

# The Source

For Shelby Township and Utica

**Sunday, December 28, 2014**

**\$.50**

[FACEBOOK.COM/ADVISORSOURCEMEDIA](https://www.facebook.com/ADVISORSOURCEMEDIA)

[TWITTER.COM/ADVISORSOURCE](https://twitter.com/ADVISORSOURCE)

[sourcnewspapers.com](http://sourcnewspapers.com)



# Twp. completes bond sale, fully funds police and fire pensions

By **SEAN DELANEY**  
Source Staff Writer

Treasurer Michael Flynn recently announced that Shelby Township will be able to fully fund its police and fire pension program after successfully completing a live competitive Wall Street bond sale of \$9.3 million.

"The series 2014 bonds represent the final piece of the approximately \$24 million package that will fully fund the Shelby Township fire and police pension system," Flynn said.

According to Flynn, the winning bidder was Fifth-Third Securities with a blended rate of 3.07 percent.

"This is about 36 basis points lower than the township's most optimistic financial estimates, which will result in additional savings to the township of about \$300,000 over the life of the loan," he said.

Flynn noted the \$9.3 million offering will be combined with a \$13 million loan from the Department of Public Works reserve, and a \$2 million transfer from



SOURCE PHOTO/SEAN DELANEY

Treasurer Michael Flynn recently announced that Shelby Township will be able to fully fund its police and fire pension program after successfully completing a live competitive Wall Street bond sale of \$9.3 million.

the police and fire reserves to fully fund the township's pension liability.

"This deal essentially saved the Shelby Township Police Department as we know it," Flynn said, referring to the large immediate cash flow savings the township will realize. "It's no secret that without a major policy shift our department would have been insolvent within only a few years.

**"This deal essentially saved the Shelby Township Police Department as we know it."**

*Michael Flynn, Shelby Township Treasurer*

We owed it to our employee stakeholders as well as the public they -- and we -- serve to come up with a solution."

According to Flynn, the approximate \$24 million cash infusion will be transferred to the pension board's authority by the end of the year, which will bring the fund's total worth up to around \$100 million.

"Reforming these plans and securing the township's financial future has been on the community's mind for as long as I have been in office," said Supervisor Richard Stathakis. "And the only real opportunities to address these pensions came through negotiations with our unions, and it was a tremendous team effort and commitment from the Board of Trustees that got

this done.

"Without the successful negotiation between the board and our unions that moved new hires in the police and fire departments to a defined-benefit retirement plan, the process that resulted in this bond sale would never have started, and we would still be talking about tens of millions of dollars in liability over the township's head," Stathakis continued.

According to Flynn, Shelby Township received a 2 percent good-faith transfer from Fifth-Third Securities immediately following the sale and closed on the balance of bond funding Dec. 18. The final transfer of all allocated monies to Pension Board authority was completed Dec. 19.

Contact Sean Delaney at 586-323-8127 or [sean.delaney@advisorsource.com](mailto:sean.delaney@advisorsource.com). Follow him on Twitter @ [sdelaney81](https://twitter.com/sdelaney81) or on Facebook at Sean Delaney. Subscribe to his Tout feed at [www.tout.com/u/sdelaney81](http://www.tout.com/u/sdelaney81)