

MINUTES OF THE RETIREMENT BOARD
Thursday, December 17, 2020

A meeting of the Retirement Board was held electronically on Thursday, December 17, 2020 at 8:30 a.m. in accordance with Section 3a of the Open Meetings Act 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 (Harrison Township, Michigan), Bryan Santo (Mount Clemens, Michigan), Harold Haugh (Roseville, Michigan), Gary Cutler (Clinton Township, Michigan), Michael Grix (Mount Clemens, Michigan), Larry Rocca (Mount Clemens, Michigan), George Brumbaugh (Clinton Township, Michigan)

Excused:

Matthew Murphy

Also Present:

Stephanie Dobson, Stephen Smigiel, 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 8:32 a.m. by Chair Deldin.

Ms. Schave conducted a roll call of all voting members present with each stating their name and remote attendance location for the record.

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 December 3, 2020

A motion was made by Trustee Rocca, supported by Vice-Chair Santo to approve the minutes from December 3, 2020 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson reported that three of the nine individuals who had their pensions suspended for failure to comply with the Annual Signature Verification have now provided the required document. These three people will have their pensions reinstated in January. The other six remain suspended.

Ms. Dobson also advised that she has been in contact with Conduent to find out if there would be any contractual limitations if the Board decided they wanted to switch from Buck back to Conduent. There do not appear to be any restrictions and this gives the Board another possible path forward if problems begin again with Buck. So far things seem to be moving smoothly, however, and many employees are continuing to register for access to the self-service site.

Ms. Dobson also noted that her office is continuing to work remotely and she expects this to continue for perhaps another year. She will be reviewing the existing retention policies and investigating whether storing documents in an electronic format (instead of hard copies with original signatures) is possible. She hopes to have this completed sometime in the first quarter.

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

7. Certification of 2020 Employee Representative Election

Mr. Smigiel summarized the letter from Simply Voting certifying the 2020 Employee Representative Election. A total of 636 eligible ballots were received with 573 votes going to Gary Cutler and 60 votes going to Dorothy Watson. There were three write-in votes. Gary Cutler retains his seat as employee representative and will serve another term ending December 31, 2023.

Ms. Schave answered a few questions from the Trustees about the mailing of the election materials and the overall turnout of voters.

A motion was made by Trustee Rocca, supported by Trustee Haugh to receive and file the letter certifying the 2020 Employee Representative Election. The motion carried.

8. Bloomfield Capital - Rollover of Unfunded Commitment from Series A to Series B Consent to LLC Agreement Amendment

Mr. Holycross advised the Board that AndCo's investment policy committee had reviewed this request from Bloomfield and is recommending it be approved. The requested amendment from Bloomfield allows all uncalled capital commitment from Series A to be rolled over to Series B. This document also now allows the same commitment to be rolled from series to series, unless the investor specifically opts out.

A motion was made by Trustee Haugh, supported by Vice-Chair Santo to approve the amendment from Bloomfield Capital as presented. The motion carried.

9. Investment Consultant Report – AndCo Consulting, Mike Holycross

- a. 3rd Quarter Investment Performance Report**
- b. 3rd Quarter Private Investment Performance Report**
- c. Monthly Flash Report – October**

A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the 3rd Quarter Investment Performance Report, the 3rd Quarter Private Investment Performance Report and the Monthly Flash Report for October. The motion carried.

d. Asset Allocation Report as of December 8, 2020

Mr. Holycross presented a proposed rebalance moving \$27 million from Edgewood into Cash. This will cover upcoming capital calls and helps reduce the current overweight in Equity.

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

Mr. Holycross also discussed a second rebalance which involves moving a total of \$50 million:

\$7 million from Edgewood
\$8 million from Seizert
\$4 million from Lyrical
\$5 million from LS Advisors
\$7 million from Comerica S&P 500 Index
\$4 million from CRM
\$5 million from Clarkston Capital
\$2 million from Comerica Small Cap
\$4 million from Comerica Mid Cap
\$4 million from Reinhart Partners

\$20 million to Baird (additional allocation)
\$10 million to Bloomfield Capital Series B (additional allocation)
\$15 million to ABS Offshore (additional allocation)
\$5 million to Nantucket (additional allocation)

A motion was made by Trustee Cutler, supported by Vice-Chair Santo to approve the second rebalance as recommended by Mr. Holycross and listed above. The motion carried.

10. 2021 Pension Board Budget – Stephen Smigiel

Mr. Smigiel presented the recommended budget for 2021. An effort was made to keep the budget fairly consistent with the prior year. There is, however, a reduction in the revenue from the employer contributions (that number comes directly from the actuarial valuation from 2019). There was also a large increase in the benefit payments (the monthly annuity payments were increased by 5%) to reflect the increase in the number of retirements coming in January 2021. Most of the other line items in the budget did not need to be adjusted.

A motion was made by Trustee Cutler, supported by Trustee Haugh to adopt the 2021 Pension Board Budget as presented by Mr. Smigiel. The motion carried.

11. Proposed 2021 Retirement Board Meeting Dates

Ms. Schave provided the Board with a proposed schedule of 2021 meeting dates. They are currently scheduled every two weeks, with none back-to-back at this time. Due to the pandemic, there is some uncertainty regarding how and where the meetings will be held or if there will be any conflicts, but that will be dealt with as the year progresses.

A motion was made by Trustee Haugh, supported by Trustee Rocca to adopt the proposed Retirement Board meeting dates as presented. The motion carried.

12. Unfinished Business

None

13. New Business

Trustee Haugh asked for a moment of silence in honor of the passing of his dear friend and former County Commissioner Sal Rocca. The Board observed a moment of silence in his honor.

Trustee Rocca wished everyone a very “Merry Christmas and Happy New Year.”

Chair Deldin congratulated Trustee Cutler on his re-election to the Board as Employee Representative.

Retiree Representative Brumbaugh thanked the Board on behalf of the retirees for all of their hard work during the year.

Vice-Chair Santo also thanked Ms. Schave and Ms. Dobson for their efforts on behalf of the Board.

14. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Haugh to adjourn the meeting at 9:09 a.m. The motion carried.