

POLICE & FIRE PENSION BOARD MEETING

DATE: January 19, 2021

Electronic Zoom Meeting

TIME: 10:00 A.M.

Present: Stan Chubinski, Tammy Giannunzio, Ed Guzzo, Jake Martin & Chris Rabbitt.
Also Present: Justin Cohen and Jeremy Tollas, CAPTRUST; Sarah VanWormer, IT Director; Jessica Vanderkolk, Communications Manager; Nancy Mullett, Labor Attorney and Kourtney Matuschka, Finance Officer/Police & Fire Retirement System Administrator.

Chair Chubinski asked for approval of the agenda. **Motion Rabbitt**, seconded Giannunzio to approve the agenda. On a voice vote, motion **carried**.

Presented minutes of the regular meeting on December 21, 2020. **Motion Martin** seconded Guzzo to approve the regular session minutes. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 12/31/2020, the market value of the portfolio was \$176,433,303 a gain of 4,801,141 from the 11/30/2020 balance.

As of 1/14/2021, the portfolio market value was \$178,478,144, which is a gain of \$2,044,841 since 12/31/2020.

For the month of December, the following expenses were deducted.

<u>Expense Type</u>	<u>Payee</u>	<u>Amount</u>	<u>Frequency</u>	<u>Additional Details</u>
Misc Fees (asset manager)	Misc Admin fees - non investment	3,065.98	Monthly	12/1 - 12/31/20
Misc Fees	Admin. Fee - Class Action Handling Fee	20.00	As Needed	12/1 - 12/31/20
Total Admin. Fees		3,085.98		

Motion Guzzo, seconded Rabbitt to accept the financial report and quarterly bank summary as submitted. On a voice vote, motion **carried**.

Board Reports

Chubinski – none.

Giannunzio – none.

Guzzo – none.

Martin – none.

Matuschka

- Doug Bagwell, Police Lieutenant, entered the DROP program effective 1/8/2021.
- Kathleen Chrenenko, Police Sergeant, retired effective 12/31/2020.
- Kevin Stansberry, Police Corporal, retired effective 1/8/2021.
- Joseph Seech, Police Officer, terminated 12/23/2020. A letter regarding withdrawal options was mailed 1/7/21.

- Surviving Spouse, Helen Beecher died 12/17/2020. Her 1/1/2021 benefit payment was pulled back and replaced with a pro-rated payment for 17 days in December.
- Audited financial statements for fiscal year ending 6/30/2020 have been posted online.
- The following resolutions needs approved:

CLIFFORD HILL III

WHEREAS, the Board of Trustees is in receipt of an application for retirement from Clifford Hill III requesting an effective retirement date of 9/30/20, and

WHEREAS, Clifford Hill III is eligible for retirement based on his service pursuant to Act 345 of the Public Acts of 1937, as amended, and retirement provisions of the union contract, and

WHEREAS, the final actuarial calculation was received and,

WHEREAS, Clifford Hill III elected straight life with 60% surviving spouse benefit, therefore be it

RESOLVED, that the application of Clifford Hill III for retirement is approved, and

RESOLVED, the retirement benefit for Clifford Hill III shall commence as of 9/30/20, and

RESOLVED, the gross monthly benefit is \$5,287.79 subject to tax withholdings and any other elective deductions, and

RESOLVED, the gross retroactive payment of \$5,464.05 for 1 day in September and the full month of October was paid on 10/31/20 and the regular gross monthly benefit shall begin 12/1/20.

WALTER L. HARDY II

WHEREAS, the Board of Trustees is in receipt of an application for participation in the Deferred Retirement Option Plan (DROP) from Walter L. Hardy II requesting an effective retirement date of 9/9/20, and

WHEREAS, Walter L. Hardy II is eligible for retirement based on his service credit pursuant to Act 345 of the Public Acts of 1937, as amended, and retirement provisions of the union contract, and

WHEREAS, the final actuarial calculation was received, and

WHEREAS, Walter L. Hardy II elected straight life with 60% surviving spouse benefit, therefore be it

RESOLVED, that the application of Walter L. Hardy II for participation in the DROP is approved, and

RESOLVED, the DROP benefit for Walter L. Hardy II shall commence as of 9/9/20, and

RESOLVED, the gross monthly retirement benefit is \$5,244.82 and shall be Walter L. Hardy II's DROP benefit credited monthly to his DROP account and

RESOLVED, Walter L. Hardy II's participation in the DROP shall terminate on 9/8/25.

SCOTT C. KEELER

WHEREAS, the Board of Trustees is in receipt of an application for participation in the Deferred Retirement Option Plan (DROP) from Scott C. Keeler requesting an effective retirement date of 10/4/20, and

WHEREAS, Scott C. Keeler is eligible for retirement based on his service credit pursuant to Act 345 of the Public Acts of 1937, as amended, and retirement provisions of the union contract, and

WHEREAS, the final actuarial calculation was received, and

WHEREAS, Scott C. Keeler elected straight life with 60% surviving spouse benefit, therefore be it

RESOLVED, that the application of Scott C. Keeler for participation in the DROP is approved, and

RESOLVED, the DROP benefit for Scott C. Keeler shall commence as of 10/4/20, and

RESOLVED, the gross monthly retirement benefit is \$6,380.68 and shall be Scott C. Keeler's DROP benefit credited monthly to his DROP account and

RESOLVED, Scott C. Keeler's participation in the DROP shall terminate on 10/3/25.

Motion Martin, seconded Giannunzio to accept the retirement resolution for Clifford Hill, and DROP resolutions for Walter L. Hardy and Scott Keeler. On a voice vote, motion **carried**.

Rabbitt – none.

New Business

Police & Fire Pension Benefit Handbook: Matuschka presented revisions to the handbook. Revisions were based on questions from members since last review.

Motion Rabbitt, seconded Guzzo to accept the revisions to the Police & Fire Pension Benefit Handbook. On a voice vote, motion **carried**.

Final Average Compensation (FAC) Policy: Matuschka presented revisions to the FAC Policy and discussed the process for calculating FAC. Guzzo suggested the Board review the revisions to the FAC Policy and discuss at the next meeting.

CAPTRUST – Asset Manager Portfolio Update: Tollas presented an economic update through December.

- US stocks up 4.5% during December bringing the YTD return at 20.89% and international stocks had YTD returns of 10.65%.
- International stocks still lagging due to Europe's slow recovery in comparison to US stocks.
- Availability of COVID vaccine may affect future market returns.

Cohen discussed portfolio and asset allocations as of December month end.

- The portfolio is slightly overweight in US equities and under in fixed income. No need to rebalance.
- Year to date returns for bonds was 8.17%, showing that bonds are critical for pension funds to help level out the portfolio.
- Total portfolio returns month to date 3.01% vs. benchmark of 2.68%, year to date 15.86% vs. 13.18%.

Tollas and Cohen discussed errors in reporting on Comerica's bank statements for bond accounts. CAPTRUST realized the errors and Comerica is researching further. Comerica's reporting lists every security in detail and CAPTRUST is recommending switching to a mutual fund. The Board requested additional information regarding the fees associated with this suggested change.

Public Comment – none.

Next regular meeting: Tuesday, February 16, 2021 at 10:00 a.m.

Meeting adjourned at 11:06 a.m.

Respectfully submitted,
Kourtney Matuschka, Recording Secretary

Board Member signature

Board Member signature