**City of Marine City**

**Pension Board – Pension Plan**

**April 26, 2022**

A regular meeting of the Pension Board – Pension Plan held on Tuesday, April 26, 2022 and was called to order by Board Member Rosalie Skwiers at 4:30pm.

**Present: Board Members Robert Klieman, Rosalie Skwiers; Board Member Michael Itrich; City Commissioner Elizabeth Hendrick; City Manager Holly Tatman; City Clerk Shannon Adams**

**Absent: None**

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

**Communications**

None.

**Approve Agenda**

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

**Open Discussion**

None.

**Approve Minutes**

Motion by Board Member Itrich, seconded by City Manager Tatman, to approve the minutes of the Regular Pension Board – Pension Plan Meeting of January 25, 2022. All Ayes. Motion Carried.

**Unfinished Business**

Review Pension Plan Funding

Financial Consultant, John Firek, indicated he had reviewed the Nyhart calculation related to the pension funding and that it was done once per year with the last one done on June 30, 2021. Pension was at 75.21% funded which was an increase from the previous year’s calculation of 60.46% funded.

Cost of Living Adjustment

Financial Consultant Firek stated he had spoken to the Raymond James back office who informed him there was no simulation that could be done to determine what impact a cost of living adjustment would have on the pension plan and that this was a report that could be obtained from the actuary.

Motion by Board Member Klieman, seconded by City Commissioner Hendrick, to request the City Commission to approve the cost of hiring the actuary to provide a report addressing how a cost of living increase would affect the pension plan. **Roll Call Vote.** Ayes: Klieman, Hendrick. Nays: Skwires, Itrich, Tatman. Motion Failed.

**New Business**

None.

**Financial Business**

Investment Performance - Review by John Firek

Financial Consultant, John Firek, reviewed the Portfolio Review for the Pension Plan and summarized that the volatility in the market had been driven by inflation which drove some of the adjustments that were made previously. He stated inflation was at a 40-year high which had a significant impact on the stock and bond market and that the bond market had the worst sell off in history since 1981.

* Total Pension Plan market value was $5,319,955.67
* Total withdrawal amount was $0
* Pension Plan Holdings year-to-date annualized performance was 8.79%
* Portfolio consisted of:
* 3.41% Cash & Cash Alternatives
* 32.60% Fixed Income
* 58.03% Equity
* 5.82% Alternative Investments
* 0.14% Non-Classified

Review Investment Allocation/Recommend Rebalance of Accounts

Mr. Firek stated that he was recommending a rebalance of the accounts by changing one stock allocation from T.Rowe Price to Vanguard. Mr. Firek also recommended selling a portion of the bonds and buying gold to increase the gold allocation from 5% to 10%.

Motion by Board Member Itrich, seconded by City Manager Tatman, to rebalance the accounts as recommended. **Roll Call Vote.** Ayes: Klieman, Hendrick, Skwires, Itrich, Tatman. Nays: None. Motion Carried.

**Adjournment**

Motion by Board Member Itrich, seconded by City Manager Tatman, to adjourn at 5:01 pm. All Ayes. Motion Carried.

Respectfully submitted,

Shannon M. Adams

City Clerk