

**City of Marine City
Pension Board ~ Pension Plan
July 31, 2018**

A regular meeting of the Pension Board ~ Pension Plan held on Tuesday, July 31, 2018 in the Fire Hall, 200 South Parker Street, Marine City, Michigan, was called to order by Chairperson Scheel at 4:30 PM.

Present: Mayor Vandebossche; City Commission Representative Turner; Board Members Heaslip, Itrich, Scheel, VanderMeulen; Treasurer McDonald; City Manager Leven; Deputy Clerk McDonald

Absent: None

Approve Agenda

Motion by City Commissioner Turner, seconded by Mayor Vandebossche, to approve the Agenda, as presented. All Ayes. Motion Carried.

Approve Minutes

Motion by Mayor Vandebossche, seconded by Board Member Itrich, to approve the Minutes of the Regular Pension Board ~ Pension Plan Meeting of April 24, 2018. All Ayes. Motion Carried.

Communications

Received:

- Patrick Hupcik – Intent to Retire Letter
- Lynn Zyrowski – Benefit Deferral and Resignation Letter

Motion by City Commission Representative Turner, seconded by Board Member Itrich, to accept and file the Communications. All Ayes. Motion Carried.

Unfinished Business

None.

New Business

Ordinance Amendments Regarding Membership ~ Discussion

City Manager Leven stated it was important to change the Ordinance due to the decreasing number of Pension System members. She advised that any changes approved by the Board would then go to the City Commission for approval. She noted the following items for discussion:

- The incorporation of retirees on the Board to fill vacant positions
- Restrictions and qualifications for eligibility to be a Board member
- Voting procedures and potential conflicts

The Board then discussed the current representatives on the Board and the possibility of opening up positions to retirees from each department.

City Manager Leven advised the Board that the current Ordinance stated that not more than one department representative could sit on the Board. She suggested that the Board consider allowing retirees the opportunity of sitting on the Board.

Chairperson Scheel suggested that Board contact retirees to receive their opinions. The Board agreed and gave direction that the City send a letter to all retirees in order to gather feedback on the topic, and bring back the findings at the October 30, 2018 Pension Plan meeting.

Open Discussion

No residents addressed the Board.

Financial Business

Investment Performance ~ Review by Frederick Miller

Financial Consultant, Frederick Miller, reviewed a Performance Analysis Summary, dated June 30, 2018. He reported the following:

- Year-to-date, the beginning Market Value was \$5,059,527.23 and ending Market Value was \$4,915,528.36.

- The Pension Plan Holdings year-to-date was down 0.87% and had an annualized performance of 4.81% since inception.
- The Plan was made up of 21.09% Healthcare Sector Equity, with the next largest group being Technology at 18.10%.
- The Portfolio consisted of:
 - 4.16% Cash & Cash Alternatives
 - 44.14% Fixed Income
 - 50.65% Equity
 - .22% Alternative Investments
 - .83% Non-Classified

Financial Consultant Miller stated that Short-Term Bond Funds were performing poorly and recommended that the Board sell the Goldman Sachs Income Builder Fund, Goldman Sachs Strategic Income Fund, Lord Abbett Short Duration Income Fund, and Thornburg Limited Term Income Fund, and place the \$979,510.25 into staggered CD's with the remaining \$150,000.00 being placed into the following funds:

- John Hancock Regional Bank Fund - \$50,000.00
- T. Rowe Price Global Technology Fund - \$50,000.00
- Vanguard Wellesley Income Fund Admiral Shares - \$50,000.00

Motion by Mayor Vandebossche, seconded by City Commissioner Turner, to transfer \$979,510.25 of the funds from Goldman Sachs Income Builder Fund, Goldman Sachs Strategic Income Fund, Lord Abbett Short Duration Income Fund, and Thornburg Limited Term Income Fund and, based on the information provided, transfer the funds into staggered CD's with the remaining \$150,000.00 of the funds being transferred to the following:

- John Hancock Regional Bank Fund - \$50,000.00
- T. Rowe Price Global Technology Fund - \$50,000.00
- Vanguard Wellesley Income Fund Admiral Shares - \$50,000.00

All Ayes. Motion Carried.

Preliminary Financial Statements

Motion by Board Member Itrich, seconded by Board Member Heaslip, to accept the Preliminary Financial Statements for April, May, June, 2018 and place them on file. All Ayes. Motion Carried.

Adjournment

Motion by City Manager Leven, seconded City Commissioner Turner, to adjourn at 5:15 pm. All Ayes. Motion Carried.

Respectfully submitted,

Elizabeth McDonald

Elizabeth McDonald
Deputy Clerk

Kristen Baxter

Kristen Baxter
City Clerk