**BOARD OF TRUSTEES OF THE CITY OF SOUTHGATE**

**POLICE AND FIRE RETIREMENT SYSTEM**

**14730 Reaume Parkway**

**Southgate, Michigan 48195**

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REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE

CITY OF SOUTHGATE POLICE AND FIRE RETIREMENT SYSTEM

**March 18, 2021**

PRESENT: Marc Hatfield, Secretary ALSO PRESENT: Robert Abb, VanOverbeke, Michaud & Timmony, P.C. Gordon Mydlarz, Trustee William Messner, Morgan Stanley/Graystone

 James Dallos, Trustee Charlotte Benke, Recording Secretary

 Ken Brown, Trustee Don Calvin, Retiree

EXCUSED: Rob Lukofsky, Trustee

Marc Hatfield called the meeting to order at 2:01 p.m.

**Roll call for telephone call remote meeting:**

 Marc Hatfield, Wayne County, Michigan

 Gordon Mydlarz, Wayne County, Michigan

 James Dallos, Wayne County, Michigan

 Ken Brown, Wayne County, Michigan

**APPROVAL OF THE MINUTES**

**Re: Minutes of February 19, 2021**

Minutes of regular meeting held on February 19, 2021, were reviewed and discussed,

**Motion to approve the minutes of February 19, 2021, regular meeting**

By: Gordon Mydlarz, supported by Marc Hatfield **Motion carried.**

**CORRESPONDENCE**

**The following correspondence has been received and placed on file.**

1. Receipt of city statement of employee contributions for February 2021 ($32,791.34).

**UNFINISHED BUSINESS**



Member Benefit Statements: All have been returned.

**NEW BUSINESS**



1. Retirement resolution for Patrol Lt. David Grondin. Table retirement resolution pending verification of service credit.
2. Retirement resolution for Patrol Lt. Kevin Czopek.

**Motion to approve service retirement resolution for Kevin Czopek, sending a copy to custodial bank with instructions to add Kevin Czopek and Cheryl Czopek to the retirement rolls and begin paying monthly benefits.**

By: Ken Brown, supported by Gordon Mydlarz **Motion carried.**

**LEGAL REPORT** 

Mr. Robert Abb was present at the meeting, and distributed and discussed the following memoranda which his office prepared:

1. Morgan Stanley Select UMA Program: This memo addressed concerns regarding the Board’s participation in the Select UMA Program regarding fiduciary responsibilities under Public Employee Retirement System Act, Act 314 of 1965, as amended. Mr. Abb explained that the Select UMA Program is a unified managed account program wherein funds are comingled with other investors to get lower management fees, reduced trading expenses, etc. The investment managers hired by the Board under the UMA Program do not have a direct contractual relationship with either the Board or the Retirement System. Two issues arise under this program: (1) it is inconsistent with the provisions of the Board’s Investment Policy which requires investment managers to acknowledge in writing acceptance of their responsibility as an Investment Fiduciary; and, (2) without those direct contractual relationships, there would be a limit on the legal recourse and a corresponding decrease of recovering monetary damages in the event of a breach of fiduciary duty. Discussion followed. Mr. Messner stated they would go back to old plan to full fill fiduciary issues.

**Motion to go back to old plan and get documents signed.**

By: James Dallos, supported by Marc Hatfield **Motion carried**.

Legal counsel will work with Morgan Stanley and draft contractual documents.

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**REPORTS OF MANAGERS/CONSULTANT**

**INVESTMENT CONSULTANT REPORT**

**RE: GRAYSTONE CONSLUTING/MORGAN STANLEY**

Mr. William Messner was present at the meeting, and discussed the following:

1. Total Fund Performance as of February 28, 2021: Mr. Messner reviewed the report and stated that the Total Fund was up 2.91% for the month; up 2.55% for the Quarter to Date; and up 20.29% fiscal year to Date. Large cap Equity Aristotle and Edgewood continue to out perform their bench marks. Reinheart Small & Mid Cap also out performed the bench mark. International Equity best performers were Kopernik and Vanguard. Real Estate the strong performer was Metropolitan and in Priviate Equity Oaktree.

**Report received and placed on file.**

**APPROVAL OF WARRANTS:**

1610 – Gabriel Roeder Smith & Co., for Flynn Calculation in the amount of $1,200.00.

1614 - Gabriel Roeder Smith & Co., for Czopek Calculation in the amount of $2,100.00**. Table this payment.**

**Motion to pay warrant 1610 Flynn calculation ($1,200.00) and table payment of warrant 1614 Czopek calculation ($2,100.00)**

By: Gordon Mydlarz, supported by Marc Hatfield Motion carried.



**OPEN FORUM**

Persons in audience: Don Calvin

 

**ANNOUNCEMENTS**

 **Next meeting: Thursday, April 15, 2021 at 2:30 p.m.**

**ADJOURNMENT** 

**Motion to adjourn the meeting**

 By: Marc Hatfield, supported by Gordon Mydlarz **Motion carried**.

 Meeting adjourned at 3:02 p.m.

I certify that the foregoing are the true minutes of the meeting of the Board of Trustees held March 18, 2021 .

Marc Hatfield, Secretary