

MINUTES OF THE RETIREMENT BOARD
Thursday, September 24, 2020

A meeting of the Retirement Board was held on Thursday, September 24, 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, Michael Grix, Matthew Murphy, Harold Haugh, Larry Rocca, George Brumbaugh

Excused:

Also Present:

Stephen Smigiel, Stephanie Dobson, 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 Grix to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from September 10, 2020

A motion was made by Trustee Haugh, supported by Vice-Chair Santo approve the minutes from September 10, 2020 as presented. The motion carried.

4. Approval of Invoices

A motion was made by Trustee Haugh, supported by Trustee Grix to approve the invoice as presented. The motion carried.

5. Public Participation

None

6. Retirement Administrator Report

a. Update on Buck's new Admin Platform

Ms. Dobson reported that there continue to be ongoing issues with the administration of Buck's new platform. Mr. Troy Jaros from the actuary team at Buck is now also involved in working with the

programming team to try to stay on top of the issues and ensure that communication improves. Ms. Dobson related that her office is having to do all calculations manually since they recently discovered that the system is pulling the wrong wages and recent estimates they had sent out were incorrect. She does not trust the system at all and her staff is having to double and triple check every calculation before relying on any of the information the system is providing.

Mr. Jaros indicated that he has brought up these issues with Buck executives and getting the self-service site up and running is a top priority. He added that he is in constant contact with the individuals from Buck who have been working on the platform transition. He is insisting on better communication from their team and has directed them to be in touch with Ms. Dobson and her office anytime something is being fixed or worked on (not just via a weekly conference call). Mr. Jaros also reported that the Managing Director at Buck has stated that all outstanding invoices will be reduced 50% until all of these issues are corrected.

Trustee Cutler noted that he had two employees reach out to him within the last week regarding the self-service site. He pointed out that the site was one of the major reasons the Board elected to go with Buck and that site needs to get up and running as soon as possible. Mr. Jaros responded that he hears the Board loud and clear and is doing everything within his power to get this fixed. Chair Deldin indicated that he will be available to check-in with Ms. Dobson on a daily basis to see how things are progressing and will expect another full update at the next Board meeting.

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

7. Centerbridge Partners Annual Investment Update

Mr. Keith Merrill and Mr. Adam Burinescu joined the meeting remotely to provide the Board with an update on their investment with Centerbridge Partners. Mr. Merrill gave a very brief introduction and indicated he is proud of their performance before turning the presentation over to his colleague. Mr. Burinescu provided some “at-a-glance” statistics about Centerbridge and discussed their pre-COVID strategy and post-COVID activity. He discussed a number of specific investments and went into great detail regarding these. Mr. Burinescu also reviewed investment performance as of June 30, 2020 and noted that they are working with AndCo on their next fund. Mr. Merrill said they are looking at a 2021 launch for that fund and they will be in touch with the Board and Mr. Holycross as things progress.

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

8. ABS Investment Management Annual Update

Mr. Laurence Russian and Mr. Sean White joined the meeting remotely to provide the Board with an update on their investment with ABS Investment Management. Mr. Russian provided a brief update on the firm and noted they have experienced very low turnover among their very diverse staff. He discussed how growth has been driving returns and outperforming value. He also reviewed their strategy of having local specialists in place which has benefitted them greatly during this time while travel has been restricted. Mr. White then reviewed returns and risk and noted that the portfolio has performed very well, outperforming its benchmark by about 5%. Local strategies have primarily been outperforming their benchmarks as well and the portfolio is behaving as expected. Mr. White also quickly reviewed the portfolio’s current exposure by geography, sector and market cap.

A motion was made by Vice-Chair Santo, supported by Trustee Rocca to receive and file the ABS Investment Management Annual Update. The motion carried.

9. 2020 Employee Representative Election

Ms. Schave provided the Board with a brief presentation of some proposed changes for the Board's Election Policy this year (largely due to COVID). Collecting a set number of signatures on a petition would be replaced by a "self-nomination" process and a move toward electronic voting is recommended due to current issues with the U.S. Mail service and persistent concerns about COVID-19. A draft Election Policy with the proposed revisions was provided to the Board members in their packets along with sample forms and other documents for their review.

Ms. Schave answered some questions from the Trustees regarding the proposed changes and the historical information she provided. A discussion ensued regarding whether or not some information should be mailed (as well as emailed) and whether these changes would be considered long-term or just temporary. Chair Deldin noted that any changes implemented by this Board could be undone or changed further by the new Board that takes office in January next year. He indicated that he is in support of the changes proposed and would like to see the Board take a step forward by utilizing technology to make the election process easier and more efficient.

A motion was made by Vice-Chair Santo, supported by Trustee Haugh to approve the revisions to the Election Policy as proposed and to move forward with the Employee Representative Election for 2020 being fully managed by Simply Voting with the mailing of voting instructions. The motion carried.

10. Correspondence from County Finance Director regarding 2021 Pension Contribution – Stephen Smigiel

Mr. Smigiel took a moment to thank Ms. Schave for her work in putting together the previous presentation related to the Employee Representative Election.

Mr. Smigiel stated that in the Board's packets they will find a memo noting that his office will work with the Treasurer's Office in making the monthly transfers of the employer contribution in 2021.

A motion was made by Trustee Cutler, supported by Trustee Rocca to receive and file the Correspondence from Mr. Smigiel regarding the 2021 Pension Contribution. The motion carried.

11. Financial Summary Reports – Stephen Smigiel

Mr. Smigiel presented the 2017 and 2018 Financial Summary Reports for the Board's review. These are reports with information taken from the County's audited financial statements. He will have the 2019 report available at a future meeting. After the Board receives and files these, they are posted on the Retirement Board website. Retiree Representative Brumbaugh requested that his name be added to the reports.

A motion was made by Trustee Cutler, supported by Trustee Rocca to receive and file the Financial Summary Reports provided by Mr. Smigiel with the addition of Retiree Representative Brumbaugh's name. The motion carried.

12. Unfinished Business

None

13. New Business

Vice-Chair Santo requested that the Board members keep the family of the Department of Roads employee who was killed on the job this past Monday in their thoughts and prayers. The police have recovered the vehicle that was involved in the hit and run and are continuing their investigation into what happened. This is a very difficult time for all involved.

14. Adjournment

There being no further business before the Board, a motion was made by Trustee Haugh, supported by Trustee Rocca to adjourn the meeting at 10:04 a.m. The motion carried.