

POLICE & FIRE PENSION BOARD MEETING

DATE: February 18, 2020

CITY HALL, ROOM 302A

TIME: 10:00 A.M.

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

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

GRS – 6/30/2019 Annual Actuarial Valuation Presentation: Derek Henning from GRS Consulting provided the annual presentation of the June 30, 2019 Actuarial Valuation.

- Key factors: Measure funding status, contribution rates and assumptions. The city's portion of contributions rates increased from 34.61% to 34.98% using current mortality rates, or 35.17% using the proposed mortality rates.
- Actual payroll declined slightly so the expected contribution rate must increase to maintain same smoothing rate.
- Mortality Rates: RP2014 is the current mortality table. Proposed mortality table is fully generational basis. GRS recommends the fully generational table and is more common. Pub. 2010 released late 2019, uses more specific mortality tables such as teachers and public safety and is not included in this report. In the future, If adopted to use the specific public safety mortality tables there would be an expected increase in the contribution requirement. This could be a potential mortality table to use for next year.

Motion Guzzo, seconded Bagwell to adopt the fully generational mortality assumptions for the next fiscal year. On a voice vote, motion **carried**.

Motion Bagwell, seconded Guzzo to request an estimate from GRS to conduct the next experience study. On a voice vote, motion **carried**.

Presented minutes of the regular meeting on December 16, 2019. **Motion Giannunzio**, seconded Guzzo to approve the regular session minutes. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 1/31/2020, the market value of the portfolio was \$157,409,353, a gain of \$257,645 over the 12/31/2019 balance.

As of 2/13/2020, the portfolio market value was \$160,582,207, which is a gain of \$3,172,854 since 1/31/2020.

For the months of December & January, the following invoices were authorized for payment.

Expense Type	Payee	Amount	Frequency	Additional Details
Consulting Services	Plante Moran Financial Advisors	23,750.00	Quarterly	10/1 - 12/31/19
Invoice Fee	Comerica Bank	18,209.15	Quarterly	10/1 - 12/31/19
Membership Dues	MAPERS	200.00	Annually	Calendar Year 2020

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

Board Reports

Bagwell

- Six retirements before September, one new hire is terminating. Interviewed eight new potential officers.

Chubinski – none.

Giannunzio – none.

Guzzo – none.

Martin – none.

Matuschka

- William Bohannon, Police Corporal purchased 12 months of military time. The City Commission approved this purchase at 1/21/20 meeting. The total cost of this purchase was \$26,455.41, his portion totaled \$6,022.75 and the remaining balance of \$20,432.66 is the cost to the pension fund.
- Angel T. Rivera, Police Corporal purchased 12 months of military time. The City Commission approved this purchase at 1/21/20 meeting. The total cost of this purchase was \$29,298.27, his portion totaled \$6,022.75 and the remaining balance of \$23,275.52 is the cost to the pension fund.
- Jared Willman, Firefighter purchased 12 months of military time. The City Commission approved this purchase at 1/21/20 meeting. The total cost of this purchase was \$12,876.52, his portion paid from his ICMA account, totaled \$7,452.34 and the remaining balance of \$5,424.18 is the cost to the pension fund.
- Samuel Calmo-Paiz, Police Officer terminated 12/12/19. A letter regarding his options for withdrawal was sent 2/13/20.
- Angel T. Rivera, Police Corporal retired 1/22/20.
- Christopher Hug, Police Officer re-hired 1/12/20.
- Glenn Castle, Police Retiree, deceased 11/19/2019. Requested 12/1/19 & 1/1/20 payments to be pulled back and replaced with \$941.85 for 19 days in November.
- Everett Phillips, Fire Retiree, deceased 1/27/20. Requested 2/1/20 payment to be pulled back and replaced with \$1,626.48 for 27 days in January.
- Ronald Thomas, Fire Retiree, deceased 1/23/20. Requested 2/1/20 payment to be pulled back and replaced with \$1,337.79 for 23 days in January.
- The following resolutions need approved:

MARTIN W. ERSKINE

WHEREAS, the Board of Trustees is in receipt of an application for participation in the Deferred Retirement Option Plan (DROP) from Martin W. Erskine requesting an effective retirement date of 9/11/19, and

WHEREAS, Martin W. Erskine is eligible for retirement based on his service credit combined with military service credit 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, Martin W. Erskine elected straight life with 60% surviving spouse benefit, therefore be it

RESOLVED, that the application of Martin W. Erskine for participation in the DROP is approved, and

RESOLVED, the DROP benefit for Martin W. Erskine shall commence as of 9/11/19, and

RESOLVED, the gross monthly retirement benefit is \$7,517.45 and shall be Martin W. Erskine's DROP benefit credited monthly to his DROP account and

RESOLVED, Martin W. Erskine's participation in the DROP shall terminate on 9/10/24.

RICHARD C. TEINERT

WHEREAS, the Board of Trustees is in receipt of an application for participation in the Deferred Retirement Option Plan (DROP) from Richard C. Teinert requesting an effective retirement date of 9/23/19, and

WHEREAS, Richard C. Teinert 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 union contract, and

WHEREAS, the final actuarial calculation was received, and

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

RESOLVED, that the application of Richard C. Teinert for participation in the DROP is approved, and

RESOLVED, the DROP benefit for Richard C. Teinert shall commence as of 9/23/19, and

RESOLVED, the gross monthly retirement benefit is \$5,592.20 and shall be Richard C. Teinert's DROP benefit credited monthly to his DROP account and

RESOLVED, Richard Teinert participation in the DROP shall terminate on 9/22/24.

Motion Bagwell, seconded Martin to accept the resolutions for Martin W. Erskine and Richard C. Teinert. On a voice vote, motion **carried**.

New Business

PMFA – Asset Manager Portfolio Update: Jeremy Tollas of PMFA presented the Investment Statement from the December meeting.

Motion Bagwell, seconded Martin to accept the revised Investment Policy Statement. On a voice vote, motion **carried**.

Tollas also provided a market overview as of 12/31/2019.

- Calendar year-to-date total portfolio return was 18.96% in comparison to the total fund target of 19.12%.
- New Loomis Account is open and funded as of 2/5/2020.
- Actively managed Large Cap plan underperformed the index in 2019.
- Westfield Mid Cap Growth out performed benchmark by more than 8% for 2019.
- Earnest Partners and Loomis Fixed Income were slightly above benchmark.
- No rebalancing needed as of 1/31/2020.

Public Comment – none.

Next regular meeting: Monday, March 16, 2020 at 10:00 a.m.

Meeting adjourned at 11:41 a.m.

Respectfully submitted,
Kourtney Matuschka, Recording Secretary

Board Member signature

Board Member signature