

POLICE & FIRE PENSION BOARD MEETING

DATE: May 27, 2020

Electronic Zoom Meeting

TIME: 10:04 A.M.

Present: Doug Bagwell, Stan Chubinski, Tammy Giannunzio, Ed Guzzo and Jake Martin.
Also Present: Dori Drayton, Justin Cohen & Eric Dahlberg of Plante Moran Financial Advisors (PMFA); Linda Morrison, Revenue Services Director; Nancy Mullett, Labor Attorney, Sarah VanWormer, IT Director; Jessica Vanderkolk, Communications Manager and Kourtney Matuschka, Finance Officer/Police & Fire Retirement System Administrator.

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

Presented minutes of the regular meeting on April 20, 2020. **Motion Bagwell**, seconded Guzzo to approve the regular session minutes. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 4/30/2020, the market value of the portfolio was \$147,745,655, a gain of \$9,630,295 from the 3/31/2020 balance.

As of 5/22/2020, the portfolio market value was \$149,187,831, which is a gain of \$1,442,176 since 4/30/2020.

For the month of April, the following expenses were authorized for payment.

<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	1,383.44	Monthly	4/1 - 4/30/20
Invoice Fee	Comerica Bank	16,824.13	Quarterly	1/1 - 3/31/20
Total Admin. Fees		18,207.57		

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

Board Reports

Bagwell – total of five terminations through June 30, 2020, one resignation and four retirements. Removal of six unfunded positions.

Chubinski – none.

Giannunzio – none.

Guzzo – none.

Martin – Removal of four vacancies in the Fire Department and five layoffs effective July 1, 2020.

Matuschka

- Martin Erskine exited the DROP with a retirement date effective 5/10/20. Total benefits and interest totaled \$60,230.68 less 5% of interest earned (\$20.72), less early

withdrawal penalty of 75% of interest earned (\$310.81). The remaining balance of \$59,899.15 was requested to be payable to Mr. Erskine. This payment was issued on 5/12/20 and his regular monthly benefit payments will begin in 6/1/20 with a pro-rated portion for May.

- Jake Martin was the sole nomination for the Fire Representative. Consistent with the Election Policy, Jake is appointed as the Fire Representative with a term of 7/1/20 through 6/30/24.
- The following resolutions need approved:

ANGEL T. RIVERA

WHEREAS, the Board of Trustees is in receipt of an application for retirement from Angel T. Rivera requesting an effective retirement date of 1/22/20, and

WHEREAS, Angel T. Rivera 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, Angel T. Rivera elected straight life with 60% surviving spouse benefit, therefore be it

RESOLVED, that the application of Angel T. Rivera for retirement is approved, and

RESOLVED, the retirement benefit for Angel T. Rivera shall commence as of 1/22/20, and

RESOLVED, the gross monthly benefit is \$5,342.75 subject to tax withholdings and any other elective deductions, and

RESOLVED, the gross retroactive payment of \$1,723.47 for 10 days in January was paid on 2/13/20 and the regular gross monthly benefit shall begin 3/1/20.

ERIC C. ANDREWS

WHEREAS, the Board of Trustees is in receipt of an application for retirement from Eric C. Andrews requesting an effective retirement date of 2/29/20, and

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

RESOLVED, that the application of Eric C. Andrews for retirement is approved, and

RESOLVED, the retirement benefit for Eric C. Andrews shall commence as of 2/29/20, and

RESOLVED, the gross monthly benefit is \$4,174.99 subject to tax withholdings and any other elective deductions, and

RESOLVED, the gross retroactive payment of \$4,318.96 for 1 day in February and full month of March was paid on 4/3/20 and the regular gross monthly benefit shall begin 5/1/20.

WILLIAM M. BOHANNON

WHEREAS, the Board of Trustees is in receipt of an application for retirement from William M. Bohannon requesting an effective retirement date of 3/21/20, and

WHEREAS, William M. Bohannon 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, William M. Bohannon elected straight life with 60% surviving spouse benefit, therefore be it

RESOLVED, that the application of William M. Bohannon for retirement is approved, and

RESOLVED, the retirement benefit for William M. Bohannon shall commence as of 3/21/20, and

RESOLVED, the gross monthly benefit is \$4,740.56 subject to tax withholdings and any other elective deductions, and

RESOLVED, the gross retroactive payment of \$1,682.14 for 11 days in March was paid on 4/7/20 and the regular gross monthly benefit shall begin 5/1/20.

Motion Bagwell, seconded Martin to accept the resolutions for Angel T. Rivera, Eric C. Andrews and William M. Bohannon. On a voice vote, motion **carried**.

Old Business

Purchase of Military Time: Cannot limit pension benefits provided in collective bargaining agreement. Added language to allow spouse to continue process for deceased member. Added language that military purchase may not be revoked and contributions will not be refunded.

Motion Bagwell, seconded Giannunzio to accept the changes to the Purchase of Military Time Policy. On a voice vote, motion **carried**.

New Business

FY 2020/2021 Budget: Morrison requested an addition to the administrative services expenditure of \$3,399 to cover fringe costs related to administrative wages, bringing the annual total to \$11,399.

Motion Bagwell, seconded Guzzo to adopt the FY 20/21 Budget with the addition of \$3,399 in administrative expenses. On a voice vote, motion **carried**.

Disability Retirement Re-Examination: Discuss the need for re-examination per Disability Retirement Policy for non-duty disability for retiree, Jason Crape, retirement date 9/3/2015. Board to review the Disability Policy before next meeting to determine which doctor the Board prefers to use.

Deferred Retirement Option Plan (DROP) – Non-Represented: Matuschka provided new DROP Application and Election of Benefit forms for the Police Non-Represented classification.

Motion Bagwell, seconded Martin to accept the new Application and Election of Benefit Forms for the Non-Represented DROP participants. On a voice vote, motion **carried.**

PMFA – Asset Manager Portfolio Update: Dahlberg presented an economic update.

- When the market sees a drawdown of more than 30% the annualized return in the following year is 37.6%.
- Equity market with large declines almost always follow up with strong returns.
- International Equities have the potential to outperform US equities.
- Global growth is projected to rebound into 2021.
- As of 3/31/20 the fund had a total of 11% in international equities, the cap is 20% and our target is 14%. As of 4/30/20 the allocation increased to 13.1%. Other international managers that have funds invested in international but may not be represented in the 13.1% allocation.

Cohen provided a portfolio update through 4/30/20.

- Total portfolio return through 4/30/20 was -5.09% in comparison to the benchmark of -4.28%. While the overall portfolio is still negative on the year, it has improved over the -11.62% reported for 3/31/20 month end.
- As of 4/30/20 the portfolio return on the fiscal year is .56%. The month of April provided a return of 7.37% in comparison to the benchmark of 7.26%.

Public Comment – none.

Next regular meeting: Monday, June 22, 2020 at 10:00 a.m.

Meeting adjourned at 11:20 a.m.

Respectfully submitted,
Kourtney Matuschka, Recording Secretary

Board Member signature

Board Member signature