procedure may need to be adjusted in the future to reflect the fact that two groups in the system are closed to new members and will eventually run out of eligible representatives. It was noted the ordinance governing the retirement system would require an amendment as well. It was agreed the Board would discuss the issue further and make a recommendation to Council.

Motion by Trustee McCloskey to adopt Attachment A, Procedure for Electing Trustees to the Employees Retirement System Board of Trustees as follows:

ATTACHMENT A

PROCEDURE FOR ELECTING TRUSTEES TO THE EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES

As required by City Code Section 2-403 (b), trustee elections are held each year in May as follows:

- The City Clerk notifies the appropriate current members (i.e. Police members for Police Representative) of the System in April of each year of the vacancies and the availability of nominating petitions.
- Nominating petitions are signed by 33% of employees, but not more than ten (10), who are appropriate current members of the System and filed with the City Clerk.
- Upon receipt of the nominating petitions by the City Clerk, an election is scheduled during the month of May.
- Ballots are distributed to all appropriate current members of the System. This is a secret ballot and is placed in a sealed secrecy envelope and signed by the member. The ballots are placed in a locked ballot box in the City Clerk's office.
- At the close of the voting period, the ballots are removed from the locked ballot box by the City Clerk in the presence of two (2) other current members of the System. The three (3) persons act as the counting board for the election.
- The candidate who receives the highest number of votes is awarded the trustee position.

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

REVIEW OF ATTACHMENT B, RESOLUTION OF AUTHORIZATION-CITY TREASURER

It was noted the City is no longer contracting with Blue Cross Blue Shield for health insurance, section "b" should be amended to read "Physicians Health Plan".

Motion by Trustee Mitchell to adopt Attachment B, Resolution of Authorization, City Treasurer, amending section b to reflect the change in health insurance carriers as follows:

ATTACHMENT B

**RESOLUTION OF AUTHORIZATION
CITY TREASURER**

Whereas, pursuant to Chapter 2, Administration, Article VII, Municipal Employees' Pension, Section 2-408, Retirement system officers, Subsection (3), that the City of Owosso Employee Retirement System Board of Trustees hereby resolves that:

- 1) The treasurer is hereby given authorization to pay the following items without prior board action:
 - a. Monthly pension payments to retirees along with associated Federal and State withholding taxes. Such payments may be for previously adopted retirees or new retirees that meet qualifications, but have not yet been approved by the board.
 - b. Physicians Health Plan insurance premiums for retired members through payroll deduction, direct payment or city reimbursable premiums per employee agreement.
 - c. Contractual money manager fees.
 - d. Refund or rollover of member contributions with credited interest for persons withdrawing from the retirement system.
 - e. Office supplies such as check stock, postage or mailing fees required to carry out the administration of the system.
- 2) Items paid under this resolution shall be submitted to the board at the next regularly scheduled meeting for review and approval.
- 3) The treasurer and board shall annually review this resolution at the organizational meeting for appropriate authorizations to be added or deleted.

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

REVIEW AND APPOINT ACTUARY

Motion by Vice Chairperson Kukulis to continue with Gabriel, Roeder, Smith & Company as the Actuary for the Retirement System.

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

REVIEW AND APPOINT MEDICAL DIRECTOR

Motion by Trustee McCloskey to employ Dr. Fred Van Alstine's office as medical director for the Retirement System.

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

ADJOURNMENT

The meeting was adjourned at 7:31 a.m.

Amy K. Kirkland, Owosso City Clerk