

**POLICE & FIRE PENSION BOARD MEETING**

**DATE: May 24, 2021**

**Electronic Zoom Meeting**

**TIME: 1:30 P.M.**

Present: Stan Chubinski from Battle Creek, MI; Tammy Giannunzio from City Hall in Battle Creek, MI; Ed Guzzo from Battle Creek, MI; and Jake Martin from Battle Creek, MI; and Chris Rabbitt from Battle Creek, MI

Also Present: Justin Cohen, Jeremy Tollas and Dori Drayton, CAPTRUST; Sarah VanWormer, IT Director; Linda Morrison, Revenue Services Director; Jessica Vanderkolk, Communications Manager; and Kourtney Matuschka, Finance Services Manager/Police & Fire Retirement System Administrator.

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

Presented minutes of the regular meeting from April 12, 2021. **Motion Martin**, seconded Guzzo to approve the regular meeting minutes from April 12, 2021. On a voice vote, motion **carried**.

Bank Summary of Assets & Expense Report:

As of 4/30/2021, the market value of the portfolio was \$184,730,798 a gain of \$4,718,320 from the 3/31/2021 balance.

As of 5/20/2021, the portfolio market value was \$183,605,471, which is a loss of \$1,125,327 since 4/30/2021.

For the month of April, 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	30,049.11	Quarterly	1/1 - 3/31/21
Investment Fees	Harding Loevner International	25,933.00	Quarterly	4/1 - 6/30/21
Investment Fees	Richmond Capital Management	2,580.00	Quarterly	1/1 - 3/31/21
Investment Fees	Robeco Boston Partners SCV	22,671.17	Quarterly	1/1 - 3/31/21
Investment Fees	Westfield Capital Management	22,305.50	Quarterly	1/1 - 3/31/21
Investment Fees	Lazard Intl Equity	16,263.68	Quarterly	4/1 - 6/30/21
Investment Fees	Robeco Boston Partners LCV	12,587.79	Quarterly	1/1 - 3/31/21
Investment Fees	Earnest Partners Intermediate	16,068.29	Quarterly	1/1 - 3/31/21
Investment Fees	Loomis Sayles Large Cap Growth	14,375.00	Quarterly	1/1 - 3/31/21
Total Investment Fees		162,833.54		
Misc Fees (asset manager)	Misc Admin fees - non investment	1,897.17	Monthly	4/1 - 4/30/21
Consulting Services	CAPTRUST	23,750.00	Quarterly	1/1 - 3/31/21
Invoice Fee	Comerica Bank	19,729.74	Quarterly	1/1 - 3/31/21
Legal Fees	VanOverbeke, Michaud & Timmony, P.C.	972.40	Quarterly	10/1/20 - 3/31/21
Total Admin. Fees		46,349.31		

Additional Notes: Attorney's invoice contained \$112.20 for Legislative updates; \$224.40 DROP taxation question; \$411.40 deferred retirement; \$224.40 review orders & resolution re: Jones JOD.

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

#### Board Reports

*Chubinski* – none.

*Giannunzio* – none.

*Guzzo* – none.

*Martin* – none.

*Rabbitt* – none.

*Matuschka*

- Correction to termination date for Clay Hoggard. Previously reported 3/11/21 actual termination date was 3/18/21. A letter regarding his option to withdrawal contributions was sent on 4/21/21.
- Mariah Erard, Police Officer, hired 4/19/21.
- Jordan Pardee, former Police Officer, requested a refund of his contributions totaling \$10,600.72. The payment made to Mr. Pardee consisted of \$10,583.48 in pre-tax contributions and \$17.24 in interest, this payment was paid on 5/6/21.
- Brandan Settles, Police Officer, hired 5/24/21.
- Stan has agreed to serve another term. The resolution extending his term until 6/30/25 will be presented at the City Commission meeting 6/15/21.

#### New Business

**Service Retirement Policy:** Matuschka presented a revised Service Retirement Policy.

**Purchase of Military Time Policy:** Matuschka presented a revised Purchase of Military Time Policy.

**Motion Martin**, seconded Rabbitt to accept the revised Purchase of Military Time Policy as presented. On a voice vote, motion **carried**.

**FY 2021/2022 Budget:** Matuschka presented the fiscal year 2021/2022 budget for the Retirement System.

**Motion Guzzo**, seconded Rabbitt to accept the fiscal year 2021/2022 budget as presented. On a voice vote, motion **carried**.

**CAPTRUST – Asset Manager Portfolio Update:** Drayton provided a brief portfolio update through 4/30/21.

- Year to date returns through 4/30/21 are 5.71% vs. the benchmark of 5.06%.
- Month to date returns are 2.84% vs. the benchmark of 2.77%.

Tollas provided information regarding each manager’s performance and the suggestion of moving towards mutual funds.

- Fees for mutual fund accounts will be slightly less than current setup.
- Proposing to keep Loomis Sayles and suggested to increase the allocation to 31%.
- Fixed Income Sector suggest removal of Earnest Partners and Richmond and increase Loomis and add PIMCO.
- International: Robeco and Lazard have been on watch list and are considered for termination.
- Balance remaining of securities lending will need to be paid out of the cash account when transitioning to mutual accounts. Will recoup this cost over the next 6 months of fee savings.
- Mutual funds are easier to diversify and will have consolidated statements with Comerica.
- All individual accounts will be liquidated except Loomis and the Cash account.
- Forms will be sent from CAPTRUST via DocUSign and are similar forms used when rebalancing takes place. Instruction to Comerica, trade forms and the authorization to pay off the securities lending.
- Transition should be complete by 6/30/2021.

**Motion Martin**, seconded Guzzo to authorize the trades and accept the recommended changes to the investment portfolio as presented by CAPTRUST. On a voice vote, motion **carried**.

Public Comment – Morrison is on the lookout for someone to fill the Pension Administrator role. This position could be filled internally or externally.

Next regular meeting: Tuesday, July 27, 2021 at 1:30 p.m.

Meeting adjourned at 3:01 p.m.

Respectfully submitted,  
Kourtney Matuschka, Recording Secretary

---

Board Member signature

---

Board Member signature