

**POLICE & FIRE PENSION BOARD MEETING**

**DATE: September 21, 2020**

**Electronic Zoom Meeting**

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

Present: Doug Bagwell, Stan Chubinski, Tammy Giannunzio, Ed Guzzo & Jake Martin.

Also Present: Justin Cohen, Dori Drayton, & Jeremy Tollas of Plante Moran Financial Advisors (PMFA)/CAPTRUST; 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 Martin**, seconded Giannunzio to approve the agenda. On a voice vote, motion **carried**.

Presented minutes of the regular meeting on August 17, 2020. **Motion Guzzo**, seconded Giannunzio to approve the regular session minutes. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 8/31/2020, the market value of the portfolio was \$165,387,442, a gain of \$4,340,423 from the 7/31/2020 balance.

As of 9/17/2020, the portfolio market value was \$163,723,442, which is a loss of \$1,664,000 since 8/31/2020.

For the month of August, 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	24,546.06	Quarterly	4/1 - 6/30/20
Investment Fees	Harding Loevner International	31,727.00	Quarterly	7/1 - 9/30/20
Investment Fees	Richmond Capital Management	2,455.00	Quarterly	4/1 - 6/30/20
Investment Fees	Robeco Boston Partners SCV	17,498.50	Quarterly	4/1 - 6/30/20
Investment Fees	Westfield Capital Management	17,463.31	Quarterly	4/1 - 6/30/20
Investment Fees	Lazard Intl Equity	12,924.59	Quarterly	7/1 - 9/30/20
Investment Fees	Robeco Boston Partners LCV	13,180.54	Quarterly	4/1 - 6/30/20
Investment Fees	Earnest Partners Intermediate	13,551.31	Quarterly	4/1 - 6/30/20
Total Investment Fees		133,346.31		
Misc Fees (asset manager)	Misc Admin fees - non investment	939.68	Monthly	8/1 - 8/31/20
Invoice Fee	Comerica Bank	249.35	Quarterly	4/1 - 6/30/20
Total Admin. Fees		1,189.03		

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

## Board Reports

*Bagwell* – last meeting as Board Member, December 2020.

*Chubinski* – none.

*Giannunzio* – none.

*Guzzo* – none.

*Martin* – none.

*Matuschka*

- Michael McKenzie, Emergency Services Administrator purchased 12 months of military time. The City Commission approved this purchase at the 8/18/20 meeting. The total cost of this purchase was \$27,729.40, his portion totaled \$8,318.56 and the remaining balance of \$19,410.84 is the cost to the pension fund.
- Mark Kusler, Police Officer retired 8/22/20.
- Walter Hardy, Firefighter entered the IAFF DROP program effective 9/8/20.
- The following resolutions need approved:

RE: Jennifer Katherine Wolf v. Craig Nolan Wolf  
Calhoun County Circuit Court – Case No. 19-299-DM

**WHEREAS**, the Board of Trustees is in receipt of an Amended Eligible Domestic Relations Order (“EDRO”) dated March 3, 2020, wherein the Alternate Payee, Jennifer Katherine Wolf, is awarded certain rights to the benefits of the Participant, Craig Nolan Wolf, and

**WHEREAS**, the Alternate Payee is entitled to a portion of the Participant’s retirement benefit from the Pension System, including both the defined benefit and defined contribution plans of the Pension System, and

**WHEREAS**, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Pension System, unless the Alternate Payee elects to receive benefits at any time after the Participant reaches his earliest retirement date, and

**WHEREAS**, the Board’s policy is to require that the cost for the actuary’s calculations are to be borne by the parties to the domestic relations proceedings, and the order provides that the Participant and the Alternate Payee shall be responsible for any and all additional costs, and that the Alternate Payee’s share of said costs shall be in proportion to her share of the Participant’s retirement allowance awarded to her under the EDRO, 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 38.1701) as amended, therefore be it

**RESOLVED**, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to an application being filed by either the Participant or the Alternate Payee to commence benefits, and further

**RESOLVED**, that upon application of either the Participant or the Alternate Payee this file be forwarded to the Board’s actuary for calculation of the benefits, 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 further

**RESOLVED**, that copies of this resolution be sent to Craig Nolan Wolf, the Participant; Eric L. Pazner, Esq., attorney for the Participant; Jennifer Katherine Wolf, the Alternate Payee; John B. Sullivan, Esq., attorney for the Alternate Payee and the Board's actuary.

**BRAD M. WISE**

**WHEREAS**, the Board of Trustees is in receipt of an application for participation in the Deferred Retirement Option Plan (DROP) from Brad M. Wise requesting an effective retirement date of 7/1/2020, and

**WHEREAS**, Brad M. Wise 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 non-represented group, and

**WHEREAS**, the final actuarial calculation was received, and

**WHEREAS**, Brad M. Wise elected straight life with 60% surviving spouse benefit, therefore be it

**RESOLVED**, that the application of Brad M. Wise for participation in the DROP is approved, and

**RESOLVED**, the DROP benefit for Brad M. Wise shall commence as of 7/1/2020, and

**RESOLVED**, the gross monthly retirement benefit is \$5,415.85 and shall be Brad M. Wise's DROP benefit credited monthly to his DROP account and

**RESOLVED**, Brad M. Wise's participation in the DROP shall terminate on 6/30/2022.

**BRIAN L. BARTZEN**

**WHEREAS**, the Board of Trustees is in receipt of an application for retirement from Brian L. Bartzen requesting an effective retirement date of 7/7/20, and

**WHEREAS**, Brian L. Bartzen 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**, Brian L. Bartzen elected straight life with 60% surviving spouse benefit, therefore be it

**RESOLVED**, that the application of Brian L. Bartzen for retirement is approved, and

**RESOLVED**, the retirement benefit for Brian L. Bartzen shall commence as of 7/7/20, and

**RESOLVED**, the gross monthly benefit is \$5,577.49 subject to tax withholdings and any other elective deductions, and

**RESOLVED**, an adjustment of \$4.61 for benefit payments dated 8/6 – 9/1/20 will be added to 10/1/20 payment resulting in a gross benefit payment of \$5,582.10 and the regular gross monthly benefit of \$5,577.49 shall begin 11/1/20.

**JULIE D. MADSEN**

**WHEREAS**, the Board of Trustees is in receipt of an application for retirement from Julie D. Madsen requesting an effective retirement date of 6/13/20, and

**WHEREAS**, Julie D. Madsen is eligible for retirement based on her 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**, Julie D. Madsen elected straight life with 60% surviving spouse benefit, therefore be it

**RESOLVED**, that the application of Julie D. Madsen for retirement is approved, and

**RESOLVED**, the retirement benefit for Julie D. Madsen shall commence as of 6/13/20, and

**RESOLVED**, the gross monthly benefit is \$6,156.75 subject to tax withholdings and any other elective deductions, and

**RESOLVED**, the gross retroactive payment of \$3,694.05 for 18 days in June was paid on 7/1/20 and the regular gross monthly benefit shall begin 8/1/20.

**Motion Bagwell**, seconded Martin to accept the EDRO resolution for Jennifer and Craig Wolf. On a voice vote, motion **carried**.

**Motion Martin**, seconded Bagwell to accept the retirement resolutions for Brian Bartzen and Julie Madsen and the DROP resolution for Brad Wise. On a voice vote, motion **carried**.

New Business

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

- 2<sup>nd</sup> quarter GDP declined to 32%, 3<sup>rd</sup> quarter is expected to improve.
- Manufacturing Index continues expansionary territory.
- Household savings increase because of enhanced unemployment benefits and stimulus payments.
- Historically, elections have little impact on long-term returns. Expect to see long-term growth regardless of who takes office.
- Historically, stocks perform better with a split Congress vs. single-party control.
- Barclays Aggregate up 6.9% and S&P 500 up 9.7% for the year thru 8/31/20.

Cohen presented the monthly review of the portfolio.

- Portfolio is up 7.39% through 8/31/20 vs benchmark of 6.8%

- July and August make up the majority of year to date gains.
- No need for rebalancing at this time.

Public Comment – none.

Next regular meeting: Wednesday October 21, 2020 at 10:00 a.m.

Meeting adjourned at 10:33 a.m.

Respectfully submitted,  
Kourtney Matuschka, Recording Secretary

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Board Member signature

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Board Member signature