

A meeting of the Berkley Public Safety Pension Board was called to order by Chairperson Herriman at 04:01 PM on Monday August 18, 2025.

Present: Chairperson Herriman
Treasurer Zurawski
Secretary Smith
Member Maisonneuve (arrived at 04:03)
Member Boring

Absent: None

Others Present: Brett Reardon – Captrust
Tyler Sites – Captrust
Cynthia Billings-Dunn – Asher Kelly
Carl Johnson – City of Berkley
Stephanie Sullivan – GRS
Laura Frankowiak – GRS
Becky Stouffer - GRS

APPROVAL OF THE AGENDA

A motion was made by Boring, to approve the agenda. Motion was supported by Smith.

Ayes: Herriman, Zurawski, Smith, Boring

Nays: None

Abstain: None

Absent: Maisonneuve

Motion Carried

APPROVAL OF MINUTES

A motion was made by Smith and supported by Herriman to approve the July 21, 2025 meeting minutes.

Ayes: Herriman, Zurawski, Smith, Boring

Nays: None

Abstain: None

Absent: Maisonneuve

Motion Carried

CITIZEN COMMENTS – None

OLD BUSINESS –

1. Jon Roberts AFC

Herriman informed the board that the incorrect AFC calculation discussed at the June meeting was actually not the final version. The Finance Department confirmed that the final calculation which was previously approved by the board had correctly removed Sick Time from the AFC. Therefore, no further action by the board was required.

2. Paris Lining Generic Time

The board was informed that Paris Lining declined to proceed with purchasing Generic Time after receiving her calculation. Herriman also advised the board that Lining was the final member who was eligible to purchase up to 4 years of Generic Time and that going forward the maximum would be 2 years.

NEW BUSINESS –

1. Approval of Invoice Payments

Invoices were presented from Boston Partners and Asher Kelly.

A motion to approve payment was made by Boring and supported by Smith.

Ayes: Herriman, Zurawski, Smith, Boring

Nays: None

Abstain: None

Absent: Maisonneuve

Motion Carried

2. Captrust Fund Manager Discussion

Reardon reviewed additional information on Driehaus with the board, as requested at the previous meeting. He advised the board that for an international strategy which included some emerging market exposure the options would be to combine Driehaus and the Fidelity Index or to just use the Vanguard Index. Reardon stated having active management for emerging markets could be a good thing long term due to potential volatility. However, over 5- and 10-year periods the comparison of the two options was virtually identical. A difference was that the cost for the Driehaus and Fidelity combination would be 23 basis points while Vanguard would be only 9 basis points. Reardon recommended and the board agreed with making the switch from Harding Loevner and American Funds EUPAC Growth to Vanguard.

A motion to authorize Captrust to make the changes in the fund's International Investments was made by Smith and supported by Maisonneuve.

Ayes: Herriman, Zurawski, Smith, Maisonneuve, Boring

Nays: None

Abstain: None

Absent: None

Motion Carried

3. Captrust Advisory Agreement

Reardon advised the board that their services were still under a 5-year-old investment agreement which was enacted while still under the Plante Moran name. Reardon stated that an updated agreement would be necessary. He stated the new agreement would also lower costs for the fund. Reardon informed the board he would begin the process of drawing up the new agreement.

4. GRS Staffing Changes and Introductions

The board was advised that Louise Gates had retired and that going forward a 3-person team of Sullivan, Stouffer and Frankowiak would be handling the fund's actuarial work. Stouffer assured the board that the transition had gone smoothly and work had continued uninterrupted. She advised the board that Sullivan and Frankowiak would now act as Co-Lead Consultants on the fund while she will act as a Support Actuary. Sullivan will be the board's primary contact. The board was told that Sullivan has already been working on the fund for over 12 years, while Frankowiak had already worked on the Berkley Retiree Healthcare plan and would now add the pension fund to those duties. This transition continued a 25-plus year partnership between Berkley and GRS. Discussion was held on continuing to track the funding plan, now with 10 years or so remaining, to get the plan to 100% funding.

5. Adjusted Employer Contribution Discussion

Discussion continued from the last meeting to try to get clarification of changes made to how the city was making the required yearly contributions to the pension. Initial discussion revealed that with all the turnover and changes in the last year or so in the city's Finance Department, the pension board was never informed of the changes made to the timing of the city's contribution. This led to confusion; the board believed things were continuing to run as they always had, and therefore they continued to set aside funds in a Money Market account for the purpose of pension payments. The board was also concerned when they did not see the city's contribution deposited as expected.

Johnson clarified that rather than depositing the contribution into the fund at once and then having to withdraw from the fund multiple times throughout the year to meet pension payroll, the city will pay the monthly pension payroll, which is approximately \$20,000 a month more than the city's required contribution. At the end of the fiscal year the city and the board would reconcile the difference between what the city paid each month for pension payroll and required contribution. This allows the money to remain invested in the pension fund while also streamlining the process on the city's end and potentially saving banking fees.

Billings-Dunn confirmed that this is a perfectly acceptable way to handle the contributions.

Reardon saw no issue in the change from an investment perspective. Stouffer stated the change would have no effect on the actuarial calculations made by GRS.

Johnson advised the board that under this new system the fund would owe the difference between expenses, including pension payroll, which he estimated at about \$2.1 million, and the city's contribution at the end of the fiscal year. He stated that at a certain point as the city's contributions begin to drop and the gap between expenses and contributions become too great, a return to the previous system may be necessary. However, that would likely be years in the future.

6. Approval of Retiree Pension Divorce Payment Process

Zurawski created a document to standardize the process when a plan member receives a divorce order requiring division of their pension.

A motion to approve the document was made by Boring and supported by Smith.

Ayes: Herriman, Zurawski, Smith, Maisonneuve, Boring

Nays: None

Abstain: None

Absent: None

Motion Carried

7. Rebalance of the Fund's Money Market Account

Based on the previous discussion about the city's contribution and the new process that would be followed, the board determined the fund's Money Market account was overfunded.

A motion was made to authorize Captrust to reduce the Money Market account to \$500,000 to cover projected expenses for the upcoming fiscal year. The motion was made by Boring with support from Maisonneuve.

Ayes: Herriman, Zurawski, Smith, Maisonneuve, Boring

Nays: None
Abstain: None
Absent: None

Motion Carried

ADJOURNMENT

A motion to adjourn was made by Boring, supported by Smith at 04:58 PM.

Ayes: Herriman, Zurawski, Smith, Maisonneuve, Boring
Nays: None
Abstain: None
Absent: None

Motion Carried

The next regularly scheduled meeting date is September 15, 2025 at 04:00 PM.