**City of Marine City**

**Pension Board – Pension Plan**

**October 26, 2021**

A regular meeting of the Pension Board – Pension Plan held on Tuesday, October 26, 2021 and was called to order by Board Member Rosalie Skwiers at 4:30pm.

**Present: Board Members Robert Klieman (arrived at 4:35pm), Rosalie Skwiers; Board Member Michael Itrich; City Commissioner Elizabeth Hendrick; City Manager Holly Tatman; City Clerk Kristen Baxter**

**Absent: None.**

**Also in Attendance: City Attorney Robert Davis; Financial Consultant John Firek**

**Communications**

Timothy Rock – Annuity Withdrawal Request.

**Approve Agenda**

Motion by City Commissioner Hendrick, seconded by Board Member Itrich, to approve the Agenda. All Ayes. Motion Carried.

**Open Discussion**

None.

**Approve Minutes**

Motion by City Commissioner Hendrick, seconded by Board Member Itrich, to approve the minutes of the Regular Pension Board – Pension Plan Meeting of July 27, 2021. All Ayes. Motion Carried.

**Unfinished Business**

None.

**New Business**

None.

**Financial Business**

Investment Performance - Review by John Firek

Financial Consultant, John Firek, reviewed the Performance Analysis Summary dated September 30, 2021:

* Total Pension Plan market value was $5,874,284.94
* Total withdrawal amount was $140,000.00
* Pension Plan Holdings year-to-date annualized performance was 7.10%
* Portfolio consisted of:
* 2.83% Cash & Cash Alternatives
* 33.93% Fixed Income
* 57.83% Equity
* 5.35% Alternative Investments
* 0.06% Non-Classified

Mr. Firek stated that he was recommending a rebalance of the account following the same strategy that had been followed earlier in the year. He advised that based on some of the changes that had been made, approximately 57% of the pension was invested in equities, 34% in bonds and roughly 3% in cash and that not much had changed regarding the investment landscape. He stated that interest rates continued to be very low therefore, bonds had been the worst performing however, the City still needed to own some. Mr. Firek stated that the Pension Plan was up a little over 10%, year to date.

Mr. Firek recommended incorporating the Vanguard Communication Service Fund into the Pension Plan and Retiree Health Care Plan to replace the Fidelity Communications Fund. He explained that the major difference between the funds was that Vanguard included more social media companies.

Review Investment Allocation/Recommend Rebalance of Accounts

Mr. Firek advised that the only change in the allocation itself was the sector weighted stock strategy. The City would no longer be overweight in tech exposure, healthcare exposure, industrials, or energy, the City would be equal weight retailing, communication services and underweight utilities, the reason for the rebalance was to protect the City in the event of the potential rise in interest rates.

Board Member Itrich questioned when the changes would be made and Mr. Firek responded that if the Board approved, he could make the changes the next day.

Motion by Board Member Itrich, seconded by City Manager Tatman, to make the changes to the investment plan as presented. All Ayes. Motion Carried.

**Adjournment**

Motion by City Commissioner Hendrick, seconded by Board Member Itrich, to adjourn at 4:49 pm. All Ayes. Motion Carried.

Respectfully submitted,

Kristen Baxter

City Clerk