

CENTER LINE POLICE & FIRE RETIREMENT COMMISSION
MINUTES
REGULAR MEETING
July 14, 2020
Conducted via teleconference do
to Covid-19 Pandemic

4A. ✓
08/11/20

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The regular meeting of the Center Line Police and Fire Pension Board was called to order at 2:33 p.m. by Secretary Gregory Suma and conducted by teleconference.

Members Present: Gregory Suma, Richard Stys and Bernadette Helkowski.

Members Absent: Danny Petroff, Michael Gerald.

Also, Present: Tim Brice of Morgan Stanley.

AGENDA ITEM 2. – Approval of the Agenda

Motion by Trustee Stys to approve the agenda with was seconded by Trustee Helkowski.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

AGENDA ITEM 3 – Public Comment

Seeing there was no one in the audience this item was closed.

AGENDA ITEM 4 – Approval of the minutes

A. Approval of the Regular Meeting Minutes held on February 11, 2020.

Motion by Trustee Stys to approve the February 11, 2020 minutes with was seconded by Trustee Helkowski.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

B. Approval of the Regular Meeting Minutes held on May 12, 2020.

Motion by Trustee Helkowski to approve the May 12, 2020 minutes with was seconded by Trustee Stys.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

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C. Approval of the Regular Meeting Minutes held on June 9, 2020.

Motion by Trustee Stys to approve the June 9, 2020 minutes with was seconded by Trustee Helkowski.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

AGENDA ITEM 5 – Remembrances

A. None.

AGENDA ITEM 6 – Presentations:

**A. Tim Brice from Morgan Stanley Graystone Consulting:
Discussion: Monthly Perspectives Report and Market Value of
portfolio as of July 7, 2020 - \$ 11,550,248.09.**

Mr. Brice addressed the **Monthly Perspectives Report**. The Chief Investment Officer for Morgan Stanley remains bullish for five reasons, the bear market ended with no signs of an upcoming recession, the healthcare crisis due to the pandemic has led to a stimulus to the economy with the CARES ACT and the FED being accommodating, sentiment remains bearish which means there is still a lot of liquidity in the markets and the market indicators are showing the same signs as March 2009 which led to higher markets. As investors start entering the markets there will be a "V" shaped economy. Industrials, energy, materials and financials will be areas for growth. Inflation is the key factor going forward as the CARES ACT and with the FED stimulating the economy with dollars it may spur inflation. The dollar may decline too which will lead to growth in the international markets. Morgan Stanley has their asset allocation over-weighted in equities and corporate credit with shorter durations in fear of inflation. On page eight of the handout, Mr. Brice referenced a chart showing economic data which is trending upward. Trustee Stys brought up his concern with the MLP's and referenced the February 11, 2020 minutes where Mr. Brice recommended we replace Cushing. Mr. Stys further mentioned we have lost a market value of \$ 163,000.00 in a six-month period. It was pointed out that later in the February meeting we did terminate Cushing and hired Energy Income Partners. MLP'S have been devastated during the pandemic as oil has hit all time lows. MLP's earnings forecasts were to lower by 3 to 4 percent but have actually dropped by 30 to 40 percent. Capital assumption forecasts predict an 8% return over the next seven years.

Mr. Brice turned to the portfolio's market value and returns. Through July 13, 2020 the

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portfolio is up 2.04%, in the second quarter the portfolio is up 16.51% and for the year to date the portfolio is down 2.50%. There has been a huge recovery to the portfolio and congratulated the Board by sticking to its asset allocation model and not making a hastily decision to sell off the portfolio as the markets collapsed due to the pandemic.

AGENDA ITEM 7 - For Your Information:

A. None.

AGENDA ITEM 8 – Old Business

A. None

AGENDA ITEM 9 – New Business

A. GRS – Proposed actuarial services and fees for December 31, 2020 and December 31, 2021.

Trustee Suma said the increase in both years was is \$ 200.00 from \$ 9,800.00 to \$ 10,000.00.

Motion by Trustee Stys to approve the proposed actuarial service fees for 2020 and 2021 with was seconded by Trustee Helkowski.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

B. Summary Annual Report for December 31, 2019 as presented by Gabriel, Roeder, Smith & Co.

Trustee Suma said this had to be approved by the Board so it can be put on the City website pursuant to state law.

Motion by Trustee Stys to approve the December 31, 2019 Summary Annual Report with was seconded by Trustee Helkowski.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

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AGENDA ITEM 10 – Retirements

A. None

AGENDA ITEM 11 – Annuity Withdrawals

A. None

AGENDA ITEM 12 – Approval of Pension Figures

A. None

AGENDA ITEM 13 – Vouchers

A. June 25, 2020 pensions paid: Pay Report 371 ~ \$ 108,286.76.

A motion to pay the pensions was motioned by Trustee Stys and seconded by Trustee Helkowski.

AYES: 3

NAYS: None Motion carried 3 - 0.

ABSENT: Petroff, Gerald.

B. Gabriel, Roeder, Smith & Co. Invoice # 455626, Dated: June 30, 2020 for the December 31, 2019 actuarial valuation. ~ \$ 9,800.00.

A motion to pay Gabriel, Roeder, Smith & Co. was motioned by Trustee Stys and seconded by Trustees Helkowski.

AYES: 3

NAYS: None Motion carried 3 - 0.

ABSENT: Petroff, Gerald.

C. Gabriel, Roeder, Smith & Co. Invoice # 455837, Dated: July 7, 2020 for the December 31, 2019 Summary Annual Report. ~ \$ 1,600.00.

A motion to pay Gabriel, Roeder, Smith & Co. was motioned by Trustee Stys and seconded by Trustees Helkowski.

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AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

D. Consulting Group Money Manager fees: January 2020 \$ 2,709.88, February 2020 \$ 2,380.62, March 2020 \$ 2,199.88, April 2020 \$ 2,303.82, May 2020 \$ 2,484.43, June 2020 \$ 2,433.30. Total \$ 14,511.93.

Trustee Suma said that Rebecca from Mr. Brice's office is providing the attached spreadsheet on the money manager fees and the Mr. Suma is updating it and will be presenting to the Board for approval. Mr. Brice said in the future we can revert back to the old method of paying these fees. The consulting fees will still be paid on a quarterly basis but the money managers are being paid on a monthly basis for the time being. Trustee Suma asked Mr. Brice to thank Rebecca for compiling this information for the Board. Trustee Suma said he was doing his due diligence on the fees by tracing the amounts to the money manager statements.

A motion to pay the money manager fees was motioned by Trustee Helkowski and seconded by Trustee Stys.

AYES: 3
NAYS: None Motion carried 3 - 0.
ABSENT: Petroff, Gerald.

14. Commission Members Comments:

No comments from the Trustees.

The August 11, 2020 P & F Retirement Commission meeting will be at 2:30 p.m.

AGENDA ITEM 15 – Adjournment

As there was no further business to discuss, a motion by Trustee Stys and supported by Trustee Helkowski that the meeting be adjourned at 2:58 p.m.

Minutes Approved At _____ Meeting:

Chairman

Date

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Gregory T. Gunn

Secretary

Date

August 11, 2020

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