

MINUTES OF THE RETIREMENT BOARD
Thursday, January 17, 2019

A meeting of the Retirement Board was held on Thursday, January 17, 2019 at 8:30 a.m., in the Administration Building, 9th Floor Committee Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Mark Deldin, Bryan Santo, Harold Haugh, Larry Rocca, Gary Cutler, Carol Grant, Matthew Murphy, George Brumbaugh

Excused:

Also Present:

Stephen Smigiel, Stephanie Dobson, Joe Biondo, Christina Miller, Tom Michaud, Mike Holycross

1. Call to Order

There being a quorum of the Board present, the meeting was called to order at 8:30 a.m. by Trustee Deldin. He also took a moment to introduce the newest Board of Commissioner and Pension Board member, Mr. Harold Haugh. Trustee Haugh has a long history with the city of Roseville (with experience on the Roseville Pension Board and has also been a State Representative.

2. Election of Officers

-- Chair

Trustee Deldin called for nominations for Chair.

A motion was made by Trustee Rocca, supported by Trustee Murphy to nominate Mark Deldin as Chair. The motion carried.

There were no other nominations. Nominations were closed.

Mark Deldin accepted and was unanimously elected Chair.

-- Vice-Chair

Chair Deldin called for nominations for Vice-Chair.

A motion was made by Trustee Rocca, supported by Trustee Haugh to nominate Bryan Santo for Vice-Chair. The motion carried.

There were no other nominations. Nominations were closed.

Bryan Santo accepted and was unanimously elected Vice-Chair.

3. Adoption of Agenda

A motion was made by Trustee Cutler, supported by Vice-Chair Santo to adopt the agenda with the revised document for #12 (Benefit Payments and Contributions Report) as distributed this morning. The motion carried.

4. Approval of Minutes from December 20, 2018

A motion was made by Trustee Rocca, supported by Vice-Chair Santo to approve the minutes from December 20, 2018 as presented. Trustee Haugh abstained from voting. The motion carried.

5. Approval of Invoices

A motion was made by Trustee Grant, supported by Trustee Rocca to approve the invoices as presented. The motion carried.

6. Public Participation

Retiree Representative Brumbaugh asked for a moment to speak as President of the Retirees' Association. He wanted to publicly express his appreciation to Ms. Dobson and the Human Resources and Labor Relations Department for all of the work that was put into the annual holiday luncheon. He said they did a really good job and he thinks that when you do something outstanding, you should be recognized for it. He believes this is the first year that no one approached him with any complaints.

Ms. Dobson added that this is the first time that she recalls receiving thank you cards and letters from retirees. There were over 500 guests and she also did not receive one complaint from anyone about anything related to the luncheon.

7. Retirement Administrator Report

Ms. Dobson advised that the Activity Report was included in the Board member's packets. Her office is closing out the year end for 2018 and noted there was not much else to report at this point.

Chair Deldin asked for clarification on one of the items listed on the report. He wanted to confirm that the "Members who took a refund" row included only those who were a part of the Defined Benefit (DB) plan. Ms. Dobson stated that number only includes members who were/were not vested and a part of the DB plan that withdrew their contributions and decided to forfeit any future benefit. It does not include anyone participating in the Defined Contribution (DC) plan.

A motion was made by Trustee Murphy, supported by Trustee Grant to receive and file the Retirement Administrator Report. The motion carried.

8. Disability Retirements

a. Julie Bratten (Re-examination opinion)

The Board was in receipt of the Medical Director's confidential medical reports regarding the examination of Julie Bratten. The Medical Director has concluded, based on the exam, that her disability retirement should be continued.

A motion was made by Trustee Murphy, supported by Trustee Rocca that based on the Medical Director's opinion, the disability retirement of Julie Bratten shall be continued and the following resolution shall be adopted:

WHEREAS, the Retirement Board is vested with the general administration, management and operation of the Macomb County Employees' Retirement System ("Retirement System") and has fiduciary responsibilities relative to the proper administration of the pension trust fund, and

WHEREAS, Julie Bratten was granted a disability retirement on February 8, 2017, after a finding by the Retirement Board that the requirements of the Retirement System had been met, and

WHEREAS, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board requires a disability retiree to undergo a medical examination directed by the Retirement Board Medical Director, and

WHEREAS, the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Julie Bratten to be re-examined and to advise the Medical Director of their responsibilities, and

WHEREAS, the Retirement Board is in receipt of a certification from the Medical Director, dated December 12, 2018, which states that Julie Bratten is totally and permanently incapable of resuming employment with the County in the same or similar job classification in which said individual was employed at the time of disability, and

WHEREAS, the Retirement Board has discussed this matter and has determined that Julie Bratten has met the eligibility requirements for a continual disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Board hereby approves the continual disability retirement of Julie Bratten and directs that benefits be paid consistent with the Retirement System's provisions, and further

RESOLVED, that a copy of this resolution shall be provided to Julie Bratten and all other appropriate parties.

The motion carried.

b. Joey Harrell (Re-examination Opinion)

The Board was in receipt of the Medical Director's confidential medical reports regarding the examination of Joey Harrell. The Medical Director has concluded, based on the exam, that his disability retirement should be continued.

A motion was made by Trustee Murphy, supported by Trustee Rocca that based on the Medical Director's opinion, the disability retirement of Joey Harrell shall be continued and the following resolution shall be adopted:

WHEREAS, the Retirement Board is vested with the general administration, management and operation of the Macomb County Employees' Retirement System ("Retirement System") and has fiduciary responsibilities relative to the proper administration of the pension trust fund, and

WHEREAS, Joey Harrell was granted a disability retirement on January 16, 2014, after a finding by the Retirement Board that the requirements of the Retirement System had been met, and

WHEREAS, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board requires a disability retiree to undergo a medical examination directed by the Retirement Board Medical Director, and

WHEREAS, the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Joey Harrell to be re-examined and to advise the Medical Director of their responsibilities, and

WHEREAS, the Retirement Board is in receipt of a certification from the Medical Director, dated January 7, 2019, which states that Joey Harrell is totally and permanently incapable of resuming employment with the County in the same or similar job classification in which said individual was employed at the time of disability, and

WHEREAS, the Retirement Board has discussed this matter and has determined that Joey Harrell has met the eligibility requirements for a continual disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Board hereby approves the continual disability retirement of Joey Harrell and directs that benefits be paid consistent with the Retirement System's provisions, and further

RESOLVED, that a copy of this resolution shall be provided to Joey Harrell and all other appropriate parties.

The motion carried.

c. Lori Kellie (Re-examination Opinion)

The Board was in receipt of the Medical Director's confidential medical reports regarding the examination of Lori Kellie. The Medical Director has concluded, based on the exam, that her disability retirement should be continued.

A motion was made by Trustee Murphy, supported by Trustee Rocca that based on the Medical Director's opinion, the disability retirement of Lori Kellie shall be continued and the following resolution shall be adopted:

WHEREAS, the Retirement Board is vested with the general administration, management and operation of the Macomb County Employees' Retirement System ("Retirement System") and has fiduciary responsibilities relative to the proper administration of the pension trust fund, and

WHEREAS, Lori Kellie was granted a disability retirement on February 24, 2015, after a finding by the Retirement Board that the requirements of the Retirement System had been met, and

WHEREAS, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board requires a disability retiree to undergo a medical examination directed by the Retirement Board Medical Director, and

WHEREAS, the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Lori Kellie to be re-examined and to advise the Medical Director of their responsibilities, and

WHEREAS, the Retirement Board is in receipt of a certification from the Medical Director, dated January 8, 2019, which states that Lori Kellie is totally and permanently incapable of resuming employment with the County in the same or similar job classification in which said individual was employed at the time of disability, and

WHEREAS, the Retirement Board has discussed this matter and has determined that Lori Kellie has met the eligibility requirements for a continual disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Board hereby approves the continual disability retirement of Lori Kellie and directs that benefits be paid consistent with the Retirement System's provisions, and further

RESOLVED, that a copy of this resolution shall be provided to Lori Kellie and all other appropriate parties.

The motion carried.

9. Joe Cada – review and additional discussion

A motion was made by Trustee Grant to enter into closed session to further discuss the earlier Legal Opinion related to Mr. Cada's situation (as well as the current Legal Opinion issued in the Sheila Sinclair matter). The motion was supported by Trustee Murphy. A roll call vote was taken with all members responding affirmatively to enter into closed session. The motion carried.

The Board returned to open session and after a brief recess, invited Mr. Cada and his attorney (Mr. Donofrio) back into the room. They were provided with an opportunity to speak and Mr. Donofrio indicated that they were present to receive the Board's decision today. Chair Deldin requested that Ms. Dobson's office follow-up with written correspondence to Mr. Donofrio and Mr. Cada once the Board has rendered a decision stating their position and the reasons why.

A motion was made by Trustee Cutler, supported by Trustee Murphy to confirm that Mr. Cada has standing to apply for the Reciprocal Retirement Act.

A roll call vote was taken on the motion:

YES – Trustee Murphy, Trustee Cutler

NO – Chair Deldin, Vice-Chair Santo, Trustee Grant, Trustee Rocca, Trustee Haugh

The motion failed 2-5.

Mr. Donofrio inquired what the procedure would be for appeal of this decision. Mr. Michaud indicated that under the Retirement Ordinance, they will be receiving a notification of the Board's decision and there is a time frame during which Mr. Cada could ask for reconsideration. The Board could reconsider and again make a determination on this issue and if Mr. Cada disagrees with that final conclusion, he could potentially go to Circuit Court to assert any claims he feels pertinent.

10. Sheila Sinclair – Legal Opinion

Chair Deldin gave Ms. Sinclair an opportunity to address the Board and she indicated she would simply like to hear the Board's decision, so she knows how to proceed moving forward. Chair Deldin requested again that Ms. Dobson's office follow-up with written correspondence to Ms. Sinclair once the Board has rendered a decision stating their position and the reasons why.

A motion was made by Chair Deldin, supported by Trustee Grant to deny Ms. Sinclair's request for the 2.4 multiplier recalculation based on the collective bargaining agreement (CBA) that was amended in 2009.

A roll call vote was taken on the motion:

YES – Chair Deldin, Vice-Chair Santo, Trustee Grant, Trustee Rocca, Trustee Haugh

NO – Trustee Murphy, Trustee Cutler

The motion passed 5-2.

11. Clarkston Capital Organizational Update

Mr. Holycross said this is really a non-issue and something that Clarkston had announced about two years ago. Jeremy (J.J.) Modell will now be leading a "Private Client Division" while Jeff and Jerry Hakala continue to lead the "Institutional Division." Nothing will be changing with the Board's investment or service teams.

A motion was made by Trustee Murphy, supported by Vice-Chair Santo to receive and file the Clarkston Capital Organizational Update. The motion carried.

12. Benefit Payments and Contributions Report, Steve Smigiel

Mr. Smigiel discussed the revised Benefit Payments and Contributions Report that was distributed to the Board members this morning. This is a quarterly update that shows benefit payments and contributions (member and employer). A breakdown of each type of payment (monthly benefits, annuity withdrawals, DROP payments and refund payments) is also provided.

A motion was made by Trustee Grant, supported by Trustee Cutler to receive and file the Benefit Payments and Contributions Report as presented by Mr. Smigiel. The motion carried.

13. Unfinished Business

None

14. New Business

Ms. Schave advised the Board that the final agenda had been released for the EnTrustPermal Investment Summit in March. She has copies available for those who will be attending. She will be in contact with Mr. Haugh to gauge his interest and confirmed that travel and lodging arrangements have been made for those who had expressed interest. Mr. Holycross added that two manager meetings have been scheduled for March 6th (with Edgewood and Lyrical). He is also hoping to be able to re-arrange his schedule and attend the meetings and the conference as well.

15. Adjournment

There being no further business before the Board, a motion was made by Trustee Murphy, supported by Trustee Haugh to adjourn the meeting at 9:33 a.m. The motion carried.