

MINUTES OF THE RETIREMENT BOARD
Thursday, July 30, 2020

A meeting of the Retirement Board was held on Thursday, July 30, 2020 at 8:30 a.m., electronically in accordance with the Open Meetings Act and Executive Order 2020-4 issued by Governor Whitmer in an effort to protect the health and safety of the public. The following members were present remotely via Cisco Webex Events:

Present:

Mark Deldin, Bryan Santo, Gary Cutler, Matthew Murphy, Michael Grix, Harold Haugh, Larry Rocca, George Brumbaugh

Excused:

Also Present:

Stephen Smigiel, Stephanie Dobson, John Schapka, 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 Vice-Chair Santo to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from June 18, 2020

A motion was made by Trustee Rocca, supported by Trustee Grix approve the minutes from June 18, 2020 as presented. The motion carried.

4. Approval of Invoices

Chair Deldin advised the Board that an invoice from AndCo had been received since the list of invoices was distributed. Ms. Schave is requesting approval of this invoice be added to today's list. This invoice is in the amount of \$50,000 for the 2nd Quarter of 2020.

A motion was made by Trustee Rocca, supported by Trustee Grix to approve the invoices as presented with the addition of the 2nd Quarter invoice from AndCo. The motion carried.

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson noted that the most recent Activity Report was included in the Board's packets and the numbers are staying fairly consistent (no major fluctuations up or down).

Ms. Dobson also expressed disappointment with how the transition to the new actuary platform was handled. She and her staff were given a very short window in which to conduct testing of the new platform and were forced to run the August pension checks through the new platform without being able to validate any numbers in the old system. There are also still a lot of administrative tasks that need to be worked on before she can consider the new platform fully implemented. The self-service calculation tool is also still offline and she is hoping to have it back up and available to employees by August 21, 2020. Chair Deldin requested that Ms. Dobson keep him posted on progress and if he can assist in moving things forward in any way, he would be happy to do so.

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

7. Bloomfield Capital Investment Update

Mr. Mike Lucci and Mr. Jason Jarjosa joined the meeting remotely to provide the Board with an update on their investment with Bloomfield Capital. Mr. Jarjosa reviewed recent performance and noted that the pandemic has impacted all real estate types. He discussed a sample investment and his thoughts on the market going forward. He noted that Bloomfield will be pickier about future investments. Mr. Jarjosa reported that Fund III is winding down and talked briefly about the two properties remaining in that fund. He closed his presentation by informing the Board that Bloomfield is currently raising capital for Series B of Fund IV and would be happy to discuss that further at a future time if the Board has interest.

A motion was made by Trustee Rocca, supported by Trustee Grix to receive and file the Bloomfield Capital Investment Update. The motion carried.

8. Intercontinental Real Estate Investment Update

Mr. Peter Palandjian joined the meeting remotely to provide the Board with an update on their investment with Intercontinental Real Estate. Mr. Palandjian indicated there have been no changes in the organization other than two new hires that were made since the start of the pandemic. He discussed a snapshot of the fund as of June 30, 2020. He also talked about his view of things looking forward and feels it will be difficult to forecast how the markets will behave as a result of the pandemic. He noted that some tenants are actually looking for more space in office buildings and it appears that social distancing requirements may dictate future office space needs.

A motion was made by Vice-Chair Santo, supported by Trustee Rocca to receive and file the Intercontinental Real Estate Investment Update. The motion carried.

9. Investment Consultant Report

a. Distressed Debt Review Research Book

Mr. Ben Baldrige and Mr. Mike Holycross presented the research conducted by AndCo for a proposed investment in Distressed Debt. Distressed Debt falls into three sub-categories and Mr. Baldrige discussed these and provided some hypothetical examples. He also reviewed the outlook for Distressed Debt and provided details about the candidates that AndCo is recommending. He covered the differences among the candidates, compared performance and reviewed proposed fees.

AndCo's recommendation is a \$20 million investment in Distressed Debt split between two candidates (\$10,000,000 into HIG and \$10,000,000 into Marathon).

A motion was made by Trustee Cutler, supported by Trustee Grix to follow AndCo's recommendation to invest \$10 million with HIG and \$10 million with Marathon pending legal review of the documents. The motion carried.

b. Market Value Update & Proposed Rebalance

Mr. Holycross discussed the most recent market value update and the rebalance that he is proposing. He is recommending moving \$25,367,468 from Comerica SP 500 Index, \$10,000,000 from NWQ Global Equity, and \$19,632,532 from Comerica Foreign Equity (total of \$55,000,000) with \$20,000,000 going to the new Distressed Debt investment, \$15,000,000 to Cash, \$15,000,000 to the new ABS Global Equity investment and \$5,000,000 to the new Nantucket Hedge Fund of Funds investment.

A motion was made by Trustee Haugh, supported by Trustee Rocca to approve the rebalance as proposed by Mr. Holycross. The motion carried.

A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the Investment Consultant Report. The motion carried.

10. Unfinished Business

None

11. New Business

Chair Deldin indicated that no agenda items had been received and he suggested cancelling the Board's meeting scheduled for Thursday, August 6, 2020. The Board members had no objections. The next meeting will be held Thursday, August 20, 2020.

Mr. Smigiel advised that he intends to have Troy from Buck Global present the most recent valuation at the August 20th meeting.

Trustee Haugh noted that he had heard a final decision was expected to be made sometime tomorrow on whether or not the Fall 2020 MAPERS Conference will be going forward. It seems likely that it may be cancelled.

12. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Grix to adjourn the meeting at 10:11 a.m. The motion carried.