

MINUTES OF THE RETIREMENT BOARD
Thursday, February 1, 2018

A meeting of the Retirement Board was held on Thursday, February 1, 2018 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, Carol Grant, Gary Cutler, Bob Smith

Excused:

Matthew Murphy, Larry Rocca, George Brumbaugh

Also Present:

Stephen Smigiel, Stephanie Dobson, Joe Biondo, Larry Lee, 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 Smith, supported by Vice-Chair Santo to approve the agenda as presented. The motion carried.

3. Approval of Minutes

a. January 18, 2018

A motion was made by Trustee Grant, supported by Trustee Smith to approve the minutes of January 18, 2018 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson had nothing to report at this time.

7. AndCo Rebalance Recommendation

Mr. Holycross discussed the handout that had been provided to the Board in their packets. To cover upcoming capital calls, AndCo is recommending a rebalance of \$8 million from Equity (\$5 million from Edgewood Large Growth, \$1.5 million from Comerica Small Cap Index and \$1.5 million from Comerica Medium Cap Index) and \$6 million from Bond Managers (\$6 million from Loomis Sayles Core Plus) into \$14 million in Cash.

A motion was made by Trustee Cutler, supported by Trustee Grant to approve the rebalance recommended by AndCo and move \$5 million from Edgewood Large Growth, \$1.5 million from Comerica Small Cap Index and \$1.5 million from Comerica Medium Cap Index and \$6 million from Loomis Sayles Core Plus into \$14 million in Cash to cover upcoming capital calls. The motion carried.

8. Certification of December 2017 Employee Representative Election

A letter was provided by Plante Moran certifying the December 2017 Employee Representative Election. A total of 272 eligible ballots were received with 269 votes going to Gary Cutler and three write-in votes. Gary Cutler is the elected employee representative serving a term ending December 31, 2020.

A motion was made by Trustee Grant, supported by Trustee Smith to receive and file the letter certifying the 2017 Employee Representative Election. The motion carried.

9. Review/Discussion of Election Policy

Included in the Board member's packets were copies of the relevant section from the County Charter and the existing Election Policy that includes the procedures for election of member representatives and rules and regulations governing election of member representatives. Chair Deldin requested Mr. Michaud review these and provide some proposed modifications to the policy and procedures in the event that there is only one candidate interested in running for a representative term. The Board would like to be able to save the time and expense involved in mailing out ballots when a single candidate is running unopposed. Mr. Michaud will provide his recommendation at the next meeting.

10. 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 Custodial Bank (per the Advisor and Consultant Review Schedule). He noted that since there are many new members on the Board, it might be wise to have the current Custodial Bank (Wells Fargo) come in for a presentation. They can provide details about the services they provide and answer questions. Mr. Michaud and Mr. Holycross both 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. Chair Deldin requested Ms. Schave and Mr. Smigiel work on scheduling Wells Fargo to come in for a presentation at an upcoming meeting.

11. MAPERS One Day Seminar – March 2, 2018

The information related to the MAPERS One Day Seminar on March 2, 2018 was presented to the Board for their review.

A motion was made by Trustee Cutler, supported by Trustee Smith to approve Board member attendance and expenses for the MAPERS One Day Seminar. The motion carried.

12. Treasurer's Report

Mr. Smigiel discussed the Treasurer's Report which 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 Cutler, supported by Trustee Grant to receive and file the Treasurer's Report as presented by Mr. Smigiel. The motion carried.

13. Unfinished Business

None

14. New Business

Trustee Cutler requested an update on the turnover situation at Conduent. It was recently communicated that the Board's representative, Mr. Timothy Bowen had left the organization. Mr. Smigiel advised that he, his Deputy Director (Mr. Steve Adair) and Ms. Dobson participated in a conference call with the people at Conduent (Mr. Troy Jaros, Senior Retirement Consultant and Mr. David Driscoll, Principal Consulting Actuary). Mr. Jaros will be replacing Mr. Bowen. Ms. Dobson, Mr. Smigiel and Mr. Adair were satisfied that there is nothing "bad" going on at Conduent, and that Mr. Bowen may have felt the company was becoming more "corporate" and chose to leave of his own accord. At this point, Mr. Smigiel suggests bringing in the people from Conduent to have a discussion with the Board and allow them to ask questions. Both individuals from Conduent (Mr. Jaros and Mr. Driscoll) would be available to attend the Board's meeting on April 5th. Trustee Cutler would like to have both of them come in since they will have different perspectives and he'd like to hear what they each have to say. Ms. Dobson and Mr. Smigiel will extend the invitation to both gentlemen for the April 5th meeting.

Trustee Cutler inquired about the status of the online estimator tool. Ms. Dobson advised that now that the Board has made a determination on the membership question that had been outstanding, the Conduent programming group can move forward with beginning to

implement that tool. There will still be testing that needs to be done and verification of employee's benefits to ensure that the tool is providing accurate information.

Trustee Grant questioned whether there is an option for discounted pricing with Conduent since the County Clerk's Office also contracts with them for various services. Mr. Smigiel thinks it is unlikely since the contract with Register of Deeds goes back to when Conduent operated under the name ACS. He believes that contract is coming up for renewal, so there may be an opportunity for some discounts there, but it may be unlikely given that the Clerk stopped paying them back in July. Chair Deldin remarked that the outstanding invoices had been taken care of and Mr. Smigiel noted that the business side of Conduent that deals with Register of Deeds may also be a separate unit from the actuarial side.

Chair Deldin also mentioned that he will not be present at the next meeting (on February 15th). This was the only conflict he had on the 2018 meeting schedule.

15. Adjournment

There being no further business before the Board, a motion was made by Trustee Smith, supported by Trustee Grant to adjourn the meeting at 8:50 a.m. The motion carried.