

BOARD MEMBERS

Matt Covey, Chairman
J. Thomas Lesnau
Jeff Wise
Kevin Kazyak, Secretary
Steven Thomas, Treasurer

**WATERFORD TOWNSHIP
POLICE & FIRE PENSION BOARD**

2495 Crescent Lake Road
Waterford, Michigan 48329
Telephone: (248) 618-7578

Matt Covey
Chairman

POLICE & FIRE PENSION MEETING

January 11, 2022

Meeting called to order at 10:01 a.m. Waterford Fire Department conference room.

MEMBERS PRESENT:

Matt Covey
Steve Thomas
Kevin Kazyak
Jeff Wise

Excused-Tom Lesnau

OTHERS PRESENT:

Legal VMT – Aaron Castle
AndCo - Mike Holycross
Nyhart-Derrek Schmitt
Nyhart-Nick Meggos

MINUTES:

Lesnau **moved** to approve the minutes of the December 14 2021 meeting, supported by Wise and passed unanimously.

APPROVE BILLS:

Lesnau **moved** to approve the following bill, supported by Wise and passed unanimously.

Reinhart Capital	Q4 Mgt. Fees	\$22,870.00
AndCo	Q4 Mgt. Fees	\$23,750.00
Clarkston Capital	Q4 Mgt. Fees	\$14,612.00
Nyhart	December Benefit Cal.	\$ 1,050.00
Nyhart	2021 Valuation services	\$ 8,175.00

RETIREMENTS:

None

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DROP:

Thomas **moved** to approve Michael Mathews request to withdraw the remaining finds in his DROP account, supported by Wise and passed unanimously.

PRESENTATIONS:

Derrek Schmitt presented the 2021 Actuarial report. The reports that the Fund is healthy with a funding level of 86.8% (AVA) and 93.3% (MVA). The 2021 rate of return for the Fund was 10.6% (AVA) and 13.0% (MVA).

Schmitt suggested having Nyhart prepare an Assumption Analysis and a Funding Analysis for a total cost of \$18,000.00 (\$14,000.00 for the Assumption and \$4,000.00 for the Funding Analysis). Schmitt cited that P.A. 202 requires plans to prepare one every five years, and such analyses would also help Nyhart prepare future reports and make future recommendation on the funding percentages.

Covey **moved** to approve Nyhart to prepare an Assumption Analysis for \$14,000.00, supported by Thomas and approved unanimously.

Covey **moved** to approve Nyhart to prepare a Funding Analysis for \$4,000.00, supported by Thomas and approved unanimously.

Covey **moved** to receive and file the 2021 Actuarial Report from Nyhart, supported by Wise and passed unanimously.

Schmitt gave further explanation on the use of the S&P Bond Index vs. Bloomberg Barclay’s Bond Index to replace the Merrill Lynch Bond Index as it relates to annuity withdrawals in pensions. Nyhart indicated that they currently do not subscribe to the Bloomberg Barclay’s index and to do so would be at a cost of \$24,000.00 to the Township.

Covey **moved** to have VMT evaluate all Nyhart Administrative Evaluation for annuity withdraws that are being sent to the Township, supported by Thomas and passed unanimously.

INVESTMENT CONSULTANT:

Asset/Manager	12/10/2021	1/7/2022	Difference
Edgewood	14,648,675	13,611,935	-1,036,740
Seizert	15,704,412	16,410,316	705,904
Reinhart	11,724,610	12,366,382	641,772
Clarkston Capital	7,139,788	7,420,989	281,201
WAM	3,302,533	3,312,897	10,364

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Hamlin	9,131,893	9,529,078	397,185
HGK International	10,693,537	10,693,537	0
AmFunds Euro Pacific	5,245,922	5,132,628	-113,294
ABS Emerging Markets	4,485,920	4,372,016	-113,904
Baird Aggregate Bond (BAGIX)	10,784,492	10,636,334	-148,158
Baird Aggregate Bond (BIMIX)	10,750,933	10,653,158	-97,775
Bloomfield Capital Fund 2	135,535	135,535	0
Bloomfield Capital Fund 3	823,356	823,356	0
Bloomfield Capital Fund 5-a	919,305	919,305	0
Bloomfield Capital Fund 5-b	211,939	211,939	0
HIG Bayside	392,075	568,070	175,995
Marathon Distressed	1,045,884	1,165,884	120,000
Alidade Fund 4	1,190,916	1,080,866	-110,050
Alidade Fund 5	0	484,692	484,692
American Realty	2,359,955	2,359,955	0
Penn Square Fund 2	38,688	38,688	0
Tarra Cap Fund 5	2,006,083	2,006,083	0
McMorgan	2,933,497	2,972,026	38,529
Newbutry Equity	1,152,644	1,197,644	45,000
Cash	3,361,452	2,555,521	-805,931
Total	120,184,044	120,658,834	474,790

Holycross reported that the Fund is healthy and in good shape.

Holycross recommended rebalancing the Fund by moving \$500,000 from Edgewood, 1 million from Seizert, \$250,000 from Reinhart, \$250,000 from Hamlin \$500,000 from HGK and \$500,000 from Am Funds Euro Pacific for a total of 3 million into the cash account.

Covey **moved** to approve the above stated rebalance, supported by Wise and passed unanimously.

Holycross will present the Q4 Performance Report at the February 8th meeting.

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LEGAL REPORT:

Update on Open Meeting Act. The current Bill died in committee. Governor Whitmore is seeking a broader bill to include other entities, and the Legislator is looking for a narrower Bill.

OTHER BUSINESS:

Covey **moved** to adjourn the meeting, supported by Thomas and passed unanimously.

Meeting closed at 10:50 a.m. Next meeting will be March 8, 2022 at 10:00 a.m.

Respectfully Submitted,
Kevin J. Kazyak
Kevin Kazyak, Secretary