

**MINUTES
PENSION TRUST COMMISSION
THIRD FLOOR CONFERENCE ROOM
CITY HALL
JANUARY 28, 2021 – 9:00 A.M.**

Bart Hadley called the meeting to order at 9:00 a.m. in the City Hall Third Floor Conference Room. Notice of meeting and agenda was posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: Bayones, Teri; Ellwanger, Paul; Hadley, Bart; Hill, Andy; Petersen, Ed.

ABSENT: Apple, James.

ALSO PRESENT: Dewayne Burk, Human Resources Director, Traci Hushbeck, City Clerk, Perry Warren and Chad Rother, Morgan Stanley, Julie Magness and Kristin Huntley, Financial Services, Kelea Fisher, Deputy City Attorney

II. Introduction of Visitors

Chairman Hadley introduced Traci Hushbeck, City Clerk.

III. New Business

- A. Receive quarterly financial report from Morgan Stanley and take action if necessary- Perry Warren, Morgan Stanley.

Perry Warren gave quarterly financial report from Morgan Stanley. Report is available in City Clerk's Office.

Warren stated the beginning balance is \$58,030,756.07; the withdrawals were \$5,100.00.00; the investment earnings were \$8,629,501.88; the ending value was \$61,560,257.95; and the portfolio return percentage was 15.48%. Warren went on to review the monthly breakdown.

On page 6, Warren reviewed the Last 10 Years and Performance Since Inception Columns under TWR and the Total Value vs Net Invested Capital graph.

On page 7, Warren reviewed the Return Percent Net of Fees Row and the ERSOCOL Benchmark Row.

On page 12, Warren reviewed the Asset Allocation pie chart, the Stock Sectors Triangle.

On page 30, Warren reviewed the volatility rates.

Warren asked for any questions.

Motion by Hill, Second by Peterson, to accept the Quarterly Financial Report from Morgan Stanley. **Aye:** Bayones, Ellwanger, Hadley, Hill, Petersen, Whipp **Nay:** None.
Motion Passed.

- B. Receive Quarterly Employees Refunds Made From Retirement System and, receive Quarterly Statement of Receipts and Disbursement, and take action if necessary- Finance.

Kristin Huntley gave report on the Balance Sheet, Statement of Revenue and Expense, and Employee Refunds. These reports are available in the City Clerk's Office.

Huntley asked for any questions.

Motion by Petersen, Second by Bayones, to accept the Quarterly Financial Reports. **Aye:** Ellwanger, Hadley, Hill, Petersen, Whipp, Bayones. **Nay:** None. ***Motion Passed.***

- C. Receive Audit Report from Finley and Cook and take action if necessary- Finley & Cook Representative.

Dan Bledsoe gave report. He stated this was a systems audit for the period ending June 30, 2020. The Pension Trust received an unmodified or clean audit on financial statements. No audit adjustments were made to the investments, and the actuary information had no adjustments. There were no difficulties in performing the audit. There was a significant deficiency that was conveyed in a separate letter to management regarding calculation guidelines and rounding for retirees. Management provided a corrective action plan. No fraud issues or illegal activities were identified.

Burk stated he does anticipate bringing some changes to the Commission in the future to clarify some of the language while making corrections to the calculation guideline discrepancies.

Chairman Hadley stated that they occasionally run into to some areas where the actual language can be interpreted two different ways, so going forward changes to that language will be brought before the board.

Motion by Ellwanger, Second by Hill, to accept Audit Report from Finley and Cook. **Aye:** Hadley, Hill, Petersen, Whipp, Bayones, Ellwanger **Nay:** None ***Motion Passed***

- D. Consider ratifying the actions of the Pension Trust Chairperson in authorizing payment of the invoice dated December 31, 2020 from the Berwyn Group, in the amount of \$850.00, for services rendered to the Pension Trust.

Chairman Hadley stated this would be the annual fee related to the Death Audit.

Motion by Ellwanger, Second by Petersen, to ratify the actions of the Pension Trust Chairperson in authorizing payment of the invoice dated December 31, 2020 from the Berwyn Group, in the amount of \$850.00, for services rendered to the Pension Trust. **Aye:** Hill, Petersen, Whipp, Bayones, Ellwanger, Hadley **Nay:** None ***Motion Passed***

- V. Consent Agenda

FOR THE BENEFIT OF THE AUDIENCE, ALL MATTERS LISTED UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE BY THE PENSION COMMISSION AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS. IF DISCUSSION IS DESIRED, THAT ITEM WILL BE REMOVED FROM THE CONSENT AGENDA PRIOR TO ROLL CALL AND WILL BE CONSIDERED SEPARATELY.

- A. Consider application for Normal Retirement from David Faust.
- B. Consider Memo of Information regarding the death of retiree Darrell Atkinson
- C. Consider Memo of Information regarding the death of retiree Connie Bomgardner.
- D. Consider Memo of Information regarding the death of retiree Maria E Edwards.
- E. Consider the application for normal retirement of George Hennessee.
- F. Consider application for normal retirement of Kathy Sheppard
- G. Consider Memo of Information regarding the death of retiree John Elwell.
- H. Consider application for normal retirement from Michael Ward.
- I. Consider Memo of Information regarding the death of retiree Randall Hale.
- J. Consider Memo of Information regarding the death of retiree spouse Carol Sue Cullins
- K. Consider Memo of Information regarding the death of retiree Roy Lindley.
- L. Consider Application of Normal Retirement for Rose Wilson.
- M. Consider Application of Normal Retirement for Debra Dollarhite.
- N. Consider approval for the paid-in-full judgments to be released from the record.

Motion by Petersen, Second by Ellwanger, to approve items A-N of the Consent Agenda. **Aye:** Petersen, Whipp, Bayones, Ellwanger, Hadley, Hill **Nay:** None ***Motion Passed.***

Hill stated he would like to go on the record and say he really appreciates the detail put into everything over the last year in order to clarify and correct some of these issues that have come up. He stated it gives him a sense of peace to hear that everyone is really paying attention.

VII. Audience Participation

VIII. Adjournment

There being no further business the meeting adjourned at 9:37 a.m.

Motion by Petersen, **Second** by Ellwanger, to adjourn. **Aye:** Whipp, Bayones, Ellwanger, Hadley, Hill Petersen.