

MINUTES OF THE RETIREMENT BOARD
Thursday, January 31, 2019

A meeting of the Retirement Board was held on Thursday, January 31, 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, Harold Haugh, Larry Rocca, Gary Cutler, Matthew Murphy, George Brumbaugh

Excused:

Bryan Santo, Carol Grant

Also Present:

Stephen Smigiel, Stephanie Dobson, John Schapka, 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 Chair Deldin.

2. Adoption of Agenda

A motion was made by Trustee Murphy, supported by Trustee Rocca to adopt the agenda. The motion carried.

3. Approval of Minutes from January 17, 2019

A motion was made by Trustee Rocca, supported by Trustee Haugh to approve the minutes from January 17, 2019 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson advised the Board that her office was informed that they will be switched to a new software platform as Conduent transitions that part of the business to Buck. As of February 13th, they will no longer be working with Conduent and by mid-August she is expecting that they will be up and running on the Buck platform.

The website will look different to the end user and she plans to be cautious in releasing it until she is certain that testing has been thoroughly completed and the self-service online calculator can be relied upon to provide accurate information. Chair Deldin requested that if it becomes necessary to take the site down for a period of time that she provide advance notice to the members of the Retirement System.

Trustee Murphy said that he had been approached by a few members who were inquiring about whether the information provided through the online calculator is correct as it relates to non-spouse beneficiaries. Ms. Dobson stated that the new system has been adjusted to reflect the IRS requirements and noted that there is not much of a difference even with a large age gap between member and beneficiary.

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

7. Advisor and Consultant Review Schedule

Chair Deldin directed the Board's attention to the information provided in their packets regarding the upcoming review of the Medical Director (per the Advisor and Consultant Review Schedule). Trustee Haugh asked who the current provider is and Ms. Dobson provided a brief explanation of the Board's history with MMRO (the current provider) and the process currently in place for disability reviews. Trustee Cutler shared that he has been very happy with the service provided by MMRO and has received positive feedback from members as well.

Chair Deldin noted that it might be wise to have MMRO come in for a presentation. They can provide details about the services they provide and answer questions. Mr. Michaud recommended this as a next step. After the presentation, the Board can proceed with determining whether or not they would like to move forward with issuing a RFI or RFP for this service. The Board agreed they would like to invite MMRO in for a presentation. Ms. Dobson said that she will work with Ms. Schave on scheduling representatives from MMRO to come in for a presentation at an upcoming meeting. A copy of the current contract will also be provided to the Board members in their packets for that meeting.

8. MAPERS One Day Seminar – March 1, 2019

The Board was provided with the information regarding the MAPERS One Day Seminar on March 1, 2019 being held in Novi, Michigan. Ms. Schave will reach out to each member to gauge their interest in attending this seminar and handle registration.

A motion was made by Trustee Cutler, supported by Trustee Murphy to approve attendance and expenses related to the MAPERS One Day Seminar on March 1, 2019. The motion carried.

9. Securities Litigation Update (Nielsen) and Request for Approval (Venator)

Mr. Schapka advised the Board that they did not gain lead plaintiff status in the securities litigation case against Nielsen (the television ratings company). Another entity came forward that had suffered losses greater than those of the pension system. They are still a member of the class and will be entitled to a pro rata share of the proceeds.

A new matter has also come to Mr. Schapka's attention. This involves Venator PLC, a chemical manufacturer that the Board invested in twice (during the IPO in August 2017 and again through a second offering about five months later). Prior to the IPO, there was a fire at one of their manufacturing plants in Finland and it was destroyed. The supporting documents for the IPO noted some damage and assured everyone that they would be back online and producing at full manufacturing levels. That never happened and the plant was ultimately abandoned. Their stock values plummeted and the County suffered losses just over \$317,000. No one has filed on this yet, and the statute of limitations runs out next week.

Mr. Schapka is not sure what to make of this and perhaps no one else had big investments like the Board, but a complaint has been drawn up by the Board's securities litigation firm and they would be ready to file possibly today or tomorrow. If the Board files as the lead plaintiff, there is still no guarantee they will retain that status, but if they don't file there will be no recovery at all. Mr. Schapka is seeking the Board's permission to authorize pursuit of this matter by filing the complaint.

Trustee Haugh inquired if they would be filing against the insurance company. Mr. Schapka responded that they would be filing against Venator, Venator's parent company, the two underwriters on the IPO and SPO, and a number of their executives. He stated that Venator made a little over \$500 million on the insurance claim for the destroyed plant and rather than rebuild or buy a replacement facility, they just kept the proceeds.

A motion was made by Trustee Murphy, supported by Trustee Rocca to authorize the filing of a complaint in the Venator matter. The motion carried.

10. Unfinished Business

None

11. New Business

None

12. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Murphy to adjourn the meeting at 8:46 a.m. The motion carried.