

MINUTES OF THE RETIREMENT BOARD
Thursday, July 11, 2019

A meeting of the Retirement Board was held on Thursday, July 11, 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, Gary Cutler, Harold Haugh, Larry Rocca, Matthew Murphy, George Brumbaugh

Excused:

Also Present:

Andrew McKinnon, Joe Biondo, John Schapka, 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 Haugh to adopt the agenda. The motion carried.

3. Approval of Minutes from June 27, 2019

A motion was made by Trustee Rocca, supported by Trustee Murphy to approve the minutes from June 27, 2019 as presented. The motion carried.

4. Approval of Invoices

A motion was made by Vice-Chair Santo, supported by Trustee Rocca to approve the invoices as presented. The motion carried.

5. Public Participation

None

6. Retirement Administrator Report

Mr. McKinnon advised that there is currently an issue with the online pension calculator. Prior to the transition from the system they are currently on to the new one they will be using going forward, he is considering pulling the calculator offline temporarily until the problem can be resolved. An email went out to employees this week advising them of the issue. He is planning to test it thoroughly to verify it is fixed before it is placed back online.

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

7. Disability Retirements

a. Frank Delise (Re-examination Opinion)

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

A motion was made by Trustee Cutler, supported by Vice-Chair Santo to adopt the following resolution and continue the disability retirement of Frank Delise:

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, Frank Delise was granted a disability retirement on May 20, 2016, 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 Frank Delise 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 July 1, 2019, which states that Frank Delise 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 the disability, and

WHEREAS, the Retirement Board has discussed this matter and has determined that Frank Delise 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 Frank Delise and directs that benefits be paid consistent with the Retirement System's provisions, and further

RESOLVED, a copy of this resolution shall be provided to Frank Delise and all other appropriate parties.

The motion carried.

b. Mark Wyzlic (Re-examination Opinion)

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

A motion was made by Trustee Cutler, supported by Vice-Chair Santo to adopt the following resolution and continue the disability retirement of Mark Wyzlic:

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, Mark Wyzlic was granted a disability retirement on May 9, 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 Mark Wyzlic 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 July 3, 2019, which states that Mark Wyzlic 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 Mark Wyzlic has met the eligibility requirements for a continual disability retirement from the Retirement System, therefore be it

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

RESOLVED, a copy of this resolution shall be provided to Mark Wyzlic and all other appropriate parties.

The motion carried.

8. MAPERS Fall Conference – Kalamazoo, Michigan – September 21st-24th

The Board was provided with the preliminary agenda and registration information for the upcoming MAPERS 2019 Fall Conference at the Radisson Hotel in Kalamazoo.

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

Ms. Schave will email the Board members and staff to determine who would like to attend and ensure that the appropriate arrangements are made for registration and lodging. Once attendees have been confirmed, delegates will be selected at a future meeting.

9. Unfinished Business

None

10. New Business

Chair Deldin inquired the Board's opinion of cancelling the July 25th meeting. This was proposed at the last meeting for their consideration. There are no fund manager presentations scheduled and there is a meeting already on the calendar for the following week (August 1st). Ms. Schave confirmed that she has been pushing items to the August 1st meeting in anticipation of the July 25th meeting being cancelled.

A motion was made by Trustee Haugh, supported by Trustee Rocca to cancel the July 25th Retirement Board meeting and update the schedule on the website. The motion carried.

Ms. Schave questioned if the Board members have a preference about how the testimonial for former Trustee Grant should be prepared. Chair Deldin suggested reaching out to Patti Dib in the Board of Commissioner's office as she has experience with preparing these type of documents. Ms. Schave will speak with Ms. Dib and work on putting something suitable together.

Mr. Holycross advised the Board that Blackstone is looking to their investors for consent on one investment within the portfolio that they want to put more money into. There was a conference call that Mr. Holycross and his team participated in yesterday regarding this. This investment is a company that has amassed cell tower properties in 14 different countries that they lease out. Blackstone is asking to re-capitalize this investment and sell it into its own entity. In the fund now, they are not allowed to call any more capital and re-invest more money, so they have to spin this investment out on its own and are asking clients invested in the Tac Opps Fund if they want to participate in this new entity.

Mr. Holycross' first inclination is to pass on this as the Board would be moving into a single, undiversified investment. The timeline for a decision on this is also very short (Blackstone wants an answer by July 25th) and he is not sure how the Board would like to proceed. Mr. Michaud has not seen any of the information related to this proposal and Mr. Holycross indicated he would send him the information he has received. AndCo will be doing some additional research and asking a few more questions.

Trustee Murphy inquired about what opportunity might be lost to the Board if they choose to pass on this. Mr. Holycross confirmed that the Board would be giving up any potential for upside, but the funds could be redeployed into other more diverse asset classes. AndCo is currently in the midst of a private equity search and will be presenting that to the Board within the next month or so. This money could be used to fund the Board's new private equity investments.

Mr. Michaud asked how much money Mr. Holycross is talking about. Unfortunately, Mr. Holycross does not have the exact figure and Blackstone did not provide information related to how much of the Board's \$20 million commitment is dedicated to this particular investment. Mr. Michaud also asked

what happens if the Board does not make a decision one way or the other. Mr. Holycross responded that if the Board chooses to take no action (essentially negative consent), Blackstone will consider them to be a “seller”. Mr. Holycross also advised that Blackstone is scheduled to come in to present their annual update to the Board on August 1st, but that is after the deadline for the consent on this investment.

Trustee Rocca asked for Mr. Holycross’ recommendation. Mr. Holycross responded that based on the information he has received in the last 24 hours, he is inclined to say “no” and have the Board take their distribution, lock in their gains, and invest that money in a more diversified pool of private equity at a later date.

Chair Deldin asked the other Board members if they would be comfortable taking no action on this. The Board members concurred and no action will be taken. Mr. Holycross will keep the Board informed of any future developments.

Chair Deldin also asked Ms. Schave for an update on the progress of the Special Election for former Trustee Grant’s seat. Ms. Schave confirmed that the petitions are due back to the Finance office by 4:00 p.m. next Wednesday (July 17th) and once they have been received she will begin the process of validating the signatures.

11. 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 8:48 a.m. The motion carried.