

A virtual meeting of the Berkley Public Safety Pension Board was called to order by Chairperson Herriman at 04:01 PM on Monday May 18, 2020.

Present: Chairperson Herriman
Treasurer Pollock
Secretary Smith
Member Maisonneuve

Absent: Member Robinson

Others Present: Brett Reardon – Plante Moran
Mark Dixon – Plante Moran
Alex Smith – Plante Moran

APPROVAL OF THE AGENDA

A motion was made by Smith and supported by Maisonneuve to approve the agenda.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

APPROVAL OF MINUTES

A motion was made by Maisonneuve, supported by Pollock, to approve the February 24, 2020 minutes.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

CITIZEN COMMENTS – None

OLD BUSINESS –

1. Invoices

Invoices were presented from PNC, Loomis Sayles, Boston Partners, Cambiar, Richmond Capital, PMFA, Harding Loevner and Daly Merrit.

A motion to pay the bills was made by Smith and supported by Maisonneuve.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

2. Approval of Fund Rebalance

Plante Moran advised the board on how to best rebalance the fund to take advantage of current market conditions.

A motion was made by Maisonneuve and supported by Smith to approve the rebalancing as outlined by Plante Moran.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

NEW BUSINESS –

1. Plante Moran 1st Quarter 2020 Investment Report

Reardon informed the board that the equity markets had sold off significantly, enough to require the portfolio rebalancing. He stated this was done by moving funds from Richmond and Vanguard Treasury Inflation Protected Securities to equities. A new mutual fund manager, Metropolitan West Total Return, was also added. The Pension's risk profile was not changed, but it did become more flexible as having a portion of the fixed income portfolio held in a mutual fund will allow the Pension to be rebalanced quicker should volatility continue.

With equities down across the board the Fed has cut rates and the government is spending, however, uncertainty will remain until consumer spending returns. Dixon stated that by selling bonds and buying equities the portfolio is performing better than staying status quo. He is happy with the rebalance and will continue looking for opportunities.

Reardon advised that in the first quarter the fund was down 14.05% but did outperform peer benchmarks. Funds within the portfolio are continuing to meet the necessary criteria with the exception of Cambiar which is being closely monitored. No change is recommended at this time but Plante Moran will be giving them a hard look and will advise the board further.

Year to date the fund is down 7.1% after seeing a return of 17% in calendar year 2019. Reardon stated the portfolio had seen a positive return of 8.1% to start quarter 2 and he thinks the fund is well positioned to handle changes in the market as it is well diversified. The portfolio also continues to be within the mandated allocation requirements.

A motion to receive and file the report was made by Smith and supported by Maisonneuve.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

2. Changes to Vanguard Investment Category

Maisonneuve informed the board that by switching the fund's investment in Vanguard from Investor class to Admiral class it would save 10 basis points on fees. Reardon confirmed this was accurate and that it was possible to make the change.

A motion to make the change was made by Maisonneuve and supported by Smith.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

3. Board Discussion

Pollock informed the board that the millage rate for funding the pension would see a slight increase this year to 2.5 mills which would be sufficient to meet the fund's needs.

Maisonneuve asked about putting meeting notices online as well as at City Hall to make the information more easily accessible with most people currently staying home. Pollock stated he would request that the change be made.

ADJOURNMENT

A motion to adjourn was made by Maisonneuve, supported by Smith at 04:30 PM.

Ayes: Herriman, Pollock, Smith, Maisonneuve
Nays: None
Abstain: None
Absent: Robinson
Motion Carried

Next regularly scheduled meeting date is June 15, 2020 at 04:00 PM.