

POLICE & FIRE PENSION BOARD MEETING
DATE: APRIL 20, 2023
CITY HALL, ROOM 302A
TIME: 1:00 P.M.

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

Also Present: Lily Vardell (Police & Fire Pension Administrator), Jeremy Tollas (CAPTRUST), and Michelle Hull (Human Resources Director.)

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

Presented minutes of the regular meeting from March 20, 2023. **Motion Guzzo**, seconded by Martin to approve the regular meeting minutes from March 20, 2023. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 3/31/2023, the market value of the portfolio was \$162,066,106.41 a gain of \$2,739,028.68 from the 2/28/2023 balance.

For the month of March, the following expenses were deducted:

<u>Expense Type</u>	<u>Payee</u>	<u>Amount</u>	<u>Frequency</u>	<u>Additional Details</u>
Actuarial Services Fee	Gabriel Roeder Smith & Co.	19,800.00	Annually	2022 Actuarial Valuation
Administrative Fee	City of Battle Creek	3,050.00	Quarterly	1/1/23-3/31/23
Total Admin. Fees		22,850.00		

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

Board Reports

Chubinski - none

Giannunzio – none

Guzzo - none

Martin – none

Rabbitt - none

Vardell

- Three new Firefighters hired on 4/17/23:
 - Corey Teinert
 - Connor Brecker
 - Austin Brophy

- Changes to FAC for 5 DROP participants. This change was due to their original FAC not including accrued vacation time:
 - LaMarr Mingle – no change to pension benefit, still at max-out amount.
 - Jeannell Justin – no change to pension benefit, still at max-out amount.
 - Wayne Thompson – monthly increase of \$44.70.
 - Edward Marshall – monthly increase of \$3.81.
 - John Hausman – monthly increase of \$92.23.

New Business

- Policy Review – Re-employment of a Retiree Policy:
 - **Comment from Vardell** - In the final ‘Resolved’ section of the Policy, we need to correct ‘City of Battle Creek City Council’, to ‘Battle Creek City Commission.’
 - Need to review the BCPD Proposal below before accepting any policy changes.

- Rabbitt presented the BCPD Proposal on Re-employment of a Retiree:
 - BCPD is requesting a modification to the Board’s current Re-employment of a Retiree Policy.
 - BCPD provides contractual services to Bronson Battle Creek. There is a struggle to fill the four positions. Currently, only two positions are filled and the least-senior officers are forced to fill the positions on a six-month rotation.
 - BCPD would like to re-hire BCPD retirees to fill the Bronson positions.
 - The current Board policy requires a retiree to suspend their benefit payments if they are re-employed by BCPD.
 - BCPD is requesting that, instead of suspending the retiree’s benefit payments, we hold the retiree’s monthly benefit payments in a separate account, similar to the DROP, and make a lump-sum payment to the retiree from their DROP account once they leave the Bronson position.
 - The Board could determine the amount of interest to be paid to the retiree on their DROP account contributions, from zero to 2%.
 - **Comment from Hull** – HR has had talks with the POLC Non-Supervisory Union Group and they are having a hard time recruiting for positions in general. We have recently retired individuals who would be interested in filling the Bronson positions.
 - **Question from Martin** – Can a retiree go work as security for Bronson instead of being re-hired by the City?
 - **Answer from Rabbitt** – They would not be a sworn officer, and that is what Bronson is requesting.
 - **Question from Guzzo** – Does Bronson currently pay for these officers?

- **Answer from Hull** – Yes, the hospital is under contract with BCPD and pays for the officers.
- **Comment from Hull** – Act 345 and the Board’s policy state that if a retiree is re-hired into the Police & Fire Pension Benefit Group, their current monthly pension benefits will be suspended until they terminate employment. This proposal is asking to instead have the retiree’s benefit put into a separate account each month, and then paid out as a lump-sum once they terminate employment. If the retiree is re-hired, they will still have to contribute to the Police & Fire Pension Fund each paycheck, like all other P&F employees. What would happen to this new contribution?
- **Answer from Vardell** – If this proposal were to work like the DROP, these new contributions would remain in the Police & Fire Pension Fund and would not be paid out to the retiree upon termination.
- **Comment from Rabbitt** – The idea is that this would be a form of DROP for the POLC Non-Supervisory Group, who currently do not have a DROP.
- **Comment from Chubinski** - This proposal would also need to be run by the Board’s Attorney for an opinion.
- **Comment from Martin** – There could be an actuarial cost to this as well, so we would need to determine what that would be before agreeing to this proposal.
- **Question from Guzzo** – What would other costs be to the Pension System due to this proposal?
 - **Answer from Martin** – If this proposal did not mirror the DROP, the retirees would have the ability to withdraw all additional contributions made to the Pension Fund upon terminating.

Tabled for further discussion - Updating the Re-employment of a Retiree Policy, and a decision on the BCPD proposed amendment to the Policy has been tabled until the Board receives more information from BCPD and the Board’s Attorney.

- **CAPTRUST:** Tollas provided a March investment update:
 - March ended up being a fairly positive month. U.S. Large-Cap Stocks up 3.67%.
 - U.S. Small-Cap Stocks were down 4.78%. This decrease was due to the recent bank failures. Investors were less interested in investing in regional banks because of the failures.
 - Bonds were up 2.54% for March.
 - Year-to-date, U.S. Large-Cap Stocks are up 7.50%, Small-Cap Stocks are up 2.74%, and Bonds are up 2.96%.

- As of April 14th, the Market Value of the portfolio was \$164,264,337, a slight increase from the balance at the end of March.

Public Comment - none

Next regular meeting: Monday, May 15th at 1:30 PM

Meeting adjourned at 1:45pm

Respectfully submitted,
Lily Vardell, Recording Secretary

Board Member signature

Board Member signature