

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, April 14, 2022**

A meeting of the Retirement Board was held on Thursday, April 14, 2022 at 8:30 a.m. in the Administration Building, 9<sup>th</sup> Floor Committee Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

**Present:**

Mark Deldin, Bryan Santo, Harold Haugh, Michael Grix, Larry Rocca, Larry Lee, George Brumbaugh

**Excused:**

**Also Present:**

Stephanie Dobson, Stephen Smigiel, Joe Biondo, Christina Miller, Andrew McKinnon, 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 as presented. The motion carried.*

**3. Approval of Minutes from March 24, 2022**

*A motion was made by Trustee Grix, supported by Trustee Rocca to approve the minutes from March 24, 2022 as presented.*

Trustee Grix indicated there was one spelling error in Section #12 of the minutes. Ms. Schave will make that correction before the minutes are posted online.

*The motion carried.*

**4. Approval of Invoices**

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

**5. Public Participation**

None

**6. Clarkston Capital Partners Annual Update – Kurt Terrien, Jeff Hakala**

Mr. Kurt Terrien and Mr. Jeff Hakala joined the meeting to provide the Board with an update on their investment with Clarkston Capital Partners. Mr. Terrien introduced himself and Mr. Hakala and thanked

the Board for their continued faith in Clarkston. Mr. Hakala continued with a review of their recent performance and discussed Clarkston's investment philosophy. He also examined some examples of the type of long-term businesses they buy. Mr. Hakala talked about the impact of COVID and outlined a few of the newer names in the portfolio. He also noted that the amount of cash they are holding currently is in the higher single digits, down from a high of 20-25% at one point early in the pandemic. Mr. Terrien and Mr. Hakala also responded to some questions about the state of the economy and the effect of inflation on their portfolio.

*A motion was made by Vice-Chair Santo, supported by Trustee Lee to receive and file the Clarkston Capital Partners Annual Update. The motion carried.*

#### **7. Revised Investment Policy Statement (DRAFT) – Mike Holycross**

Mr. Holycross advised the Board that in conjunction with former Trustee Cutler and current Trustee Grix, he is presenting an updated draft of their Investment Policy Statement. This new draft stresses the importance of ESG (Environmental, Social and Governance) factors and how these factors will be considered when evaluating current and potential investments.

The draft policy also outlines updated target percentages for each asset class. The previous underperforming manager policy has also been tweaked and the criteria for evaluating investment manager performance has been updated and is now more robust. Mr. Holycross also noted that the policy will also no longer require the signature of the Board Chair. The date the policy is adopted will simply be added, so it will be easy to track when changes were made.

*A motion was made by Trustee Rocca, supported by Trustee Haugh to adopt the revised Investment Policy Statement as presented by Mr. Holycross. The motion carried.*

#### **8. Retirement Administrator Report**

Ms. Dobson advised the Board that she anticipates the Annual Signature Verification mailing to start going out on Friday. She also reviewed the Activity Report and noted that numbers are starting to level out for this time of year. Chair Deldin also remarked that the number of participants in the Defined Benefit and Defined Contribution plans is getting much closer to being even.

*A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the Retirement Administrator Report. The motion carried.*

#### **9. Disability Retirement**

##### **a. Erika Lojko (Initial Opinion)**

The Board was in receipt of the Medical Director's confidential medical reports regarding the examination of Erika Lojko. The Medical Director has concluded, based on the exam, that Ms. Lojko's disability retirement should be approved.

*A motion was made by Trustee Rocca, supported by Trustee Lee that based on the Medical Director's opinion, the disability retirement of Erika Lojko should be approved and the following resolution should be adopted:*

**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**, the Retirement Board is in receipt of an application for disability retirement from Erika Lojko dated November 10, 2021 and

**WHEREAS**, in accordance with Section 28 of the Retirement Ordinance provides that upon the application of a member, or their department head, a member who (1) is in the employ of the County, (2) is vested, and (3) has become or becomes totally and permanently incapacitated for duty in the employ of the County, may be retired by the Retirement Board: provided, that after a medical examination of the member made by or under the direction of the medical director, the medical director certifies to the Board (1) that the member is totally incapacitated for duty in the employ of the County, (2) that such incapacity will probably be permanent, and (3) that the member should be retired, and

**WHEREAS**, the Retirement Board has previously acknowledged receipt of said application and directed the processing of said application in accordance with the Retirement System provisions, and

**WHEREAS**, the Retirement Board is in receipt of a certification from the Medical Director, dated March 25, 2022, which states that Erika Lojko is totally and permanently incapacitated for duty in the employ of the County, that such incapacity will be probably be permanent, and further indicates that Erika Lojko should be retired, and

**WHEREAS**, the Retirement Board has discussed this matter and has determined that Erika Lojko has met the eligibility requirements for disability retirement from the Retirement System, therefore be it

**RESOLVED**, that the Retirement Board hereby approves the disability retirement of Erika Lojko and directs that benefits be paid consistent with the Retirement System’s provisions, and further

**RESOLVED**, that a copy of this resolution shall be provided to Erika Lojko and all other appropriate parties.

*The motion carried.*

**10. Certification of 2022 Employee Representative Special Election Results**

Chair Deldin noted that the results of the 2022 Employee Representative Special election had been included in the Board’s packets. Lieutenant Daniel Willis of the Macomb County Sheriff’s Office is the winner. Ms. Schave will reach out to him to coordinate having him sworn in as a Trustee and will provide him with the future meeting dates and the usual materials provided to a new Board member.

*A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the letter from Simply Voting certifying the results of the 2022 Employee Representative Special Election. The motion carried.*

**11. Unfinished Business**

**a. Investment Analyst Services Agreement**

Chair Deldin advised the Board that their packets included an updated version of the Investment Analyst Services Agreement that had been presented at the last meeting. He indicated that this version had been

reviewed by Mr. Michaud and a few revisions had been made. Mr. Michaud indicated that he had not updated the document the Board was looking at and Ms. Schave confirmed that this was the same agreement that had been originally presented at the last meeting. Chair Deldin apologized for the confusion and indicated that this item should remain on the agenda for the next meeting and he will ensure that the correct, updated version is provided.

**12. New Business**

Trustee Haugh asked a question related to an item that was addressed at the last meeting (which he was excused from). He wanted to confirm whether or not Derek Miller is not eligible for a pension now. He understands that there is an order in place freezing any payments, but he is looking for confirmation whether or not he is even eligible. Chair Deldin and Ms. Dobson confirmed that Mr. Miller is not eligible for a pension because he has not met the vesting requirements.

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