

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, March 11, 2021**

A meeting of the Retirement Board was held electronically on Thursday, March 11, 2021 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 (Mount Clemens, Michigan), Bryan Santo (Mount Clemens, Michigan), Harold Haugh (Roseville, Michigan), Larry Rocca (Mount Clemens, Michigan), Gary Cutler (Mount Clemens, Michigan), Michael Grix (Mount Clemens, Michigan), Matthew Murphy (Mount Clemens, Michigan), George Brumbaugh (Troy, Michigan)

Excused:

Also Present:

Stephanie Dobson, Stephen Smigiel, John Schapka, Christina Miller, Tom Michaud, Mike Holycross

**1. Call to Order and Roll Call**

There being a quorum of the Board present, the meeting was called to order at 8:30 a.m. by Chair Deldin.

Ms. Schave conducted the roll call with each member of the Board stating their physical location for today's remote meeting.

**2. Adoption of Agenda**

Chair Deldin requested that the presentations by World Asset Management (WAM) and LS Investment Advisors be switched with WAM presenting first. The Board had no objections.

*A motion was made by Trustee Grix, supported by Vice-Chair Santo to adopt the agenda with the revision proposed by Chair Deldin. The motion carried.*

**3. Approval of Minutes from February 25, 2021**

*A motion was made by Trustee Rocca, supported by Trustee Haugh to approve the minutes from February 25, 2021 as presented. The motion carried.*

**4. Approval of Invoices**

Ms. Schave advised that an additional invoice had been received from Buck for the February hosting fee. She requested that this invoice be added to the approvals today. The Board had no objections.

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to approve the invoices as presented with the addition of the February hosting fee invoice from Buck. The motion carried.*

**5. Public Participation**

None

**6. Retirement Administrator Report**

Ms. Dobson had no information to report today.

**7. World Asset Management (WAM) – Annual Update Presentation: Eric Lessnau**

Mr. Eric Lessnau joined the meeting remotely to provide the Board with the annual update on the World Asset Management (WAM) portfolio. He reported that the portfolio has been steady over the last year and they are staying right on top of the benchmarks. Mr. Lessnau reviewed each fund and briefly discussed the top 10 names in the 500 index. He indicated that the next rebalance of the portfolio will be on Friday next week.

*A motion was made by Trustee Grix, supported by Trustee Rocca to receive and file the World Asset Management Annual Update Presentation. The motion carried.*

**8. LS Investment Advisors – Annual Update Presentation: Kevin Yousif**

Mr. Kevin Yousif joined the meeting remotely to provide the Board with the annual update on the LS Investment Advisors (LSIA) portfolio. He began by announcing that LSIA is going to be splitting up and will no longer have anyone managing passive investments. Mr. Yousif is moving to “Yousif Capital Management” (YCM) and some of the staff from LSIA will be going with him. He formally requested the County come to YCM as a client and invited any questions from the Board.

Mr. Holycross advised that his firm is still working on the due diligence aspect of this split (primarily because YCM is a brand new firm) and did not have an official recommendation from AndCo at this point, but he noted that there would not be much point in staying with LSIA because the portfolio they manage for the Retirement System is entirely passive. He anticipates his team will not have a recommendation until after the April 1<sup>st</sup> transition deadline has passed.

Mr. Yousif continued with the update presentation and discussed performance over the last year and noted that since inception, LSIA has tripled Macomb County’s initial investment. He reported that within the last month they have added another six percent in returns. He also reviewed a few specific names within the portfolio and their recent performance.

*A motion was made by Trustee Rocca, supported by Trustee Haugh to receive and file the LS Investment Advisors Annual Update Presentation. The motion carried.*

**9. AndCo Consulting – 4<sup>th</sup> Quarter Performance Report: Mike Holycross**

Mr. Holycross directed the Board’s attention to the thank you letter from Mr. Mike Welker at the front of the 4<sup>th</sup> Quarter presentation. This letter also provided a brief firm update. He continued the presentation with a discussion of comparative performance as of December 31, 2020. He also reviewed some examples of individual manager performance.

Mr. Holycross also reminded the Board that as mentioned previously, AndCo will not have a formal recommendation on the move to YCM from LSIA. He noted again that there would be no point in leaving the investments with LSIA because they will no longer have a team managing passive investments. He suggested that legal counsel begin a review of the necessary legal documents to establish a relationship with YCM in case the Board wants to vote on this move at the next meeting.

*A motion was made by Trustee Rocca, supported by Trustee Haugh to have Mr. Michaud begin the process of reviewing legal documents for a move to YCM. The motion carried.*

*A motion was made by Trustee Cutler, supported by Trustee Haugh to receive and file the 4<sup>th</sup> Quarter Performance Report provided by Mr. Holycross. The motion carried.*

## **10. Securities Litigation Update – John Schapka**

### **a. Proposed Settlement Agreement**

Mr. Schapka presented the Board with a proposed settlement agreement related to the investigation that was done into an issue that was brought up concerning Coca Cola. This proposed settlement agreement ensures greater transparency on the part of Coca Cola moving forward and Coca Cola will also pay the County's legal fees as assessed by their securities litigation firm. He is recommending approval of the proposed settlement agreement and requesting authorization for Chair Deldin to execute it on behalf of the Board.

*A motion was made by Trustee Cutler, supported by Trustee Rocca to approve the proposed settlement agreement and authorize Chair Deldin to execute it on behalf of the Retirement Board. The motion carried.*

## **11. Unfinished Business**

### **a. Discussion on returning to in-person meetings**

Chair Deldin opened up the floor for discussion on returning to in-person meetings. Most of the discussion centered on the possible location for future in-person meetings. It was mentioned that there are three rooms on the 9<sup>th</sup> floor of the Administration Building that could possibly be utilized (the Committee Room where the Board has historically met, a larger Training Room and the Board of Commissioners Board Room).

Chair Deldin indicated that he will be meeting with Board of Commissioners Chairman Don Brown later this morning and plans to discuss the possibility that the Retirement Board can utilize one of those rooms. There are concerns about cleaning and sanitizing and that CDC spacing requirements can be met. A minimum of six feet is required between individuals, so the size of some of those rooms may not be large enough. There will also need to be technology available for the presenters/service providers who are not able to travel and will still need to attend remotely.

Mr. Michaud advised that there is a possibility that a bill may be introduced and passed that will extend the allowance of remote meetings past March 31<sup>st</sup>. There have been some discussions related to whether or not a "hybrid" meeting would be allowed wherein the Trustees meet in person, but others who are typically present can still participate remotely. He anticipates that any decisions will be made at the last

minute and he will keep the Board posted on any changes that may take place between now and the end of the month.

Chair Deldin requested Ms. Schave reach out to Ms. Patti Dib in the Board Office to discuss technology availability in each of the rooms mentioned previously. Further discussion on this matter will take place at the next meeting.

**12. New Business**

None

**13. 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 9:56 a.m. The motion carried.*