

**POLICE & FIRE PENSION BOARD MEETING**  
**DATE: MAY 12, 2022**  
**CITY HALL, COMMISSION CHAMBERS**  
**TIME: 1:30 P.M.**

Present: Stan Chubinski, Tammy Giannunzio, Ed Guzzo, Jake Martin, and Chris Rabbitt.

Also Present: Linda Morrison (Revenue Services Director), Kourtney Matuschka (Finance Services Manager), Jeremy Tollas (CAPTRUST), and Lily Vardell (Police & Fire Pension Administrator.)

Chair Chubinski presents action item to appoint new Police & Fire Retirement System Administrator, Lily Vardell. **Motion Guzzo**, seconded by Rabbitt. On a voice vote, motion **carried**.

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

Presented minutes of the regular meeting from April 20, 2022. **Motion Rabbitt**, seconded by Martin to approve the regular meeting minutes from April 20, 2022. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 04/30/2022, the market value of the portfolio was \$166,179,164.24 a loss of \$11,643,538.59 from the 03/31/2022 balance.

For the month of April, the following expenses were deducted:

<u>Expense Type</u>	<u>Payee</u>	<u>Amount</u>	<u>Frequency</u>	<u>Additional Details</u>
Investment Fees	Loomis Sayles & Co	42,363.82	Quarterly	1/1 -3/31/22
Total Investment Fees		42,363.82		
Invoice Fee	Comerica Bank	13,376.26	Quarterly	1/1 - 3/31/22
Misc Fees	Class Action Handling & IRS fees	205.00	As Needed	
Total Admin. Fees		13,581.26		

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

## Board Reports

*Chubinski* – none

*Giannunzio* – none

*Guzzo* – none

*Martin* – none

*Rabbitt* – none

*Vardell*

- Patrick Herson, former Police Officer, withdrew his contributions totaling \$14,087.50. This total consisted of \$14,017.03 in pre-tax contributions and \$70.47 in interest. A payment was issued to Mr. Herson on 04/22/22.
- Dominic M. Alderman, former Police Officer, terminated 04/12/22. A letter regarding his options for withdrawal was emailed 04/25/22.
- Melanie Beyer, former Police Officer, terminated 03/26/22. Her request was submitted to have \$17,191.75 rolled over to Vantagepoint Transfer Agents/457 on 4/14/22. However, Vantagepoint never received the check. Melanie cancelled this request and the funds were re-deposited to Comerica on 5/3/22. Uploaded second request to Comerica to rollover the same amount to Edward Jones on 5/4/22.
- Veronica Granados, former Police Officer, terminated 01/07/22. A letter regarding her options for withdrawal was emailed 01/20/22. She returned her letter on 5/2/22 and has requested to have \$11,388.44 as a lump sum withdrawal. Request sent to Comerica 5/5/22.

## Old Business

- Actuarial Experience Study
  - Linda Morrison, Revenue Services Director, shared we have received two quotes for this service: Gabriel Roeder Smith (GRS) and Watkins Ross. GRS is more expensive, but only by about \$1,500.00. Since GRS has a background with the P&F Pension Fund and has the Board's previous Actuarial Experience studies, Linda recommends that the P&F board go forward with using GRS for the Experience Study. GRS can complete the study within 6-8 weeks, getting us the report back in time for the Actuarial Valuation at 6/30/22. Total cost is \$6,000.00.
  - Linda Morrison, Revenue Services Director, shared we are gathering information from actuaries to see how much other entities would charge for the Annual Actuarial Valuation. We typically use GRS for this service. We will share the costs of other entities at the next Board meeting.
- 401H Fund
  - Linda Morrison, Revenue Services Director, shared that Resolution #360 approved by the City Commission on 4/19/22 dissolved the Police & Fire Retiree Healthcare Insurance Board (401H Board.) 401H covers a small group of retirees who are eligible for post-employment insurance benefits (Police who retired prior to 1/1/07 & Fire who retired prior to 7/1/04.) Funds have been levied

every year since 2007, about \$500,000.00, to fund retiree health-care benefits for this group. Group is now smaller, causing leftover funds. \$257,000.00 reserved for this group currently in the Fund Balance. We will still levy funds through P&F millage for Fiscal Year 23. Will levy \$220,000.00 and spend down reserved funds to 100% fund all participants. If in the future we aren't able to fund all participants, Linda will come before the P&F Pension Board to discuss it.

- Question from Chair Chubinski: How much will be requested from the Pension fund to cover costs? Answer from Linda Morrison: we will bill the pension fund the actual costs. Amount needed has gone down every year. Fiscal Year 21 was about \$320,000.00.
- Question from Martin: once group ceases to exist, can we transfer remaining reserved funds somewhere else, or what happens to those funds? Answer from Linda Morrison: the idea is to spend the funds down over the next four years so that there is no remaining fund balance.
- Comment from Chair Chubinski: this effects the millage rate; it continues to go down for the taxpayers.

**Motion Martin**, seconded by Rabbitt to approve the quote from GRS to complete the Actuarial Experience Study not to exceed \$6,000.00. On a voice vote, motion **carried**.

#### New Business

- **CAPTRUST – Asset Manager Portfolio Update:** Tollas provided an economic update for the First Quarter ending 3/31/22:
  - 2021 was third straight year where Equity and Bond returns were substantially more than average. 2022 First Quarter has been the complete opposite. Stocks and Bonds down 4-8% mainly due to increasing interest rates. This is better than the national average (S&P down 17%, US Bonds down 9%) since we have more lower-duration bonds that are not impacted as much by rising interest rates.
  - Rise in oil prices increased returns on Energy sector stocks. Most other sectors have been down, including Technology.
  - Mortgage interest rates increased 1.63% this quarter.
  - Russia invading Ukraine has affected prices on goods, like petroleum.
  - High crude oil prices translates to an average extra \$130/month cost per household.
  - Asset Class Returns for 2022 First Quarter shows cash as flat and all other Asset Classes in the negative.
- **CAPTRUST:** Tollas provided an April investment update:
  - Per the discussion from last board meeting, the cash balance was increased. Cash balance now sits closer to the targeted 3%.
  - Overall plan allocation is 55% stocks, 45% bonds. A balanced strategy.
  - Earnest Partners is no longer a manager in the plan. Loomis will sell their \$4,550.18 remaining Bond balance.
  - Total portfolio balance YTD is down 6%. Bond portfolio is down 5%. International portfolio is down 10%.

- Per Monitoring Summary, two investments are marked for review: PIMCO Low Duration & Goldman Sachs. No investment recommendations at this time.

Public Comment – none

Next regular meeting: Wednesday, June 29, 2022 at 1:30pm.

Meeting adjourned at 2:08pm

Respectfully submitted,  
Lily Vardell, Recording Secretary

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Board Member signature

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Board Member signature