

CHARTER TOWNSHIP OF REDFORD

STUDY SESSION

REDFORD TOWNSHIP BOARD

January 22, 2008

A Study Session of the Redford Township Board was held on Tuesday, January 22, 2008, in the Board Room of the Redford Township Hall, 15145 Beech Daly. This Study Session was called to order by Supervisor R. Miles Handy, II at 6:30 p.m.

PRESENT: R. MILES HANDY, II TRACEY SCHULTZ-KOBYLARZ
GARTH J. CHRISTIE PAT MCRAE
KIM SIVYER

ABSENT: ROBERT BRANG, JR.
KELLY FLEMING

ALSO PRESENT: Brian Mosallam, AXA Advisors, LLC
35 Turnberry Lane, Dearborn, MI 48120

Supervisor Handy explained that this is a Study Session in regards to AXA Advisors, LLC, a financial planner for many plans, but specifically they would be an additional option for the Township's 457 Plan already in existence. There was a request on the December 11, 2007 agenda but was moved to a Study Session to give the Board an opportunity to review documents and ask Mr. Mosallam questions they might have. There were letters of recommendation from the City of Trenton, City of Gibraltar, Lincoln Park, and Wyandotte. He then turned the Study Session over to Brian Mosallam for further discussion.

Mr. Mosallam was present to answer any questions from the Board.

Trustee Kobylarz asked how the fund options are chosen.

He said there are 72 funds in their product which is called Equi-Vest Strategies and there is an Advisory Board. For the most part the Advisory Board oversees all these funds and helps make selections and determines which funds are added or removed based on how they are doing.

Trustee Kobylarz asked if they would make 72 options available?

Mr. Mosallam said yes, it is a standard product, there are 72 funds available from large cap, small cap, mid-cap, international growth, value, health care, technology, real estate and more.

Trustee Kobylarz asked what would be a standard plan for roll-out.

Mr. Mosallam said they would need a letter on Redford letterhead asking AXA to submit a proposal for the 457 Plan. AXA would then send a tailored proposal and if we accept their terms and conditions and return the proposal signed, we would then be given a unit number and the process begins. They would like to have a contact in each department so they can set up specific times, do lunch presentations, and make quarterly visits. Once they get around, within a year they have been able to gain 40-50% market share in the other municipalities.

Trustee Kobylarz said that most of the Township benefits are handled through John Cubba or Tom Sesko and asked if he has been in touch with either of them yet?

Mr. Mosallam said no.

Trustee Kobylarz asked if part of his process would be to work with Mr. Cubba and Mr. Sesko?

Mr. Mosallam said yes, absolutely.

Trustee Kobylarz asked what the eligibility requirements would be?

Mr. Mosallam said full-time employee, but that would be up to the Township to decide that.

Mr. Cubba said they would give him the Township's Plan Document to see if it fits his program. If not, then we would need to see if the Board wants to amend our current Plan Document. We did that with Pacific Life. They didn't want to do loans so the Plan was modified to read if the administrator allows loans.

Trustee Kobylarz asked if that means he would work off of our Plan Document and not the other way around and Mr. Cubba said yes.


Mr. Mosallam said if we allow loans, then AXA would. He said that with 457 Plans, the municipalities have complete control. Hardships, loans, transfers and distributions the Township has to sign off, AXA has to amend and abide by the Township's rules.

Mr. Cubba said the Township is the administrator and AXA would be the trust.


Trustee Kobylarz asked if Mr. Cubba sees this as being more involved and is it worthwhile taking on another plan?

Mr. Cubba said that is the Board's call. They all work the same way. Employees sign up and elect how much to take out of their pay and the funds get transferred monthly. They can join at any time and can roll out at any time.

A motion was made by SIVYER, supported by MCRAE, that we adjourn this Study Session. Motion carried unanimously. This Study Session adjourned at 6:40 p.m.



R. MILES HANDY, II, SUPERVISOR
CHARTER TOWNSHIP OF REDFORD



GARTH J. CHRISTIE, CLERK
CHARTER TOWNSHIP OF REDFORD

Recorded by Dorothy Wasmundt