**City of Marine City**

**Pension Board – Pension Plan**

**January 26, 2021**

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

**Present: Board Members Michael Itrich, Robert Klieman and Rosalie Skwiers; City Manager Elaine Leven; City Clerk Kristen Baxter**

**Absent: None.**

**Also in Attendance: Financial Consultant John Firek, Treasurer Megan Pearce, Deputy Clerk Michele Goodrich**

**Communications**

None.

**Approve Agenda**

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

**Open Discussion**

None.

**Approve Minutes**

Motion by Board Member Klieman, seconded by Board Member Itrich, to approve the minutes of the Regular Pension Board – Pension Plan Meeting of October 27, 2020. 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 December 31, 2020:

* Total Pension Plan market value was $5,650,916.88 as of December 31, 2020
* Total withdrawal amount was $102,400.00
* Pension Plan Holdings year-to-date annualized performance was 6.92%
* Portfolio consisted of:
* 6.52% Cash & Cash Alternatives
* 35.65% Fixed Income
* 56.75% Equity
* .99% Alternative Investments
* 0.10% Non-Classified

Mr. Firek stated that he would like to increase stock allocation in light of the current low interest rate environment and discussed how the City could maintain a higher allocation of stocks without taking additional risks. He informed the Board that the Pension Plan had a total performance of 16.49% return. He also informed the Board that bonds were paying very little in income and recommended increasing the allocation in equities. He recommended increasing exposure to a large section of stable, boring dividend paying stocks.

Board Member Klieman questioned how much money Mr. Firek would want to move and Mr. Firek responded that he would like to move $100,000 into the pension benefit payment account and to allocate $5,671,000 to the new strategy.

Board Member Klieman questioned what Raymond James’ fee would cost to move the funds. Mr. Firek stated that there were no fees associated with moving the funds and that Raymond James was a fiduciary not a broker.

Board Member Klieman questioned what was paid to the firm in 2020; Mr. Firek informed the Board that the management fees for 2020 were $36,182.00

Mr. Firek stated that he wanted to protect against the loss of capital in an inflationary environment. He explained the International stock strategy and recommended exposure to other countries who may benefit from hard falling currency.

Mr. Firek then spoke about the updated bond strategy, and stated that we currently had CD’s and bond funds performing well however, with the potential for an inflationary environment, the updated bond strategy would allow for several bond managers overseeing the accounts instead of just a few bond managers. He spoke to the permanent portfolio fund which can handle inflationary and deflationary environment.

Mr. Firek stated that the biggest change to the portfolio was to take a large portion of the current stock portfolio and make it more boring. He reiterated the dividend stock strategy, addressed the increase in international exposure and the utilization of bond strategies in the event we see inflation come out of this crisis climate.

Mr. Firek will send over the updated Investment Policy Statement to allow for the alternative investments and the increase of the stock allocation.

Motion by Board Member Itrich, seconded by Board Member Klieman to move forward with the recommended strategy outlined by Mr. Firek. All Ayes. Motion Carried.

Retirement System Actuarial Valuation for Period Ending June 30, 2020

Motion by Board Member Itrich, seconded by Board Member Klieman, to receive and file the Retirement System Actuarial Valuation for Period Ending June 30, 2020.

Roll Call Vote. Ayes: Itrich, Klieman, Leven, Skwiers. Nays: None. Motion Carried.

Invoice Approval

Motion by Board Member Klieman, seconded by Board Member Itrich, to approve Invoice #0164097 from Howard E. Nyhart Company in the amount of $2,200.

Roll Call Vote. Ayes: Klieman, Leven, Skwiers, Itrich. Nays: None. Motion Carried.

Motion by Board Member Itrich, seconded by City Manager Leven, to approve Invoice #0164098 from Howard E. Nyhart Company in the amount of $2,300.

Roll Call Vote. Ayes: Klieman, Leven, Skwiers, Itrich. Nays: None. Motion Carried.

Preliminary Financial Statements

Motion by Board Member Klieman, seconded by Board Member Itrich, to accept the Preliminary Financial Statements and place them on file. All Ayes. Motion Carried.

**Adjournment**

Motion by Board Member Klieman, seconded by Board Member Itrich, to adjourn at 5:14 pm. All Ayes. Motion Carried.

Respectfully submitted,

Michele E. Goodrich

Deputy Clerk

Kristen Baxter

City Clerk