

A meeting of the Employees' Retirement System Board of Trustees was held on Wednesday, August 15, 1984. The meeting was called to order at 3:00 P.M.

PRESENT: John Loncharich, Chairman  
Kenneth L. Courtney  
Frank Gerstenecker (arrived 3:09 p.m.)  
Lawrence M. Halsey  
Harold Janes  
Daniel Michalec

ABSENT: Anthony N. Pallotta

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MINUTES - JUNE 20, 1984

Resolution #84-29  
Moved by Loncharich  
Supported by Janes

RESOLVED, That the minutes of the meeting of June 20, 1984 be approved.

Yeas: Loncharich, Courtney, Halsey, Janes, Michalec  
Absent: Gerstenecker, Pallotta

SPECIAL ACTUARIAL WORK

Resolution #84-30  
Moved by Courtney  
Supported by Janes

RESOLVED, That the actuary is authorized to provide the Troy Police Officers Association with the information requested (a copy of the letter shall be attached to the original minutes) at their cost, as provided by resolution #84-8.

Yeas: Loncharich, Courtney, Gerstenecker, Halsey, Janes, Michalec  
Absent: Pallotta

ANNUAL VALUATION

Resolution #84-31  
Moved by Janes  
Supported by Gerstenecker

RESOLVED, That the Actuarial valuation for December 31, 1983, be accepted.

Yeas: Loncharich, Courtney, Gerstenecker, Halsey, Janes, Michalec  
Absent: Pallotta

INVESTMENTS

Resolution #84-32

Moved by Janes

Supported by Gerstenecker

RESOLVED, That we purchase \$100,000 Celenese cv bonds 4/1/90; \$100,000 Zurn Industries cv bonds due 11/1/94; 2,000 shares of Magic Chef, Data Design and Consumers Power; and 1,000 shares of Kerr McGee.

Yeas: Loncharich, Courtney, Gerstenecker, Halsey, Janes, Michalec

Absent: Pallotta

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The meeting was adjourned at 4:30 p.m.

GABRIEL, ROEDER, SMITH & COMPANY  
ACTUARIES & CONSULTANTS  
2090 First National Building  
Detroit, Michigan 48226  
Area 313: 961-3346

July 24, 1984

Mr. Kenneth Courtney  
City of Troy  
500 West Big Beaver  
Troy, Michigan 48084

Re: Request for Supplemental Valuation

Dear Ken:

Enclosed is a copy of a request for a supplemental actuarial valuation for TPOA. Please send me the Board's authorization to proceed with this work. Upon completion of the work, a copy will be sent to the Board. TPOA will be responsible for the actuarial fee.

Sincerely,

*Alan E. Sonnanstine*

Alan E. Sonnanstine

AES:jk

CC: Mr. John A. Lyons, P.C. (plus copy of "Policy for  
Services of Actuary")

*To Ken Country*  
RECEIVED JUL 20 1984

LAW OFFICES  
**JOHN A. LYONS, P.C.**  
6735 TELEGRAPH ROAD, SUITE 330  
BIRMINGHAM, MICHIGAN 48010  
(313) 540-2600

NORTHERN MICHIGAN OFFICE  
P. O. BOX 74  
CARDINAL POINTE  
MICHIGAMME, MICHIGAN 49861  
(906) 323-6189

July 19, 1984

Allan Sonnansteine  
Brian Murphy  
Gabriele Roether Smith & Co.  
2090 First National Bldg.  
Detroit, MI 48226

Dear Messrs. Sonnansteine and Murphy:

Please be advised that I represent the Troy Police Officers Association, Fraternal Order of Police State Labor Council in negotiations between the police officers (patrolman unit) and the City of Troy. Part of the negotiations deal with pension issues. The Union is requesting an estimate of the cost for your agency to determine the appropriateness of and the potential percent increase in costs of payroll to the Employer for the following issues:

1. Employees under the patrolman Pension Plan would be eligible to retire after 25 years of service without regard to age.
2. (a) Increase the multiplier factor to 2.5% for the first 25 years and 1% for each year thereafter to the maximum of 75%.  
(b) Increase the factor to 2.5% for 25 years.  
(c) Eliminate all reductions after age 62.
3. Final average compensation would be based on the best three of the last ten years. The final average compensation to include all monies paid to the employee. (In other words, eliminate the consecutive years of service requirement.)
4. Purchase of military time up to five year maximum.

Please advise the undersigned at your earliest convenience of the cost of such a study and the time involved. If you have any questions, please advise.

Very truly yours,

*John A. Lyons*  
John A. Lyons

JAL/cs

xc: Richard Weiler  
Michael Somero

RECEIVED FEB 20 1984

A meeting of the Employees' Retirement System Board of Trustees was held on Wednesday, February 15, 1984. The meeting was called to order at 3:02 p.m.

PRESENT: John Loncharich, Chairman  
Kenneth L. Courtney  
Lawrence M. Halsey  
Harold Janes  
Anthony N. Pallotta

ABSENT: Frank Gerstenecker  
Daniel Michalec

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MINUTES - JANUARY 18, 1984

Resolution #84-7  
Moved by Pallotta  
Supported by Halsey

RESOLVED, That the minutes of the meeting of January 18, 1984 be approved.

Yeas: All-5

POLICY FOR SERVICES OF ACTUARY

The proposed policy was discussed.

Resolution #84-8  
Moved by Pallotta  
Supported by Janes

RESOLVED, That the following statement be sent to the actuary:

The Board of Trustees is responsible for the well-being of the Retirement System. The Board makes policy for the Retirement System. The Board consists of representatives from the employer and from the employees and from the citizens at large. The Board appoints an actuary to provide the Board with technical advice.

Often during the course of regular business, such as contract negotiations, the actuary is requested by one (or more) of the three elements represented on the Board to provide them with cost calculations for changes they propose and/or with general information relative to the operation of the Retirement System.

We believe that the best interests of the Retirement System are served if the actuary provides the requested information. The information provided will be consistent with the basic operations and funding of the Retirement System. Three conditions apply. 1. The requestor pays for the added services requested and rendered. 2. The actuary furnishes the Board a copy of the written request by sending it to the Finance Director, a member of the Board who will contact the Board for the approval of a majority of the members of the Board. 3. Upon completion of the work, he will transmit a copy to the Board. In any environment where there is a conflict among two or more of the three elements represented on the Board, such as labor arbitration, the actuary can become involved only as a representative of the Board of Trustees.

Yeas: All-5

LAW OFFICES  
**JOHN A. LYONS, P.C.**  
6735 TELEGRAPH ROAD, SUITE 330  
BIRMINGHAM, MICHIGAN 48010

(313) 540-2600

NORTHERN MICHIGAN OFFICE  
P.O. BOX 74  
CARDINAL POINTE  
MICHIGAN, MICHIGAN 49861  
(800) 323-6189

July 27, 1984

Alan E. Sonnanstine  
Gabriel, Roeder, Smith & Company  
2090 First National Bldg.  
Detroit, MI 48226

re: Request for Supplemental Evaluation

Dear Mr. Sonnanstine:

I received your letter dated July 24, 1984. As you know, I requested an initial evaluation of costs before the actual work would be done concerning the request made in my earlier communication to you.

I note from your letter, where you state "Upon completion of the work, a copy will be sent to the Board, TPOA will be responsible for the actuarial fee". Obviously, the requested information when supplied to the Union and paid for by the Union, will also be supplied to the Employer, through Mr. Courtney's office, therefore, we feel that the Employer should also share in the actuarial fee, because they will obviously get the information at the same time as the Union. Please give me your observations at the earliest date.

Moreover, we would like to know the approximate cost of the requested evaluation and analysis before you commence your work.

If you have any questions, please advise.

Very truly yours,

John A. Lyons

JAL/cs

xc: Richard Weiler  
Michael Somero  
Kenneth Courtney