ELECTION NOTICE

TO THE QUALIFIED ELECTORS OF THE

CITY OF BIRMINGHAM

County of Oakland, State of Michigan

Notice is hereby given that an election will be held in the City of Birmingham, County of Oakland, State of Michigan on

MONDAY, APRIL 3, 1944

from seven o'clock in the forenoon until eight o'clock in the afternoon, Eastern War Time, for the purpose of electing the following officers:

Two (2) City Commissioners
Three (3) Members of the Library Board
One (1) Associate Justice of the Peace
One (1) Constable

and to vote on the following proposition:

AMENDMENT TO THE CHARTER OF THE CITY OF BIRMINGHAM

SHALL THE CHARTER OF THE CITY OF BIRMINGHAM BE AMENDED BY THE ADDITION OF A SECTION TO BE KNOWN AS CHAPTER XIX, TO READ AS FOLLOWS:

CHAPTER XIX.

RETIREMENT SYSTEM FOR THE EMPLOYES OF THE CITY OF BIRMINGHAM

Section 1. NAME AND ESTABLISHMENT. The City of Birmingham Employes Retirement System, hereinafter called the Retirement System, is hereby established for the purpose of providing retirement allowances and death benefits for the employes of the City of Birmingham under the provisions of this Amendment to the Charter of the City of Birmingham, Michigan.

Section 2. DEFINITIONS. The following words and phrases wherever used in this Amendment, unless a different meaning is plainly required by the context, shall have the following meaning:

(a). "City" shall mean the City of Birmingham, State of Michigan, and shall include its predecessor, the Village of Birmingham, State of Michigan.

(b). "City Commission" shall mean the City Commission of the City of Birmingham.

(c). "Board" shall mean the Retirement Board provided for in Section 3.

(d). "Member" shall mean any person included in the membership of the Retirement System.

(e). "New Member" shall mean any member without prior service credited to his service account.

(f). "Original Member" shall mean any member with prior service credited to his service account.

(g). "Service" shall mean service rendered to the City as an employe of the City.

(h). "Prior Service" shall mean service rendered, as an employe of the City, prior to the effective date of this Retirement System.

(i). "Membership Service" shall mean service rendered, as an employe of the City, since last becoming a member of the Retirement System.

(j). "Regular Interest" shall be interest at three per cent per annum, compounded annually, for a period of five years from the effective date of this Retirement System. For each subsequent five year period, regular interest shall be such rate of interest as the Board may determine.

(k). "Accumulated Contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to his individual account in the Annuity Savings Fund, together with regular interest thereon.

(l). "Average Final Compensation" shall mean the annual average of the highest pay received by a member during a period of five consecutive years of service contained within his ten years of service immediately preceding his retirement; if he has less than five years of service, then his average final compensation shall be the annual average pay received by him during his total years of service. In cases where compensation is not all paid in money, the Board shall fix the value of that part of the compensation not paid in money.

(m). "Final Compensation" shall mean the annual rate of pay earned or earnable by a member at the time of termination of his last employment with the City.

(n). "Annuity" shall mean annual payments derived from the accumulated contributions of a member.

(o). "Pension" shall mean annual payments derived from money provided by the City, or instrumentality thereof.

(p). "Retirement Allowance" shall mean the sum of the annuity and the pension, and shall be paid in monthly installments thereof.

(q). "Retirement" shall mean withdrawal from active service with a retirement allowance, pension, or annuity granted according to the provisions of this Retirement System.

(r). "Beneficiary" shall mean any person in receipt of a pension, annuity, retirement allowance, or other benefit provided by this Retirement System.

(s). "Annuity reserve" shall mean the present value of all payments to be made on account of any annuity, or benefit in lieu of any annuity, computed upon the basis of such mortality tables and regular interest as the Board shall adopt.

(t). "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of any pension, computed upon the basis of such mortality tables and regular interest as the Board shall adopt.

(u). "Eligible Retirement Age" shall be age sixty years for members other than policemen and firemen; for policemen and firemen eligible retirement age shall be age fifty-seven years; provided, that subject to the provisions of Section 15 (a), the Board may, in the national interest during time of war engaged in by the United States, or other national emergency, extend the age at which any member is eligible to retire.

(v). "Policemen" shall mean employes of the Police Department holding the rank of patrolman, or higher rank, but it shall not include (1) privately employed policemen, (2) persons temporarily employed during emergencies, or (3) civilian employes of the Police Department.

(w). "Firemen" shall mean employes of the Fire Department holding the rank of fire-fighter, or higher rank, but it shall not include (1) privately employed firemen, (2) persons temporarily employed during emergencies, or (3) civilian employes of the Fire Department.

(x). The masculine pronoun shall include the feminine pronoun.

Section 3. RETIREMENT BOARD. There is hereby created a Retirement Board in whom is vested the power to administer, manage and properly operate the Retirement System and to make effective the provisions of this Charter Amendment. The Board shall be organized immediately after four members of the Board have qualified. The Board shall consist of seven members, as follows: The Mayor of the City; a member of the City Commission to be selected by the City Commission; the City Manager; the Mayor, by and with the consent of the City Commission, shall appoint a citizen who is an elector and a free-holder of the City, and who is not eligible to receive benefits under the provisions of this Retirement System; a policeman member of the Retirement System to be elected by the policemen members; a fireman member of the Retirement System to be elected by the firemen members; a member of the Retirement System, other than a policeman or fireman member, to be elected by the members of the Retirement System other than policemen and firemen members.

Section 4. PRELIMINARY BOARD. Until the first election is held the Mayor shall appoint the three employe members of the Board and a citizen member of the Board, as provided for in Section 3, to serve until their successors are elected or appointed and have qualified. The Board so constituted shall order and arrange for an election by the members of the Retirement System to be held within ninety days from the effective date of this Amendment. At the first election the appointed citizen Board member shall serve four years; the fireman Board member shall serve three years; the policeman Board member shall serve two years; the general employe Board member shall serve one year.

Section 5. BOARD MEMBERS' REGULAR TERM OF OFFICE. After the first election, the regular term of office of the appointed citizen Board member and the employe Board members shall be three years. If a vacancy occurs in the office of Board member, the Mayor shall, within thirty days of the occurrence of the vacancy, fill the vacancy by appointment for the unexpired term; said appointment to be made by and with the consent of the City Commission. Each Board Member shall within ten days of his appointment or election take an oath of office on the form now prescribed by Charter, to be administered by the City Clerk.

Section 6. MEETINGS OF THE BOARD. The Board shall hold meetings regularly, at least one in each month, and shall designate the time and place thereof. Five Board members shall constitute a quorum at any meeting of the Board. Each Board member shall be entitled to one vote in the meetings of the Board and at least five concurring votes shall be necessary for a decision by the Board members. The Board shall adopt its own rules of procedure and shall keep a record of its proceedings. All meetings of the Board shall be public. The members of the Board shall serve without compensation for their services as such.

Section 7. CHAIRMAN OF BOARD — OFFICERS. The Board shall elect from its members a Chairman and a Vice-Chairman.

(a). **Secretary.** The City Treasurer, ex-officio, shall be Secretary of the Retirement System.

(b). **Treasurer.** The City Treasurer, ex-officio, shall be Treasurer of the Retirement System and the custodian of its funds. All payments from the funds of the Retirement System shall be made by the City Treasurer, according to Charter provisions, only upon City vpuchers signed by two persons designated by the Board. A duly attested copy of a resolution designating such persons and bearing upon its face specimen signatures of such persons shall be filed with the City Treasurer as his authority for making payments upon such vouchers. No voucher shall be drawn unless it shall have been previously authorized by resolution of the Board.

(c). **Actuary.** The Board may appoint an Actuary who shall be the technical advisor to the Board on matters regarding the operation of the Funds of the Retirement System and who shall perform such other duties as are required for the administration thereof.

(d). **Medical Director.** The Board shall appoint as Medical Director a physician who is not eligible for membership in the Retirement System, and who has not, within five years prior to his appointment as Medical Director, filled an elective, appointive, or salaried office in the City, County, or State Government; provided, that service as interne in any City, County, or State hospital or sanitarium, and service in any military body shall not disqualify a physician for appointment as Medical Director. The Medical Director shall be responsible to and shall report to the Board. The Board, on the Medical Director shall arrange for and pass upon all medical examinations required under the provisions of this Retirement System; shall investigate all essential statements and certificates of a medical nature by or on behalf of any member in connection with an application for disability benefits; and shall report in writing to the Board his conclusions on matters referred to him.

(e). **Employment of Professional and Clerical Services.** The Board may employ such professional and clerical services as are required for the proper operation of this Retirement System. The compensation for services required shall be fixed by the Board, subject to the approval of the City Commission.

Section 8. (a). Records of Retirement System.—Annual Report. The Secretary shall keep, or cause to be kept, in convenient form such data as shall be necessary for an actuarial valuation of the assets and liabilities of the Retirement System. The Board shall render a report to the City Commission, on or before the fifteenth day of November of each year, showing the fiscal transactions of the Retirement System for the year ending the preceding thirtieth day of June, and the last balance sheet showing the financial condition of the Retirement System by means of an actuarial valuation of the assets and liabilities of the Retirement System.

(b). **Mortality and Other Tables.** The Board shall adopt such mortality, and other tables of experience as are necessary in the operation of the Retirement System on an actuarial basis.

Section 9. (a). Membership Consists of. The membership of the Retirement System shall include all persons now or hereafter employed by the City, but (1) excluding persons whose services are compensated for on a contractual or fee basis, nor (2) any person whose compensation in a period of three consecutive years averages less than five hundred dollars a year, nor (3) the Medical Director of the City's elective officials or the City.

(b). **Right of Board to Decide Membership.** In all cases of doubt, the Board shall decide who is a member within the meaning of the provisions of this Retirement System.

Section 10. TERMINATION OF MEMBERSHIP. Except as provided for in Section 15 (b), any person (1) be absent from service more than two years in a period of three consecutive years after last becoming a member, or (2) become a beneficiary or die, he shall thereupon cease to be a member.

Section 11. SERVICE CREDITABLE. The Board shall fix and determine by appropriate rules and regulations how much service in any year is equivalent to a year of service, but in no case shall less than fifteen days' service in a calendar month constitute a month of service; nor shall less than ten months' service in a calendar year constitute a year of service, nor shall more than one year of service be creditable for all service rendered in one calendar year.

Section 12. WAR SERVICE CREDIT. Should an employe who while employed by the City be called or enlists, or was called or enlisted in the military, naval, marine, or other armed service of the United States Government and on active duty during the war, or other national emergency recognized by the Board, and should such person be re-employed by the City within ninety days from the date of termination of his military, naval enlistment, then such war service shall be credited to him as City service; provided, that in all cases of doubt, the Board shall decide the amount of service to be credited to such person. During the period of such service rendered by a member to the Federal Government, his contributions to the Annuity Savings Fund shall be suspended and his balance in the Annuity Savings Fund at the last payroll date preceding his leave of absence from City service shall be accumulated at regular interest.

Section 13. MEMBERS' SERVICE ACCOUNTS. The Board shall credit each member's service account with the number of years and months of prior service and membership service to which he may be entitled.

Section 14. OPTIONAL RETIREMENT FROM SERVICE. On or after January 1, 1945, any member who has attained his eligible retirement age, may retire upon pay retire from City Service upon his written application to the Board setting forth at what time, not less than thirty days nor more than ninety days subsequent thereto, he desires to be retired.

Section 15. (a). Compulsory Retirement from Service. On or after January 1, 1945, any policeman or fireman member who has attained age sixty-two years, and any member in any other eligible branch of the City service who has attained age sixty-five years, shall be retired forthwith by the Board; provided, that this paragraph (1) shall not apply to any member who is an elective official of the City appointed directly by the City Commission and (2) shall be subject to the provisions of paragraph (b) of this section.

(b). **Extensions of Service.** Upon the written request of a member who has attained the compulsory retirement age, according to the provisions of paragraph (a) of this Section, approved by his department head, the Board may continue such member in service for periods not to extend beyond (1) the member's attainment of age seventy years when added to the basic pension shall not exceed the effective date of this Retirement System, whichever occurs later.

Section 16. SERVICE RETIREMENT ALLOWANCE. Subject to the provisions of paragraph (e) of this Section, upon retirement from service, a member shall receive a service retirement allowance which shall consist of:

(a). **Annuity.** An annuity which shall be the actuarial equivalent of his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement; and

(b). **Basic Pension.** A basic pension of one hundred dollars per annum.

(c). **Membership Service Pension.** A membership service pension equal to one-one hundred thirty-fifth (1/135) of his average final compensation for each year of membership service credited to his service account at the time of his retirement; provided, that the membership service pension when added to the basic pension shall not exceed (1) nine hundred dollars per annum or (2) the amount of his annuity, whichever amount is greater; and

(d). **Prior Service Pension.** A prior service pension equal to two-one hundred fifty-fifths (2/135) of his average final compensation for each year of prior service credited to his service account; provided, that if the membership service when added to the prior service exceed thirty years, then credit for membership service shall be reduced so that the total of membership service and prior service shall not exceed thirty years; provided further, that the prior service pension when added to the annuity, basic pension and membership service pension shall not exceed eighteen hundred dollars per annum.

Minimum Service to be Eligible for a Pension. To be eligible to receive the pensions provided for in paragraphs (b), (c) and (d) of this section, an original member who is in the employ of the City on the effective date of this Retirement System shall have at least five years of service credited to his service account; a new member, or an original member who has withdrawn his contributions prior to the effective date of this Retirement System, shall have at least ten years of service credited to his service account; provided, that the service conditions contained in this paragraph shall not apply if a member becomes eligible for benefits provided for in paragraph (e) of Section 20.

Section 17. DEFERRED SERVICE RETIREMENT ALLOWANCE. On or after January 1, 1945 should any member (1) who has fifteen or more years of service credited to his service account, and (2) who has attained age fifty-five years, separate from the service of the City for any reason whatsoever except by death, he shall remain a member during the period of his absence from City service for the exclusive purpose only of receiving a service retirement allowance provided for in Section 16, said service retirement allowance to begin at the attainment of his eligible retirement age; provided, that if such member should withdraw all or part of his accumulated contributions standing to his credit in the Annuity Savings Fund, he shall thereupon cease to be a member.

Section 18. OPTIONAL RETIREMENT ALLOWANCES. Until the effective date of his service retirement, as provided for in Sections 14 and 15, any member may elect to receive his service retirement allowance in a retirement allowance payable throughout life (to be known as a regular retirement allowance); or, he may elect to receive the actuarial equivalent at that time of a reduced retirement allowance payable throughout life, in accordance with the provisions of Options I, II, and III, as hereinafter set forth. If a member dies within thirty days after his retirement becomes effective, no option election shall be effective; such a member shall be considered in service at the time of his death and his accumulated contributions standing to his credit in the Annuity Savings Fund shall be paid in accordance with the provisions of Section 25 (b).

Option I. Cash Refund Annuity. If a beneficiary dies before he has received in payment of the annuity portions of his reduced retirement allowance, the amount of his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement, the balance shall be paid in a single sum to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board; or if there be no such designated person or persons, then to his executor or administrator; or

Option II. Joint and Last Survivorship Allowance. If a beneficiary dies, his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board at the time of his retirement, or

Option III. Modified Joint and Last Survivorship Annuity. If a beneficiary dies, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board at the time of his retirement.

Section 19. DUTY DISABILITY INCURRED. Upon the application of a member, or his department head, a member who becomes totally incapacitated for duty as the natural and proximate result of the actual performance of duty as an employe of the City, without willful negligence on his part, shall be retired; provided, the Medical Director, after a medical examination of such member, shall certify (1) that such member is mentally or physically totally incapacitated for the further performance of duty in the service of the City, and (2) that such member should be retired; provided further, that the report of the Medical Director is concurred in by the Board.

Section 20. (a). Duty Disability Benefits — For Retirement After Eligible Retirement Age. Upon retirement for disability, as provided for in Section 19, a disability beneficiary who has attained his eligible retirement age shall receive a service retirement allowance according to the provisions of Section 16.

(b). Duty Disability Benefits — For Retirement Before Eligible Retirement Age. Upon retirement for disability, as provided for in Section 19, a disability beneficiary who has not attained his eligible retirement age shall receive a disability retirement allowance equal to one-half of his average final compensation to continue from the date of his application for disability benefits to his attainment of his eligible retirement age; provided, that such disability retirement pension (1) shall not exceed fifteen hundred dollars per annum, and (2) shall be subject to the provisions of Sections 23 and 24. Upon attaining his eligible retirement age, such disability beneficiary shall receive a pension as provided for in Section 16, paragraphs (b), (c) and (d); provided, that in computing such pension, service credit shall be given such disability beneficiary for the period he was receiving City pension. In addition to his pension, such disability beneficiary, at the attainment of his eligible retirement age, shall receive an annuity equivalent to the annuity he would have received had he continued his contributions to the Annuity Savings Fund, said contributions to be based upon his final compensation at the time of his disability retirement.

(c). Disability Beneficiary's Accumulated Contributions. During the period a disability beneficiary is receiving a disability retirement pension, as provided for in paragraph (b) of this Section, his contributions to the Annuity Savings Fund shall be suspended and his balance in the Annuity Savings Fund shall remain in the said Annuity Savings Fund and shall be accumulated at regular interest until his attainment of his eligible retirement age, or prior death. Upon attaining his eligible retirement age, his accumulated contributions shall be transferred from the Annuity Savings Fund to the Annuity Reserve Fund. Should he die before attaining his eligible retirement age, the amount of his accumulated contributions standing to his credit in the Annuity Savings Fund, at the time of his death, shall be paid in accordance with the provisions of Section 25 (b).

Section 21. NON-DUTY DISABILITY INCURRED. On or after January 1, 1945, upon the application of a member, or his department head, a member who has ten or more years of service credited to his service account, and becomes totally and permanently incapacitated for duty to the City, as the result of causes occurring not in the actual performance of duty to the City, may be retired by the Board; provided, the Medical Director after a medical examination of such member shall certify (1) that such member is mentally or physically incapacitated for the further performance of duty to the City, and (2) that such incapacity is likely to be permanent, and (3) that such member should be retired.

Section 22. NON-DUTY DISABILITY BENEFITS. Upon retirement for disability, as provided for in Section 21, a disability beneficiary who has attained his eligible retirement age shall receive a service retirement allowance as provided for in Section 16; a disability beneficiary who has not attained his eligible retirement age shall receive the following benefits:

(a). **Cash Refund Annuity.** A cash refund annuity which shall be the actuarial equivalent of his accumulated contributions standing to his credit in the Annuity Savings Fund at the time of his retirement; and

(b). **Disability Retirement Pension.** A disability retirement pension equal to one one-hundred thirty-fifth (1/135) of his average final compensation for each year of service credited to his service account; provided, that such disability retirement pension (1) shall not exceed one hundred dollars per annum, and (2) shall be subject to the provisions of Sections 23 and 24.

Section 23. PENSIONS OFFSET BY COMPENSATION BENEFITS. Any amounts which may be paid or payable under the provisions of any workmen's compensation, or pension, or similar law to a member or beneficiary or to the dependents of a member or beneficiary, on account of any disability or death, shall be offset against and payable in lieu of any benefits payable out of funds provided by the City under the provisions of this Retirement System on account of the same disability or death.

Section 24. Medical Examination of Disability Beneficiaries. Once each year during the first five years following retirement of a member with a disability retirement pension or allowance, and at least once in every three year period thereafter, the Board may, and upon the beneficiary's application shall, require any disability beneficiary who has not attained his eligible retirement age to undergo a medical examination by or under the direction of the Medical Director. Should any disability beneficiary who has not attained his eligible retirement age refuse to submit to such medical examination in any such period, his pension or pension and annuity or allowance may be discontinued by the Board, and should such refusal continue for one year, all his rights in and to his disability retirement pension or allowance shall be revoked by the Board. If upon such medical examination of a disability beneficiary, the Medical Director reports that such beneficiary is physically able and capable of resuming employment with the City, and his report is concurred in by the Board, then such beneficiary shall be restored to active service with the City and his disability pension or allowance shall be discontinued.

(b). **Adjustment of Disability Pensions.** Should any medical report and certify to the Board that such disability beneficiary is engaged in a gainful occupation, business, or employment and that the total of his pay or earnings from such occupation, business, or employment, and his disability retirement pension or allowance provided by this Retirement System, exceeds his final compensation, then the amount of his disability pension shall be reduced to an amount which together with his annuity, if any, and the amount earned by him shall equal his final compensation; provided, that such report shall be concurred in by the Board. Should such disability beneficiary's earnings be later changed, his disability pension shall be correspondingly adjusted.

Section 25. (a). Refund of Accumulated Contributions Prior to Retirement. Should a member cease to be an employe of the City (1) before attaining his eligible retirement age, for reasons other than becoming a beneficiary or dying, or (2) after attaining his eligible retirement age and not being entitled to a pension, he shall be paid all or part of the accumulated contributions standing to his credit in the Annuity Savings Fund as he shall demand in writing on forms furnished by the Board.

(b). **Refund of Accumulated Contributions—Upon Death of Member.** Should a member die before his service retirement becomes effective, except as provided for in paragraph (b) of Section 25, the amount of his accumulated contributions standing to his credit in the Annuity Savings Fund, at the time of his death, shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board; if there be no such designated person or persons, then accumulated contributions shall be paid to his executor or administrator.

(c). **Installment Refund of Accumulated Contributions.** Payment of refunds of accumulated contributions may be made in monthly installments according to such rules and regulations as the Board may adopt.

Section 26. (a). Annuity Savings Funds. The Annuity Savings Fund is hereby created in which shall be accumulated at regular interest, the contributions from the compensation of members to provide for their annuities.

(b). **Contributions of Members.** The contribution of a member to the Annuity Savings Fund shall be five per cent of his compensation paid to him by the City. The officer or officers responsible for making up the payroll shall cause the contribution to be deducted from the compensation of each member on each and every payroll for each and every payroll period, so long as he remains a member in the employ of the City. The member's contributions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Each member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full compensation and payment of his compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to benefits provided by this Retirement System. The officer or officers responsible for making up the payroll shall certify to the City Treasurer, on each and every payroll, the amount of contribution to be deducted from the compensation of each member, and each of said amounts shall be deducted by the City Treasurer, and when deducted shall be credited by the Secretary to the individual Annuity Savings Fund account of the member from whose compensation said deduction was made.

(c). **Re-Deposit of Contributions Previously Refunded.** In addition to the contributions deducted from the compensation of a member, as hereinbefore provided, any member may redeposit in the Annuity Savings Fund, by a single payment, or by an increased rate of contribution, an amount equal to the total amount, or any part thereof which he may have previously withdrawn therefrom as provided by this Retirement System.

(d). **Transfer of a Member's Accumulated Contributions.** Upon retirement of a member, his accumulated contributions shall be transferred from the Annuity Savings Fund to the Annuity Reserve Fund. At the expiration of a period of three years from the date an employe ceases to be a member, any balance of accumulated contributions standing to his credit in the Annuity Savings Fund, unclaimed by such member, shall be transferred to the Pension Reserve Fund.

Section 27. ANNUITY RESERVE FUND. The Annuity Reserve Fund is hereby created. The Annuity Reserve Fund shall be the fund from which shall be paid all annuities and all benefits in lieu of annuities, payable as provided by this Retirement System. Should a beneficiary be restored to service, on account of disability, be restored to active service with a compensation not less than his average final compensation at the time of his last retirement, his annuity reserve shall be transferred from the Annuity Reserve Fund to the Annuity Savings Fund, and shall be credited to his individual account therein.

Section 28. (a). Pension Reserve Fund. The Pension Reserve Fund is hereby created. The Pension Reserve Fund shall be the fund in which shall be accumulated reserves for the payment of all pensions and other benefits payable from the contributions made by the City, or any instrumentality of the City, and from which shall be paid all pensions, and all benefits in lieu of pensions, to members as provided by this Retirement System.

(b). Contributions by City. Upon the basis of such mortality tables, regular interest, and other tables, as the Board shall adopt, the Actuary shall annually compute the pension reserve liabilities covering pensions and other benefits payable or which might be payable from the Pension Reserve Fund to members and beneficiaries of the Retirement System. The pension reserve liabilities covering prior service of original members shall be amortized in such manner as the Board may determine, subject to the approval of the City Commission. The pension reserve liabilities covering service rendered or to be rendered after the effective date of this Retirement System by members and pensions of beneficiaries on retirement rolls shall be amortized over a period of not more than, but not to exceed the natural lifetime of members and beneficiaries. The Board shall certify to the City Commission on or before the first day of April of each year the amount of contributions to be paid by the City, or any instrumentality of the City, to the Retirement System for the following fiscal year and the City Commission shall appropriate and the City, or any instrumentality of the City, shall pay such amounts of contributions to the funds of the Retirement System during the ensuing fiscal year and when so paid the amounts of such contributions shall be credited to the Pension Reserve Fund.

(c). If the amount appropriated in the budget for any year is not sufficient to pay in full the amounts due in said year to all beneficiaries of the Retirement System, the amount of such insufficiency shall thereupon be provided by the appropriating authorities of the City.

Section 29. EXPENSE FUND. The Expense Fund shall be the fund to which shall be credited all money provided by the City to pay the administration expense of the Retirement System, and from which shall be paid all such expenses necessary in connection with administration of the Retirement System. The Board shall annually certify to the appropriating authorities of the City, on or before the first day of April, according to legal budget procedure, the amount of appropriation necessary to administer the Retirement System during the ensuing fiscal year, and the City shall appropriate such amount to the credit of the Expense Fund.

Section 30. (a). Management of Funds. The Board shall have full power to invest and reinvest such funds subject to all terms, conditions, limitations, and restrictions imposed by the law of the State of Michigan upon life insurance companies in the making and disposing of their investments, except that notes, bonds, or other obligations of any county, city, village, or district in the State of Michigan shall not be subject to said restrictions or limitations. The Board shall have the power to purchase notes, bonds, or other obligations of the City of Birmingham at any legally conducted public or private sale.

The Board may also invest not to exceed fifteen per cent of the funds of this Retirement System in stocks rated not lower than BBB or equivalent rating by recognized rating agencies.

No loans, secured or unsecured, shall be made to a member nor to any elected or appointed official of the City.

(b). The Board shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds of the Retirement System have been invested, as well as the proceeds of said investments and any moneys belonging to the Retirement System. There shall be kept on deposit available cash not exceeding ten per-centum of the total assets of the Retirement System. All funds of the Retirement System shall be held for the sole purpose of meeting disbursements for pensions, annuities, and other payments authorized by the provisions of this Retirement System, and shall be used for no other purpose.

(c). The description of the various funds of the Retirement System in Sections 26, 27, 28, and 29 shall be interpreted to refer to the accounting records of the Retirement System and not to the segregation of moneys in the funds of the Retirement System.

In the proper administration and management of the funds and investments of the Retirement System, the Board shall also have the following powers:

(d). To sell, either for cash, or part cash and part deferred payments, exchange for, grant, subdivide, convey, lease (for out-right or part length of time), mortgage, pledge, partition, or otherwise dispose of all the assets in said funds or any part thereof, at such time and in such manner, either at public or private sale and upon such terms and in such amounts and upon such conditions as the said Board may deem expedient and proper and unaffected by any of the charter limitations applicable to other funds or city property.

(e). To borrow on the general credit of the fund or to pledge or mortgage the said fund or any part thereof as security for the repayment of such loan and to renew any indebtedness incurred by the said fund.

(f). To exercise any option or privilege to convert bonds, notes, stocks or other securities belonging to such funds into other bonds, notes, stocks or other securities; to exercise any privilege to subscribe for additional or other bonds, notes, stocks or other securities; to make such conversions and subscriptions, to make payments therefor, and to advance or borrow money for the purpose of exercising such option, privilege or right and to retain such bonds, notes, stocks and other securities so acquired as investments for said fund.

(g). To unite with other owners of property or securities similar to any which may be held at any time in said fund in carrying out any plan for the consolidation or merger, dissolution or liquidation, foreclosure, sale or lease of the property of, incorporation or reincorporation, reorganization or readjustment of the capital or financial structure of any corporation, company or association, the securities of which may form a part of said fund; to deposit the said securities in accordance with such plan; to pay any assessments, expenses and sums of money which the Board may deem expedient or which may be required for the protection or furtherance of the interests of said fund with reference to any such plan; and to receive and retain as investments of said fund, any new securities issued as a result of the execution of such plan.

(h). To enforce, abandon, adjust, arbitrate, compromise, sue on or defend, and otherwise deal with and settle claims in favor of or against the said fund as to the Board may seem best, and its decision shall be final and binding upon all parties in interest.

Section 31. ALLOWANCE OF REGULAR INTEREST. The Board annually shall allow regular interest on the mean amount of assets credited to the Annuity Savings Fund, Annuity Reserve Fund, and the Pension Reserve Fund; provided, however, that interest on contributions from members credited to the Annuity Savings Fund within any one fiscal year shall begin on the first day of the fiscal year next following, and shall be computed and credited at the rate of three per cent per annum. The interest allowed shall be due and payable to said funds of the Retirement System and shall be annually credited thereto by the Board from interest and other earnings on moneys of the Retirement System. Any additional interest earnings not required for the interest needs of the Retirement System shall be paid from the Pension Reserve Fund, and all interest and other earnings from deposits and investments of the funds of the Retirement System, not required for the allowance of regular interest shall be credited to the Pension Reserve Fund.

Section 32. ASSIGNMENTS PROHIBITED. The right of a person to an annuity, a pension, a retirement allowance, to the return of accumulated contributions, the annuity, the pension, or the retirement allowance itself, any optional benefit, any other right accrued or accruing to any person under the provisions of this Retirement System, and the moneys belonging to the Retirement System shall be unassignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy, or insolvency law, or any other process of law whatsoever, and shall be unassignable except as is specifically provided by the provisions of this Retirement System; provided, that the City shall have the right of setoff for any claim arising from embezzlement by or fraud of a member.

Section 33. ERRORS. Should any change or error in the records result in any member or beneficiary receiving from the Retirement System more or less than he would have been entitled to receive had the records been correct, the Board shall correct such error and, as far as practicable, shall adjust the payment so that the benefit to which such member or beneficiary was correctly entitled shall be paid.

Said election will be held at the following polling places:

Precinct No. 1—Voting Booth at the Lutheran Church
Precinct No. 2—Voting Booth at the Holy Name School
Precinct No. 3—Voting Booth at the Adams School
Precinct No. 4—Voting Booth at the Municipal Building
Precinct No. 5—Voting Booth at the Bell Funeral Home—Side Entrance
Precinct No. 6—Voting Booth at the Pierce School

IRENE E. HANLEY
City Clerk

March 23, 1944