

A meeting of the Berkley Public Safety Pension Board was called to order by Chairperson Herriman at 04:04 PM on Monday May 22, 2024.

Present: Chairperson Herriman
Treasurer Bemis
Secretary Smith
Member Maisonneuve

Absent: Member Boring

Others Present: Cynthia Billings-Dunn – Asher Kelly
Louise Gates – GRS
Andrew Hadfield – BDPS (left at 4:52)

APPROVAL OF THE AGENDA

A motion was made by Maisonneuve, to approve the agenda. Motion was supported by Smith.

Ayes: Herriman, Smith, Bemis, Maisonneuve
Nays: None
Abstain: None
Absent: Boring
Motion Carried

APPROVAL OF MINUTES

A motion was made by Bemis, supported by Maisonneuve, to approve the March 25, 2024 minutes.

Ayes: Herriman, Smith, Bemis, Maisonneuve
Nays: None
Abstain: None
Absent: Boring
Motion Carried

CITIZEN COMMENTS – None

OLD BUSINESS – The board was updated that the PNC Death Audit would be moving forward. Also all retirees who needs a “Safe Harbor” exclusion ratio calculation for their taxes are getting it, though some exact numbers are still being calculated.

NEW BUSINESS –

1. Approval of Invoices

Invoices were presented to the board from Captrust, Asher Kelly, GRS, Loomis Sayles, Synergy Insurance and Boston Partners.

A motion was made by Smith to pay the invoices. The motion was supported by Maisonneuve.

Ayes: Herriman, Smith, Bemis, Maisonneuve

Nays: None

Abstain: None

Absent: Boring

Motion Carried

2. Discussion of Miller and Hadfield ERDOs

Billings-Dunn informed the board that it is standard language in an ERDO for the parties involved to split costs related to calculations, however, many pension systems cover the cost for their members. She provided draft policies to the board for consideration, one for the board covering costs and one for passing the cost on to the member.

Billings-Dunn went on to explain the process the board needs to go through when presented with an ERDO for a member. The board must first send the ERDO to the board's attorney to review, to make sure everything is done correctly and legally. The attorney will request changes if needed as well as a letter of interpretation for the order. Next the ERDO will go to the board's actuary to ensure no extra benefits will be provided based on the order. The actuary will certify the order, no calculations are needed at that time. Then the ERDO and supporting documents from the attorney and actuary will be presented to the board for approval.

During discussion with the board Billings-Dunn informed them that it is most common for the system to pay for the first ERDO, however if changes or anything requiring additional work happen that expense would usually be the member's responsibility. Regarding when to calculate the ERDO, that is determined on how it is written. Gates stated that for Miller and Hadfield it would have to be calculated at the time of retirement. Any estimates of potential future earning would not normally be covered by a system as it provides no value to the system only to the employee requesting it, according to Billings-Dunn. The board should also make sure to collect and file all necessary information as of the time of divorce so the numbers are available for the FAC when the member retires.

A motion to adopt the policy which covers the initial ERDO process for members was made by Maisonneuve and supported by Bemis.

Ayes: Herriman, Smith, Bemis, Maisonneuve

Nays: None

Abstain: None

Absent: Boring

Motion Carried

This policy supersedes all previous board policies related to ERDOs.

A motion was made to receive and file all provided documents by Smith and supported by Bemis

Ayes: Herriman, Smith, Bemis, Maisonneuve
Nays: None
Abstain: None
Absent: Boring
Motion Carried

3. Additional Items for Discussion

Billing-Dunn wanted to provide the board with a little more information on the 1099-R exclusion ration issue, also known as “Safe Harbor.” She informed the board that the current plan document is a combination of the PSO and Command contracts and PA 345. The IRC 414-H rule which allows members to contribute on a pre-tax basis was never formally adopted by the board. At this time it does not need to be as no members are paying into the pension, however, if members do begin paying into the fund the board may want to consider it.

ADJOURNMENT

A motion to adjourn was made by Maisonneuve, supported by Bemis at 05:05 PM.

Ayes: Herriman, Smith, Bemis, Maisonneuve
Nays: None
Abstain: None
Absent: Boring
Motion Carried

Due to lack of agenda items and member availability, the June meeting was cancelled and the next regularly scheduled meeting will be June 17, 2024 at 04:00 PM.