**City of Marine City**

**Pension Board - Retiree Health Care Plan**

**January 26, 2021**

A regular meeting of the Pension Board - Retiree Health Care Plan held via virtual telephone conference on Tuesday, January 26, 2021, and was called to order by Board Member Rosalie Skwiers at 5:14 pm.

**Present: Board Members Michael Itrich, Robert Klieman and Rosalie Skwiers; City Manager Elaine Leven; City Clerk Kristen Baxter; Treasurer Megan Pearce; Deputy Clerk Michele Goodrich**

**Absent: None.**

**Also in Attendance: Financial Consultant John Firek**

**Communications**

None.

**Approve Agenda**

Motion by Board Member Itrich, seconded by Board Member Klieman, to approve the Agenda. All Ayes. Motion Carried.

**Open Discussion**

None.

**Approve Minutes**

Motion by Board Member Itrich, seconded by Board Member Klieman, to approve the Minutes of the Regular Pension Board - Retiree Health Care Plan Meeting of October 27, 2020. All Ayes. Motion Carried.

**Unfinished Business**

Retiree Eligibility

City Manager Leven stated that Treasurer Pearce was on the line to address Board Member Klieman’s inquiry at the October 27, 2020 meeting regarding the retiree healthcare of Karen Ameel, Rick Ames, Paul McAlpine, and Rick Nichols.

Treasurer Pearce informed the Board that there were two outstanding issues that Board Member Klieman wanted to address: first, Board Member Klieman believed that Karen Ameel and Rick Ames were not eligible for healthcare and second, that Paul McAlpine and Rick Nichols should be in Blue Care Network.

Treasurer Pearce advised the Board that she had spoken with an agent at the Ascend Group and since Mr. Nichols lived in Florida and was out of network, per Blue Care Network, he would not be eligible to switch healthcare plans and would have to remain on BC/BS.

Treasurer Pearce stated that there was previous communication between Mr. McAlpine and the former Treasurer, Mary Ellen McDonald, wherein Mr. McAlpine was advised to switch to Blue Care Network. He had completed the necessary paperwork and submitted it to Blue Care Network, and had subsequently cancelled the switch to Blue Care Network of his own accord; there was no documentation as to why. Treasurer Pearce advised that she had tried to contact Mr. McAlpine via phone but had not been in contact with him. She stated that the only option at that point was to send a certified letter via mail advising Mr. McAlpine that he was required to switch and if he did not then the City would have his insurance cancelled.

Treasurer Pearce informed the Board that normal procedure, per the Ascend Group, when an employee turned 65, they were supposed to be contacted by Blue Care Network and they would advise the employee that they were eligible to switch healthcare plans.

Board Member Klieman stated that he was locked in Michigan and questioned if he was eligible to be on BC/BS if he moved out of state. Treasurer Pearce informed the Board that if any retiree moved out of state, the City was bound by whatever stipulations BC/BS or Blue Care Network stated.

Board Member Klieman informed the Board that Mr. Nichols was enjoying a benefit that Mr. Klieman believed was denied to him. He questioned if Mr. Nichols was being assessed the difference in cost by being on BC/BS instead of Blue Care Network. Treasurer Pearce responded that Mr. Nichols was not being assessed any extra. Treasurer Pearce advised Mr. Klieman that if he chose to move that she would be required to honor the same setup that another retiree had.

Treasurer Pearce stated that Karen Ameel had been receiving healthcare coverage since March 1, 2014 and that Rick Ames had been receiving healthcare coverage since May 1, 2014. In regard to contributions to ICMA, versus MERS, versus Raymond James, Treasurer Pearce stated that she would not go through every employment agreement and contact as she did not have a duty in her role to look at every contract or agreement over a decade’s long time frame. Board Member Klieman interrupted Treasurer Pearce and spoke to the violation of the ordinance.

Chairperson Skwiers informed Mr. Klieman that he was out of order due to his continued interruption of Treasurer Pearce.

Treasurer Pearce suggested to the Board that if there was a valid rationale as to why Ms. Ameel and Mr. Ames should not be entitled to healthcare after seven years, they would have to hire outside counsel to investigate the claim. She advised the Board that this issue was beyond the scope of what she could look into and make a determination on. She stated that she would have to go through every contract, meeting minute, motion of every employee and her responsibility was to monitor the finances of the City and that did not entitle her to go through and make substantial changes to the healthcare of Ms. Ameel and Mr. Ames that the City had honored for over seven years. She said that she believed the outcome would result in litigation.

Board Member Klieman stated that he believed Treasurer Pearce had a fiduciary responsibility to the taxpayers of Marine City and that he had a responsibility to the pensioners of Marine City to ensure their funds were spent properly and advised the Board that they needed to read the Retiree Ordinance.

Chairperson Skwiers informed Board Member Klieman that he was out of order and was being argumentative as Treasurer Pearce had given him her answer. Board Member Klieman continued to direct the Board to read the City’s Retiree Ordinance.

Board Member Klieman questioned what the City paid monthly for Mr. Ames and Ms. Ameel’s healthcare. Treasurer Pearce responded that she had already provided him with the information and that it was in the meeting minutes. Board Member Klieman responded that he had lost it and he would not dig through his records to find it. Chairperson Skwiers advised that the Board needed to move along.

Chairperson Skwiers again informed Mr. Klieman that he was out of order and Mr. Klieman responded that he did not care and would take this issue to the Prosecutor’s Office and that he believed Chairperson Skwiers was out of order.

Board Member Klieman was muted at this time by the meeting moderator and did not participate for the remainder of the meeting. It was later discovered that Mr. Klieman did not know how to unmute himself and therefore was unable to communicate into meeting.

**New Business**

None.

**Financial Business**

Investment Performance ~ Review by John Firek

Financial Consultant, John Firek, reviewed the Performance Analysis Summary, dated December 31, 2020. He reported the following:

* Total Market Value was $313,913.74
* Total withdrawal amount was $242,573.98
* Total Contributions was $265,530.09
* Pension Plan Holdings year-to-date annualized performance was 4.89%
* Portfolio consisted of:
* 30.22% Cash & Cash Alternatives
* 21.87% Fixed Income
* 46.12% Equity
* 1.70% Alternative Investments
* 0.09% Non-Classified

Mr. Firek recommended the City specify a dollar amount to keep in cash and move the remaining amounts into equity. He stated that an appropriate amount would be roughly $35,000.00 in cash at all times. He advised that they would be investing approximately $65,000 to be put to work in the allocations. Going forward he would recommend that the City implement the same exact strategy as the pension plan but would need to take into account the $35,000 cash buffer.

Motion by Board Member Itrich, seconded by City Manager Leven, to approve the investment strategy. Roll Call Vote. Ayes: Itrich, Skwiers, Leven. Motion Carried.

GASB 74/75 Actuarial Valuation – Year Ending December 31, 2020

Motion by City Manager Leven, seconded by Board Member Itrich, to receive and file the GASB 74/75 Actuarial Valuation – Year Ending December 31, 2020. Roll Call Vote. Ayes: Itrich, Skwiers, Leven. Motion Carried.

Invoice Approval

Motion by City Manager Leven, seconded by Board Member Itrich, to approve Nyhart Invoice #0163802 in the amount of $5,000.00. Roll Call Vote. Ayes: Itrich, Skwiers, Leven. Motion Carried.

Preliminary Financial Statements

Motion by City Manager Leven, seconded by Board Member Itrich, to accept the Preliminary Financial Statements for October, November and December, 2020, and place them on file. All Ayes. Motion Carried.

**Adjournment**

Motion by City Manager Leven, seconded by Board Member Itrich, to adjourn at 5:44 pm. All Ayes. Motion Carried.

Respectfully submitted,

Michele E. Goodrich

Deputy Clerk

Kristen Baxter

City Clerk