

**MINUTES
OF THE CITY OF ST. CLAIR SHORES
GENERAL EMPLOYEES' PENSION BOARD MEETING
AUGUST 17, 2021**

Regular Meeting of the General Employees' Pension Board, held in the Jefferson Conference Room, located at 27600 Jefferson Avenue, St. Clair Shores, Michigan.

Present: John Caron, Mary Kotowski, Vicky Shipman and Dale Verhaeghe

Absent & Excused: Kip Walby

Also Present: Attorney Tom Michaud; Mike Holycross, AndCo Consultant and Tina Hirzel, Recording Secretary

1. CALL TO ORDER

Co-Chair Shipman called the meeting to order at 3:30 p.m. and a quorum was present.

Motion by Kotowski, seconded by Verhaeghe to excuse Mr. Walby from this meeting.

Ayes: All – 4

Absent: Walby

2. APPROVAL OF CONSENT AGENDA ITEMS

Motion by Kotowski, seconded by Verhaeghe to approve the Consent Agenda items a - g as follows:

- a) Request to approve Minutes of June 15, 2021 as presented
- b) Request to approve payment of Invoices as of August 10, 2021

ANDCO	\$12,500.00
HAMLIN CAPITAL MANAGEMENT, LLC	\$5,591.78
MADISON INVESTMENT ADVISORS	\$7,074.78
REINHART PARTNERS, INC.	\$12,945.00
SCP (SEIZERT CAPITAL PARTNERS)	\$7,542.00
COMERICA BANK	\$6,389.98
TOTAL	\$52,043.54

- c) Request to approve the Final Retirement Calculations for Cathy McCormick
- d) Request to approve Application for Service Retirement and the Final Retirement Calculations:
 - i. Charles Schwager
 - ii. James Messina Deferred retiree eligible for retirement 7/17/2021
- e) Application for Service Retirement and Active Member Data Sheet for Heidi A. Schwager – Normal Retirement effective July 31, 2021
- f) Robbins Geller Rudman & Dowd LLP Portfolio Monitoring Report (6/25/2021)
- g) Hatteras Core Tender notification of 7% of the fund liquidation \$7,376

Ayes: All – 4

Absent: Walby

Ms. Kotowski displayed the agenda packet and reports on the screen for members.

3. ANDCO CONSULTING PRESENTATION

- a) **2nd Quarter Investment Performance Review Period Ending June 30, 2021**

Mr. Holycross asked if the committee members would consider moving to a paperless meeting format. Consensus of the committee members was that paperless GEPB meeting packets would be acceptable. The Clerk's office will email the packet to members prior to each meeting.

He spoke about the June 30th performance review which contained generally good news. We are IPS compliant with asset classes. We have had fantastic long term and near term performance.

He said the recommendation they are giving to all of their clients with S&P 500 Index fund VFIAX is to convert to FXAIX Fidelity which is currently paying 4 basis points. They recently rolled out lowered index fund cost. FXAIX is 1.5 basis points which cuts costs by 2/3. These are basically the same thing with a different ticker symbol.

Item 3 (Cont'd):

Reinhard was up 51% last year. They underperformed with the biggest impact from Game Stop and AMC. International equity is up 40%.

Motion by Caron, seconded by Verhaeghe to move all proceeds of Vanguard VFIAX to Fidelity FXAIX.

Ayes: All – 4
Absent: Walby

b) Fixed Income Manager Search Analysis (replacement of fixed income manager Reinhard)

Mr. Holycross explained their search analysis for the Reinhard replacement. The managers they spoke to were Robert W. Baird & Co. Incorporated, Garcia Hamilton & Associates, Robinson Capital and Western Asset Management Company, LLC. He noted their recommendation is to avoid Robinson and Western due to a mega merger they are involved in. Although Western and Garcia are both very good, their recommendation is Baird based on their interviews and experience with other customers. He noted St. Clair Shores General Employee Health Care has been using them for a couple years, and it has served them well. The County also uses the Baird team for their fixed income.

Motion by Caron, seconded by Kotowski to terminate the Pension System's relationship with Reinhart/Madison Fixed Income and to replace them with the recommendations of our Consultant as follows:

- **BUY Baird Intermediate Bond (BIMIX) \$5,898,885 Initial Investment from the termination of the Madison Investments Fixed Income**
- **BUY Baird Intermediate Bond (BIMIX) \$4,857,115 from the termination of the Madison Investments Fixed Income**

And to also SELL Vanguard 500 Index (VFIAX) CUSIP and move those funds to Fidelity 500 Index (FXAIX) as recommended by the Board's Consultant, saving the fund money for the same investment style.

Ayes: All – 4
Absent: Walby

c) Flash Report (handed out at meeting)

Mr. Holycross noted that the fund had positive returns except international equity stock. They were happy with our manager roster.

4. **VANOVERBEKE, MICHAUD & TIMMONY, P.C.** - None
5. **OLD BUSINESS** – None
6. **NEW BUSINESS - MAPERS 2021 FALL CONFERENCE CERTIFICATE OF DELEGATES (2)**

Motion by Caron, seconded by Kotowski to elect Verhaeghe as voting delegate to the 2021 Fall MAPERS Conference to be held September 18 – 21, 2021 at Doubletree Hotel, Bay City, Michigan and approve their cost for attendance.

Ayes: All – 4
Absent: Walby

7. **AUDIENCE PARTICIPATION** - None
8. **ADJOURNMENT**

Motion by Caron, seconded by Verhaeghe to adjourn the meeting at 4:03 p.m.

Ayes: All – 4
Absent: Walby

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY, SEPTEMBER 28, 2021.

Prepared by:
Tina Hirzel
Recording Secretary

Reviewed by:
Mary A. Kotowski
City Clerk / Secretary to GEPB