

**POLICE & FIRE PENSION BOARD MEETING**

**DATE: August 17, 2020**

**Electronic Zoom Meeting**

**TIME: 10:00 A.M.**

Present: Stan Chubinski, Tammy Giannunzio and Ed Guzzo.

Also Present: Justin Cohen, Dori Drayton, & Jeremy Tollas of Plante Moran Financial Advisors (PMFA); Linda Morrison, Revenue Services Director; 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 Guzzo**, seconded Giannunzio to approve the agenda. On a voice vote, motion **carried**.

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

Bank Summary of Assets & Expense Report:

As of 7/31/2020, the market value of the portfolio was \$161,047,019, a gain of \$5,801,665 from the 6/30/2020 balance.

As of 8/12/2020, the portfolio market value was \$162,426,904, which is a gain of \$1,379,885 since 7/31/2020.

For the month of July, 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	3,144.56	Monthly	7/1 - 7/31/20
Administrative Fee	City of Battle Creek	2,849.75	Quarterly	7/1 - 9/30/20
Consulting Services	Plante Moran Financial Advisors	23,750.00	Quarterly	4/1 - 6/30/20
Invoice Fee	Comerica Bank	17,894.45	Quarterly	4/1 - 6/30/20
Legal Fees	VanOverbeke, Michaud & Timmony, P.C.	1,006.50	Quarterly	4/1 - 6/30/20
Total Admin. Fees		48,645.26		

Additional Notes: Attorney's invoice contained \$530.70 for Legislative/CARES Act updates; and \$475.80 for discussion and review of Military Service Credit Policy.

**Motion Guzzo**, seconded Giannunzio 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.

### *Matuschka*

- William Payne, Firefighter terminated on 7/24/20. A letter regarding his options for withdrawal was sent 7/30/20.
- Fire Retiree, Donald Trine died 7/19/20, his spouse, Peggy is eligible for 60% surviving spouse benefits. His 8/1/20 payment was pulled back and replaced with a pro-rated portion for 19 days in July.
- Randy Reinstein, Police Detective retired effective 7/25/20.
- MAPERS Conference for September has been cancelled.

### Old Business

**Disability Retirement Policy:** Matuschka presented the revisions suggested by the Board's attorney.

**Motion Guzzo**, seconded Giannunzio to accept the revisions made to the Disability Retirement Policy, with the following revisions to page 6, remove the 4<sup>th</sup> bullet and replace "period" in the 5<sup>th</sup> bullet point to "date requested by the board". On a voice vote, motion **carried**.

### New Business

**Election Policy:** Board reviewed the Election Policy no changes needed.

**Education and Travel Policy:** Matuschka presented a revision to the Education and Travel Policy.

**Motion Guzzo**, seconded Giannunzio to accept the revisions made to the Education and Travel Policy. On a voice vote, motion **carried**.

**Administrative Services Agreement:** Matuschka presented a revision to the Administrative Services Agreement to include the costs of fringe benefits (including taxes) effective with the 7/1/2020-6/30/2021 budget.

**Motion Guzzo**, seconded Giannunzio to accept the revisions made to the Administrative Services Agreement with the additional revision to replace all occurrences of "Finance Director" with "Revenue Services Director". On a voice vote, motion **carried**.

**PMFA – Asset Manager Portfolio Update:** Tollas presented an update on the economic status.

- 2<sup>nd</sup> quarter GDP estimated to decline 35%.
- Manufacturing Index returned to expansion in June increasing to 52.6 and 54.2 in July.
- Unemployment decreased to 11.1% in June and July's estimate is at 10.2%.
- Bonds are up 6.85% through mid-August and the S&P is up 5.6% since 2<sup>nd</sup> quarter end.

Cohen presented the quarterly review of the portfolio.

- Large Cap Growth showed the highest returns for year ending June 30 due to tech companies.
- For 2<sup>nd</sup> quarter, high yield bonds are favored in the domestic fixed income sector.
- International stocks still lagging over the last 12 month period.
- Fund actual allocation versus fund target allocation as of June 30<sup>th</sup> does not reflect changes adopted at July meeting.
- 2<sup>nd</sup> quarter total portfolio returns were 13.39% vs benchmark of 12.16%; calendar year to date return is .23% vs 0.00%; fiscal year ending 6/30/20 6.38% vs 6.20%.
- Harding Loevner recently had changes to their management structure; this change is not material or concerning to PMFA.
- Calendar year to date returns through July 31 is 4.42% vs benchmark of 3.77%.

Drayton discussed the transition to CAPTRUST. PMFA sold retirement sector to CAPTRUST and the team will be transitioning and learning the new services offered by CAPTRUST. CAPTRUST has dedicated advisory services specialized for retirement plans. Drayton will send over a transition agreement for Stan to sign through DocuSign.

Public Comment – none.

Next regular meeting: Monday, September 21, 2020 at 10:00 a.m.

Meeting adjourned at 10:56 a.m.

Respectfully submitted,  
Kourtney Matuschka, Recording Secretary

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