

**City of Marine City
Pension Board ~ Pension Plan
October 30, 2018**

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

Present: City Commission Representative Turner; Board Members Itrich, VanderMeulen; Treasurer McDonald; City Manager Leven; Deputy Clerk Desmarais

Absent: Mayor Vandebossche; Board Members Heaslip and Scheel

Approve Agenda

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

Approve Minutes

Motion by City Commissioner Turner, seconded by Board Member Itrich, to approve the Minutes of the Regular Pension Board ~ Pension Plan Meeting of July 31, 2018. All Ayes. Motion Carried.

Communications

None.

Unfinished Business

Ordinance Amendments Regarding Membership ~ Discussion

City Manager Leven stated that the Board and City Commission had been made aware that there was an issue with how the current Pension Board Ordinance was written and a change needed to be made. She said that due to the declining number of members in the pension system, it would have to be opened up to retirees. She suggested the following options:

1. Increase the number of Board members from 7 to 9, which would be comprised of:
 - City Manager
 - (3) City Commission representatives
 - (1) Citizen at large
 - (1) POAM representative (active or retiree)
 - (1) TEAMSTERS representative (active or retiree)
 - (1) Operating Engineers representative (active or retiree)
 - (1) City Administration representative (active or retiree)

2. Decrease the number of Board members from 7 to 5, which would consist of:
 - City Manager
 - (1) City Commission representative
 - (1) Citizen at large
 - (2) Union/Administration representatives (active or retiree)

City Manager Leven clarified that the union and department representative positions would be open to both active members and retirees, but that the representatives could not be from the same employment group.

The Board then discussed the suggested options and directed City Manager Leven to work on drafting a revised Ordinance that would utilize a five member Board with language that states if there were no active members that the Board would consist of retirees.

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 September 30, 2018. He reported the following:

- Year-to-date, the beginning Market Value was \$5,059,527.23 and ending Market Value was \$4,916,617.72
- The Pension Plan Holdings year-to-date was up 4.99%
- The Portfolio consisted of:

- 3.70% Cash & Cash Alternatives
- 45.61% Fixed Income
- 50.12% Equity
- 0.06% Alternative Investments
- 0.51% Non-Classified

Financial Consultant Miller stated that he had no recommendations for the Board at this time.

The Board took no action.

Actuarial Valuation for Period Ending June 30, 2017

Treasurer McDonald briefly reviewed the actuarial report and stated the following:

- The Unfunded Actuarial Accrued Liability changed from \$1,650,798 to \$1,578,520
- The Market Value of Assets in 2016 was \$4,847,088 and changed to \$5,340,534 at the beginning of 2017
- The total gain for the year was \$7,292
- Contribution was based on actuary determined amount and not payroll

Actuarial Valuation for Period Ending June 30, 2018

Treasurer McDonald briefly reviewed the actuarial report and stated the following:

- The salary increase assumption was changed from a general inflation assumption of 3.75% and a merit increase up to 3.99% to a flat 2.0% annual increase
- The mortality table had been changed from RP-2000 Combined Mortality to RP-2014 Combined Mortality
- The Unfunded Actuarial Accrued Liability changed from \$1,578,520 to \$1,977,172
- Contribution was based on actuary determined amount and not payroll

Motion by City Commissioner Turner, seconded by Board Member Itrich to accept the Actuarial Valuation for Periods Ending June 30, 2017 and June 30, 2018, and place on file. All Ayes. Motion carried.

Preliminary Financial Statements

Motion by City Commissioner Turner, seconded by Board Member Itrich, to accept the Preliminary Financial Statements for July & August, 2018 and place them on file. All Ayes. Motion Carried.

Invoice Approval

Motion by City Commissioner Turner, seconded by Board Member Itrich, to approve The Howard E Nyhart Company Invoice #0142357 in the amount of \$5,900.00, as presented. All Ayes. Motion Carried.

Adjournment

Motion by Board Member Itrich, seconded City Commissioner Turner, to adjourn at 5:17 pm. All Ayes. Motion Carried.

Respectfully submitted,

Elizabeth Desmarais

Elizabeth Desmarais
Deputy Clerk

Kristen Baxter

Kristen Baxter
City Clerk