

INVESTMENT COMMITTEE OF THE RETIREMENT SYSTEM

Meetings quarterly, on call when necessary.

As set forth in the Code of Ordinances of the City of Kalamazoo, Sections 2-252.1 to 2-254.

Sec. 2-252.1. Investment Committee and Management of Funds.

There is hereby created an Investment Committee which shall manage the assets of the System and have full power to invest and reinvest such assets, subject to the provisions of Act 314 of the Public Acts of 1965 (MCLA 38.1121 et seq.) as amended, and any other applicable law or regulation. The Committee shall have the power to purchase notes, bonds, or other obligations of the City before or after the same are offered to the public and with or without advertising for bids. The Committee shall have power to hold, purchase, sell, assign, transfer, and dispose of any securities and investments in which any of the funds of the Retirement System have invested, as well as the proceeds of such investments and any monies belonging to the System. The provisions of this sub-section shall be subject to such conditions and restrictions as the City Commission may from time to time impose by resolution." (Ord. No. 1236, § 10, October 19, 1981)

Sec. 2-252.2. Investment Committee; Membership, Appointment, Duties.

- (a) **Membership, Appointment.** The Investment Committee shall be composed of no less than three (3) nor more than seven (7) members, all of whom shall have a financial background and none of whom shall be participants in the System. Additionally, to avoid a conflict of interest, or the appearance thereof, no member shall be employed by or associated with (except in the capacity of outside director) any organization that provides services similar to those retained or used by the Committee. One member may be a member of the Board of Trustees of the System. The members shall be appointed by the Mayor with the consent of the City Commission and shall serve three year terms, except for the initial appointment which shall be two (2) for three (3) year terms, two (2) for two (2) year terms, and one (1) for one (1) year term. The Investment Committee members shall serve without compensation and if any member fails to attend three (3) consecutive regularly scheduled meetings of the Committee unless in each case excused for cause by the remaining members, his or her office will be deemed to be vacated. If a vacancy occurs the vacancy shall be filled within sixty (60) days from and after the date the vacancy occurred, for the unexpired portion of the term, in the same manner as the office was previously filled. The Committee shall hold meetings regularly, at least quarterly, and shall designate the time and place thereof. Three (3) members shall constitute a quorum at any meeting of the Committee. Each member shall be entitled to one (1) vote on each question before the Committee, and at least three (3) concurring votes shall be necessary for the decision by the Committee at any of its meetings. The Committee shall adopt its own rules of procedure and shall keep a record of its proceedings. All meetings of the Committee shall be open to the public. The City Commission may appoint a Commissioner as liaison to the Committee.
- (b) **Officers.**
- (1) The Committee shall elect a Chairman and Chairman Pro-Tem.
 - (2) The Director of Finance shall serve as Secretary to the Committee and provide staff support.
- (c) **Duties.** The duties of the Investment Committee shall be as follows:
- (1) To formulate and recommend to the City Commission investment policies, strategies, and guidelines for approval by the City Commission.
 - (2) To carry out such investment policies, strategies, and guidelines as approved by the City Commission.
 - (3) To establish investment performance monitoring systems and report the results of said system quarterly to the City Commission.
 - (4) To investigate and recommend investment managers, advisors, actuaries, and other necessary services to the City Commission for its approval.
 - (5) To recommend to the City Commission for approval the allocation of annual contributions and redistribution of funds, including investment income, to investment managers, reserves and accounts.

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- (6) To insure that investment records are properly maintained.
- (7) To serve as the primary contact with investment managers, actuaries and advisors.
- (8) To ensure that the plan is properly audited.
- (9) To provide the actuary with data to make the annual valuation, which shall show the financial condition of the system by means of an actuarial valuation of its assets and liabilities and be rendered annually to the City Commission.
- (10) To recommend actuarial assumptions to the City Commission.
- (11) To perform such other duties as the City Commission may from time to time direct.
(Ord. No. 1236, § 10, October 19, 1981; Ord. No. 1250, 1, March 29, 1982)

Sec. 2-252.3. Available Cash and Use of Assets.

There shall be kept on deposit available cash not to exceed five (5) percent of the total assets of the retirement system. All assets of the system shall be held for the sole purpose of meeting disbursements for pensions, annuities and other payments authorized by this article and shall be used for no other purpose. The description of the various funds of the retirement system, as contained in this article, shall be interpreted to refer to the accounting records of the system.

Sec. 2-253. Method of Making Payment.

All payments from monies of the retirement system shall be made according to charter and ordinance provisions and only upon regular city checks. No check shall be issued unless it shall have been previously authorized by a specific or continuing resolution adopted by the Board or Investment Committee. (Adm. Code, § A405.57; Ord. No. 1236, § 11, October 19, 1981)

Sec. 2-254. Income fund; allowance of regular interest.

- (a) The income fund is hereby created. It shall be the fund to which shall be credited all interest, dividends and other income from investments of the retirement system; all gifts and bequests received by the system; all unclaimed accumulated contributions as provided in this article; and all other monies received by the system the disposition of which is not specifically provided in this article. There shall be paid or transferred from the income fund all amounts required to credit regular interest to the annuity savings fund, retirement reserve fund and the pension reserve fund, as provided in this article. Wherever the Investment Committee determines the balance in the income fund is more than sufficient to cover current charges to the fund, such excess amount, or any part thereof, may be used to provide contingency reserves or to meet special requirements of the other funds of the system, except the expense fund, as the Investment Committee shall determine. However, any amounts left in the income fund after meeting the requirements contained herein shall at the end of each year be automatically credited to the employer's reserve. Whenever the balance in the income fund is insufficient to meet the charges to the fund, the amount of such insufficiency shall be transferred from the pension reserve fund to the income fund.
- (b) The Investment Committee shall, at the end of each fiscal year, allow regular interest on the members' individual balances in the annuity savings fund at the beginning of the fiscal year, and on the mean balances in the retirement reserve fund and the pension reserve fund. The amounts of interest so allowed and credited shall be charged to the income fund. (Adm. Code, § A405.58; Ord. No. 1224, § 2, April 20, 1981; Ord. No. 1236, § 12, October 19, 1981; Ord. No. 1594, August 14, 1995)