

POLICE & FIRE PENSION BOARD MEETING
DATE: FEBRUARY 21, 2023
CITY HALL, ROOM 302A
TIME: 1:30 P.M.

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

Also Present: Lily Vardell (Police & Fire Pension Administrator, Jeremy Tollas (CAPTRUST.)

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

Presented minutes of the regular meeting from January 17, 2023. **Motion Giannunzio**, seconded by Guzzo to approve the regular meeting minutes from January 17, 2023. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 1/31/2023, the market value of the portfolio was \$163,847,182.03 a gain of \$8,370,248.30 from the 12/31/2022 balance.

For the month of January, 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	29,344.67	Quarterly	10/1/22-12/31/22
Total Investment Fees		29,344.67		
Administrative Fee	City of Battle Creek	3,050.00	Quarterly	10/1/22-12/31/22
Administrative Fee	Loomis	2.99	As Needed	Misc Recovery Expense
Invoice Fee	Comerica Bank	11,971.70	Quarterly	10/1/22-12/31/22
Legal Fees	VanOverbeke, Michaud & Timmony, P.C.	212.00	As Needed	EDRO Clarification
Misc Fees		10.00	As Needed	x1 Class Action Handling Fee
Total Admin. Fees		15,246.69		

Motion Martin, seconded by Guzzo to accept the financial reports and quarterly bank summaries submitted for January. On a voice vote, motion **carried**.

Board Reports

Chubinski - none

Giannunzio – none

Guzzo - none

Martin – none

Vardell

- Shea Peters, terminated on 1/6/23:
 - A letter regarding his options for withdrawal was sent 1/17/23.
 - Shea withdrew his contributions totaling \$42,772.55.
 - A rollover payment was issued to Edward Jones on 2/7/23.
- James Blocker, Police Chief, exited the DROP with a retirement date effective 1/31/23:
 - Benefits and interest totaled \$30,757.21
 - Less 5% of interest earned (\$5.83)
 - Less early withdrawal penalty of 75% interest earned (\$87.38)
 - The remaining balance of \$30,664.00 was rolled over payable to Huntington National Bank. Rollover request sent to Comerica on 1/31/23.
 - His regular monthly benefit payments of \$7,596.87 will begin on 3/1/23.

Old Business

- Policy Review – Police and Fire Pension Benefit Handbook
 - Only grammatical changes were made to the Handbook.

Motion Guzzo, seconded by Giannunzio to approve the Police and Fire Pension Benefit Handbook grammatical revisions. On a voice vote, motion **carried**.

New Business

- Policy Review – Domestic Relations Order Policy
 - After reviewing, no changes were made to the Domestic Relations Order Policy.

Motion Martin, seconded by Giannunzio to approve the review of the Domestic Relations Order Policy, with no changes made. On a voice vote, motion **carried**.

- Fleisher EDRO benefit calculation
 - Alternate Payee, Leah Fleisher, does not agree with the EDRO benefit calculation completed by GRS and wants a direct meeting with GRS to address her concerns.
 - Leah wants to draw her benefits while employee, Mike Fleisher, is in the DROP. If she does this, her benefit amount is reduced because she is considered to be drawing her portion early.
 - Leah does not believe her benefit should be reduced as the City considers employee Mike Fleisher officially retired once he enters the DROP. However, EDRO law states he is not considered to be retired until he either leaves the DROP or turns age 60.

- The Board views this as more of a legal issue and not a calculation issue. They would allow Leah to have a meeting with the Board’s attorney if she is willing to pay the attorney fees. If after that meeting Leah still has more questions, they would allow Leah to compile a written list of her concerns and send them to GRS for review. Leah would also be responsible for any fees associated with the GRS request.
- Vardell will relay this information to Leah and determine what Leah wants to do.
- **CAPTRUST:** Tollas provided a 2022 Fourth Quarter investment update:
 - U.S. Small-Cap Stocks, U.S. Large-Cap Stocks, and Bonds all had positive returns for quarter-end.
 - For 2022, value has substantially out-performed growth.
 - Energy has continued to perform well, up 22.7% in the fourth quarter, up 65.4% for the year.
 - For the fourth quarter, mortgage rates went down 0.40% from the third quarter, but are still at 6.66%.
 - When looking at Asset Class Returns, Cash was the only positive performer for 2022 at 1.46%.
 - Total Market Value of the portfolio at the end of 2022 was \$155,476,933.73.
- **CAPTRUST:** Tollas provided a January investment update:
 - Total Market Value of the portfolio at the end of January was \$163,847,182.03.
 - January was a positive month. Fixed Income up 2.54%, U.S. Equities up 7%.
 - The Total Portfolio was up 5.77% at the end of January.

Public Comment - none

Next regular meeting: Monday, March 20th at 1:30 PM

Meeting adjourned at 2:13pm

Respectfully submitted,
Lily Vardell, Recording Secretary

Board Member signature

Board Member signature