

POLICE & FIRE PENSION BOARD MEETING

DATE: April 20, 2020

Electronic Zoom Meeting

TIME: 10:02 A.M.

Present: Doug Bagwell, Stan Chubinski, Tammy Giannunzio, Ed Guzzo and Jake Martin.
Also Present: Jeremy Tollas of Plante Moran Financial Advisors (PMFA); Linda Morrison, Revenue Services Director; Nancy Mullett, Labor Attorney and Kourtney Matuschka, Finance Officer/Police & Fire Retirement System Administrator.

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

Presented minutes of the regular meeting on February 18, 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 3/31/2020, the market value of the portfolio was \$138,115,360, a loss of \$13,190,963 from the 2/29/2020 balance.

As of 4/17/2020, the portfolio market value was \$143,457,835, which is a gain of \$5,342,475 since 3/31/2020.

For the months of February and March, the following expenses were authorized for payment.

<u>Expense Type</u>	<u>Payee</u>	<u>Amount</u>	<u>Frequency</u>	<u>Additional Details</u>
Investment Fees	Loomis Sayles & Co	26,249.22	Quarterly	10/1 - 12/31/19
Investment Fees	Harding Loevner International	19,101.00	Quarterly	1/1 - 3/31/20
Investment Fees	Richmond Capital Management	2,361.00	Quarterly	10/1 - 12/31/19
Investment Fees	Robeco Boston Partners SCV	15,676.54	Quarterly	10/1 - 12/31/19
Investment Fees	Westfield Capital Management	17,519.63	Quarterly	10/1 - 12/31/19
Investment Fees	Lazard Intl Equity	14,520.58	Quarterly	1/1 - 3/31/20
Investment Fees	Robeco Boston Partners LCV	15,778.16	Quarterly	10/1 - 12/31/19
Investment Fees	Earnest Partners Intermediate	15,529.60	Quarterly	10/1 - 12/31/19
Investment Fees	The Boston Company LCG	14,342.65	Quarterly	10/1 - 12/31/19
Investment Fees	The Boston Company LCG	4,421.89	Final	1/1 - 1/28/20
Total Investment Fees		145,500.27		
Misc Fees (asset manager)	Misc Admin fees - non investment	433.18	Monthly	2/1 - 2/29/20
Misc Fees (asset manager)	Misc Admin fees - non investment	1,558.65	Monthly	3/1 - 3/31/20
Actuarial Services Fee	Gabriel Roeder smith & Co.	8,000.00	Annually	GASB #67 & 68
Actuarial Services Fee	Gabriel Roeder smith & Co.	10,650.00	Annually	6/30/19 Val.
Administrative Fee	City of Battle Creek	2,000.00	Quarterly	10/1 - 12/31/19
Legal Fees	VanOverbeke, Michaud & Timmony, P.C.	677.10	Quarterly	10/1 - 12/31/19

Medical Fees	City of Battle Creek	42.00	Varies	Death Certificates
Total Admin. Fees		23,360.93		
Additional Notes: Attorney's invoice contained \$201.30 for review and preparation of Japanese tax reclaim forms and \$475.80 for review, resolution and letter re: Roy Rolfe and State of Michigan.				

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

Board Reports

Bagwell – none.

Chubinski – none.

Giannunzio – none.

Guzzo – none.

Martin – none.

Matuschka

- Bagwell & Chubinski last attended MAPERS in September of 2016. Education Policy states each member is required to attend every 4 years. Upcoming fall conference is scheduled for 9/12 – 9/15/20, Mackinac Island. Spring conference has been cancelled due to Covid-19.
- James Basner, Police Officer terminated 2/14/20. A letter regarding his options for withdrawal was sent 3/9/20.
- Eric Andrews, Police Officer retired on 2/28/20.
- William Bohannon, Corporal retired on 3/20/20.
- The following resolution need approved:

WHEREAS, the Board of Trustees is in receipt of a Final Stipulated Order (the "Order") in the above referenced matter, dated February 4, 2020, and

WHEREAS, pursuant to the Order, the Calhoun County Circuit Court has ordered that the Pension System release the freeze over Roy C. Rolfe, Sr.'s pension payments and may now distribute the frozen assets held by the Pension System in the manner provided in the Order, and

WHEREAS, the Order provides that the Pension System shall pay 40% of the frozen payments to the State of Michigan and pay the remaining 60% of the frozen payments to Mr. Rolfe, Sr., and

WHEREAS, the future monthly pension payments from the plan to Mr. Rolfe, Sr. shall be reinstated as provided for in the Order, and

WHEREAS, the Order further provides that the Pension System shall pay 40% of future net monthly pension payments to the State of Michigan and pay the remaining 60% of the future net monthly pension payments to Mr. Rolfe, Sr., and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Pension System and applicable law including Public Act 46 of 1991 (MCLA 38.170 I) as amended, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will cause payment of pension benefits consistent with said order to the State of Michigan and Mr. Roy C. Rolfe, Sr., and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Pension System relative to this matter, and that a copy be sent to Mr. Roy C. Rolfe, Sr..

Motion Bagwell, seconded Martin to accept the resolutions for Roy C. Rolfe Sr.. On a voice vote, motion **carried**.

New Business

Policy Review: Service Retirement Policy & Election of Benefit Form – Matuschka presented changes needed to both documents to remove the annuity withdrawal option.

Motion Martin, seconded Bagwell to accept the changes to the Service Retirement Policy and Election of Benefit Form. On a voice vote, motion **carried**.

Purchase of Military Time: Matuschka to send draft of revised policy to attorney for further review.

Motion Guzzo, seconded Giannunzio to accept PMFA's suggestion to change money market accounts from Comerica Short Term Fund to Goldman Sachs Financial Square Treasury Instruments Fund effective 3/20/20. On a voice vote, motion **carried**.

Motion Bagwell, seconded Guzzo to accept PMFA's request to rebalance due to portfolio's allocation exceeding 5% of approved ranges. On a voice vote, motion **carried**.

PMFA – Asset Manager Portfolio Update: Jeremy Tollas of PMFA provided a market overview for April 2020.

- Volatility spiked higher than 2008 levels.
- Consumers remain in a solid financial position that should allow them to weather this financial crisis better than 2008.
- The pandemic has influenced interest rates worldwide and banks are reacting quickly to try to stabilize the market.
- Equities and Fixed Income showing a loss YTD but the month of April has shown growth. As of 4/20/20, the S&P 500 is up 10% for the month of April.
- Total portfolio return through 3/31/20 was -11.62% in comparison to the benchmark of -10.76%.
- As of 3/31/20 the portfolio's fixed income allocation dropped 5.5% below the plan's target allocation and rebalancing was recommended and approved. Next month's report will reflect the results of selling \$8.5 million in bonds.

Public Comment – Morrison informed board of budget workshop scheduled in May.

Next regular meeting: Wednesday, May 27, 2020 at 10:00 a.m.

Meeting adjourned at 11:01 a.m.

Respectfully submitted,
Kourtney Matuschka, Recording Secretary

Board Member signature

Board Member signature