

CENTER LINE POLICE & FIRE RETIREMENT COMMISSION
MINUTES
REGULAR MEETING
February 11, 2020

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07/14/20

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The regular meeting of the Center Line Police and Fire Pension Board was called to order at 2:30 p.m. by Chairman Danny Petroff.

Members Present: Danny Petroff, Michael Gerald, Gregory Suma, Richard Stys and Bernadette Helkowski.

Members Absent: None.

Also, Present: Tim Brice of Morgan Stanley via conference call.

AGENDA ITEM 2. – Approval of the Agenda

Motion by Trustee Suma to approve the agenda with addendum was seconded by Trustee Gerald.

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

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 January 14, 2020.

A motion by Trustee Helkowski to approve the minutes was seconded by Trustee Stys.

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

AGENDA ITEM 5 – Remembrances

A. None.

AGENDA ITEM 6 – Presentations:

- A. Tim Brice from Morgan Stanley to discuss Money Manager performance results through December 31, 2019 and discussion on:**
- I. Morgan Stanley Wealth Management – On the Markets January 2020 With 2020 Outlook.**

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ii. Discussion on Portfolio Rebalance.
iii. Manager Search for MLPs

Mr. Brice entered the meeting via conference call.

With the Covid-19 pandemic, Morgan Stanley believes the GDP growth will be around 1.80% this year with no fear of a recession as we have a low interest rate environment, low inflation rate and a low GDP will keep a recession in check.

Morgan Stanley believes there will be flat earning reported by the S & P 500 companies but there will be earnings growth overseas and overall performance by money managers to be down from 2019 returns.

Mr. Brice addressed the 4th quarter 2019 performance numbers. The portfolio was up 6.43% for the 4th quarter of 2019 and the one-year increase was 23.38% for a market value of \$ 12,552,399.35. Mr. Brice pointed out the extraordinary returns by the fixed managers. Boyd for 2019 returned 10.78% and Western returned 12.16%. Mr. Brice pointed out the disappointment by Delaware. They returned 20.67% for 2019 but their benchmark was at 26.54%. They were more concentrated in value stocks while growth stocks had the appreciation. Delaware is on a watch list for our portfolio. Great Lakes also performed below their bench mark of 27.77% only returning 21.59%. They also trend to be more concentrated in value stocks. They will also be watched going forward. Our international and emerging markets managers performed very well.

Mr. Brice recommended we replace our MLP manager, Cushing as they had a key advisor leave last year and another key advisor left in the past few weeks.

Trustee Stys pointed out the Aristotle was up 7.12% for the 4th quarter of 2019 and their benchmark was up 8.92%. Aristotle was hired September 1, 2019.

Mr. Brice submitted a money manager search booklet for MLP's. Under tab number 1 page 16 Energy Income Partners added a lot of value over 3,5,7 and 10 year periods with more return and less risk via alpha. On page 23, performance on upside and downside markets the performance was very good. We currently are paying Cushing 40 bps and Energy Income Partners has the same money manager fee.

Motion by Trustee Gerald to terminate Cushing and hire Energy Income Partners was seconded by Trustee Helkowski.

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

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Mr. Brice mentioned there are 2 indices now to track MLP's.

Mr. Brice then covered the current asset rebalance. He stated there has been a Trade and tariff deal between the USA and China and more are in the works. Mr. Brice is recommending to cut some domestic equity exposure and move more towards international. We will move \$ 403,000. outside of growth and rebalance to international and emerging markets.

Trustee Suma makes a motion to rebalance the portfolio with Mr. Brice's recommendation was seconded by Trustee Stys.

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

AGENDA ITEM 7 - For Your Information:

A. None.

AGENDA ITEM 8 – Old Business

A. None

AGENDA ITEM 9 – New Business

A. MAPERS One Day Seminar Series – Friday, March 6, 2020 – The Westin Hotel Southfield, MI.

A motion by Trustee Suma to allow any trustee who meets the travel policy requirements to attend the seminar was seconded by seconded by Trustee Gerald.

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

B. Correspondence from Rebecca L. Wolfe of Morgan Stanley – Graystone Consulting dated: February 10, 2020. Re: All Unified managed Accounts (UMA) Will begin to see investment manager fees debited on a monthly basis starting with January billing.

Trustee Suma addressed the letter with a concern of bullet point 2, where all money manager accounts will be debited starting January 2020 on a monthly basis and the Trustees will not have approved these expenditures. Trustee Suma passed around what

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our current invoice looks like with all fees and money manager fees. The money manager fees will no longer be on future invoices. So, going forward Morgan Stanley will send us a recap of the money manager fees debited monthly and it can be presented to the Trustees to approve. After a few quarters of this new procedure, we will have the opportunity to revert back to the old standard of fees being billed.

A motion to approve the new system of billing until we have the opportunity to go back to the old system of billing was approved by Trustee Stys was seconded by Trustee Suma.

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

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. January 24, 2020 pensions paid: Pay Report 350 ~ \$ 109,811.76.

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

AYES: 5
NAYS: None **Motion carried 5 - 0.**
ABSENT: None.

B. Morgan Stanley – Graystone Consulting Investment Management Fees for the 4th Quarter 2019 period ending December 31, 2019 Invoice # 10062020008 ~ \$ 25,075.88.

Motion by Trustee Gerald and supported by Trustee Stys to approve the invoice.

AYES: 5

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NAYS: None Motion carried 5 - 0.
ABSENT: None.

AGENDA ITEM 14 – Commission Members Comments

Trustee Gerald had asked if Dan Merciez has received his pension estimate. Trustee Suma said yes and also had an exit interview with him.

AGENDA ITEM 15 – Adjournment

As there was no further business to discuss, a motion by Trustee Gerald and supported by Trustee Helkowski that the meeting be adjourned at 4:04 p.m.

Minutes Approved At _____ Meeting:

Chairman

Date

Secretary

Date

Mary T Suma

July 14, 2020