

MINUTES OF THE RETIREMENT BOARD
Thursday, February 28, 2019

A meeting of the Retirement Board was held on Thursday, February 28, 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, Matthew Murphy

Excused:

Carol Grant, George Brumbaugh

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 Chair Deldin.

2. Adoption of Agenda

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

3. Approval of Minutes from February 14, 2019

A motion was made by Trustee Rocca, supported by Trustee Haugh to approve the minutes from February 14, 2019 as presented. The motion carried.

4. Approval of Invoices

Chair Deldin advised the Board that two additional invoices had been received that require the Board's approval. These are both for disability review services provided by MMRO. One is in the amount of \$610.00 and the other is in the amount of \$2,590.00.

A motion was made by Trustee Haugh, supported by Vice-Chair Santo to approve the invoices as presented along with the additional two invoices for MMRO provided today. The motion carried.

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson provided the first Activity Report for 2019 and also included the full year of data from 2018. Ms. Dobson also distributed another handout that shows the steady decline in memberships in the defined benefit (DB) plan. She estimates the last member of the DB plan will retire near 2032.

Ms. Dobson advised that has received the information from the actuary for the calculation for Ms. Noel Reynolds' repayment. She will review it and have it available for the next board meeting.

Trustee Haugh inquired whether or not there is any communication (newsletter, etc.) sent out to the retirees on behalf of the Retirement Board. In Roseville, an annual newsletter is sent out to their retirees showing the investments and various statistics. Ms. Dobson noted that communication is sent out to the members of the Retirees' Association by Retiree Representative George Brumbaugh and his Board. Trustee Murphy opined that it might be possible to utilize some space in one of the Retirees' Association newsletters to provide that type of information. Trustee Haugh indicated that he has spoken to a couple of retirees who advised him that they do not receive any type of communication related to retiree matters. Ms. Dobson responded that they have to be dues-paying members of the Retirees' Association in order to receive any communications. She believes there are about 800 members currently, but there are almost 2,900 retirees in the County. Membership is a nominal \$10 fee and the monies collected go toward paying for the costs of sending out the quarterly newsletter, an annual luncheon and expenses related to sending people to Lansing to advocate on matters related to retirees.

Chair Deldin asked who funds the expenses when Retiree Representative Brumbaugh attends a conference (the Retirees' Association or the Retirement Board). Mr. Michaud responded that it is the Retirement Board because he is an official Board member by virtue of the County Charter. Chair Deldin asked if Trustee Haugh could provide Ms. Schave with a copy of the latest newsletter from Roseville, so that the Board can review it at a future meeting.

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

7. MAPERS 2019 Spring Conference – Shanty Creek (May 18-21)

The Board was provided with the preliminary agenda and registration information for the upcoming MAPERS 2019 Spring Conference at Shanty Creek in Bellaire.

A motion was made by Trustee Cutler, supported by Trustee Murphy to approve Board member attendance and expenses for the MAPERS 2019 Spring Conference. The motion carried.

Ms. Schave will email the Board members to determine who would like to attend and ensure that the appropriate arrangements are made for registration and lodging.

Chair Deldin mentioned a potential concern with Trustee Haugh's attendance at upcoming MAPERS conferences. If Trustee Haugh chooses to attend, he will be attending on behalf of the Retirement Board while his wife will be attending on behalf of the Retirement Board in Roseville. This leads to questions about expenses. Each system will cover the registration for their own individual, but there are hotel and mileage expenses that must also be considered. Mr. Smigiel said that Trustee Haugh can claim half of the mileage and the hotel could also be split. All of the expenses could potentially be booked on the County credit card and Roseville could reimburse for half. It's a bit of an unusual situation, but it can be handled easily. Mr. Smigiel will follow up with Trustee Haugh to work out the details.

8. Unfinished Business

None

9. New Business

Mr. Smigiel advised the Board members that he had received an update from Mr. Troy Jaros at Buck. He expects to receive a draft of the experience study in March and Mr. Jaros will present it to the Board at a meeting in April.

Mr. Holycross distributed a handout to the Board and provided a market update. He discussed drawdowns greater than 5% between October 9, 2007 and January 31, 2019. He also reviewed the annualized total return performance of the S&P 500 over the last 2,826 trading days. He remarked that the worst five trading days in that period were all Thursdays and Fridays and the best five trading days were all Mondays and Tuesdays. The handout also included a chart analyzing long term performance of the secular markets (bull and bear). Mr. Holycross also examined the total returns for the S&P 500 across 1928 to 2018.

A motion was made by Vice-Chair Santo, supported by Trustee Murphy to receive and file the market update provided by Mr. Holycross. The motion carried.

Ms. Schave reminded the Board that the EnTrust trip is next week and noted that everyone should have received their air and hotel confirmations. If anyone needs a copy, she can resend them. The meetings for Wednesday with Lyrical and Edgewood are still scheduled and if anyone has any questions they can direct them to her or Mr. Holycross. Mr. Holycross believes that they should have plenty of time to make their way from the airport to the hotel (to drop off their bags) and then travel to the Lyrical and Edgewood offices together.

10. 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 8:56 a.m. The motion carried.