

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, April 28, 2022**

A meeting of the Retirement Board was held on Thursday, April 28, 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, Daniel Willis, 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.

Chair Deldin took a moment to welcome the Board's newest Employee Representative Trustee, Lieutenant Daniel Willis. Trustee Willis was elected to fill the vacancy created by former Trustee Cutler's retirement.

**2. Adoption of Agenda**

*A motion was made by Trustee Grix, supported by Trustee Rocca to adopt the agenda as presented. The motion carried.*

**3. Approval of Minutes from April 14, 2022**

*A motion was made by Vice-Chair Santo, supported by Trustee Haugh to approve the minutes from April 14, 2022 as presented. 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**

Ms. Carol Grant (former Trustee) was present today to observe. She also welcomed Trustee Willis to the Board.

**6. McMorgan & Company Annual Update – Michael Sweeney, Luke D’Alves**

Mr. Michael Sweeney and Mr. Luke D’Alves joined the meeting to provide the Board with an update on their investment with McMorgan & Company. Mr. Sweeney gave a brief introduction and some background on McMorgan’s history. Mr. D’Alves continued with an explanation of their investment strategy and their association with OMERS (Ontario Municipal Employees’ Retirement System). He discussed the first sale of a name in the portfolio (Caruna Networks) in March 2021 and indicated seven other investments remain. Mr. D’Alves also provided background on a few other names in the portfolio and advised that McMorgan is working on a second portfolio that will have all new investments with OMERS. McMorgan is currently working with the AndCo research team and they noted that their second fund will be open ended.

*A motion was made by Vice-Chair Santo, supported by Trustee Rocca to receive and file the McMorgan & Company Annual Update. The motion carried.*

**7. Retirement Administrator Report**

Ms. Dobson advised the Board that she had nothing to report today.

**8. Disability Retirement**

**a. David DeRosia (Initial Application)**

*A motion was made by Trustee Grix, supported by Trustee Haugh to adopt the following resolution to process the disability retirement application of David DeRosia and direct Human Resources to order an IME:*

**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 dated April 11, 2022 from David DeRosia requesting a Non-Duty disability retirement; and

**WHEREAS**, in accordance with Section 28 of the Retirement System Ordinance provides that upon the application of a member, or the Member’s 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 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 mentally or physically 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, therefore be it

**RESOLVED**, that the Retirement Board acknowledges receipt of said application and directs the processing of said application in accordance with the Retirement System provisions, and further

**RESOLVED**, that the Retirement Board directs the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for David DeRosia to be examined and to advise the Medical Director of their responsibilities, and further

**RESOLVED**, that the Retirement Board requests that all medical and/or other information be forwarded to the Medical Director in support of the application, and further

**RESOLVED**, that the Medical Director fulfill their duties and report to the Retirement Board their findings and certifications, and further

**RESOLVED**, that copies of this resolution and the Board's disability retirement procedures be forwarded to David DeRosia, the Medical Director and all other appropriate parties.

\*\* Any member who is not vested shall be considered vested for the exclusive purpose only of qualifying for disability retirement as provided in Section 28: Provided, that (1) the Board finds the Member is totally and permanently incapacitated for duty as the natural and proximate result of a personal injury or disease arising out of and in the course of the Member's actual performance of duty in the service of the County, and (2) the Member is in the receipt of workers' compensation on account of the Member's physical or mental incapacity. (Section 29 of the Retirement System ordinance).

*The motion carried.*

**9. ABS Global Investments 10<sup>th</sup> Annual Conference**

The Board was provided with the invitation for the ABS Global Investments 10<sup>th</sup> Annual Conference.

*A motion was made by Vice-Chair Santo, supported by Trustee Haugh to approve Board member and staff attendance and expenses related to the ABS Global Investments 10<sup>th</sup> Annual Conference. The motion carried.*

Ms. Schave will send out an email to find out who is interested in attending and begin making travel arrangements as needed.

**10. Unfinished Business**

**a. Investment Analyst Services Agreement**

Chair Deldin provided some background information related to this agreement for new Trustee Willis' benefit. He recalled that this was originally discussed at a meeting in December 2021 and the Board is being presented with a finalized draft of the Investment Analyst Services Agreement today. He is looking for approval of the finalized agreement today.

*A motion was made by Trustee Haugh, supported by Trustee Rocca to approve the Investment Analyst Services Agreement as presented today.*

Trustee Rocca inquired if Mr. Michaud had an opportunity to review this agreement. Mr. Michaud confirmed that he reviewed it and has no issues with it. Trustee Grix had some questions related to compensation for this position. It had been discussed that the cost would be shared across the three retirement related boards (Retirement Board, Intermediate Trust Board and Retiree Health Care Board). He asked if agreements exist for those Boards and what happens if they do not sign. Mr. Michaud indicated those agreements do not yet exist and if for some reason those Boards opt not to sign, the

Retirement Board will be responsible for the entire cost of this service. Trustee Haugh advised that the Retiree Health Care Board is aware of this agreement and he believes it will be on their next meeting agenda for discussion and approval.

Trustee Grix questioned if the Board should have made an effort to see what other options they may have. He has no issues with Mr. Cutler and agrees that his experience on the Pension Board is valuable, but if there is another entity that might be more suitable for this type of position, it might be beneficial to investigate that further (since it is being paid for with pension funds). He thinks it might be a good idea to see what else is out there and who else might be interested. Trustee Lee indicated he disagrees and he feels that the institutional knowledge and historical background Mr. Cutler already has with the pension system are not something that will be found in any other entity or individual. His relationships with existing fund managers and experience will allow him to hit the ground running. Trustee Lee feels that looking for another candidate would only be delaying the inevitable and it would be in the Board's best interest to move forward with Mr. Cutler now.

Chair Deldin remarked that he considers this a professional service and while the Board has no obligation to bid out or seek proposals for this, he asked Retiree Representative Brumbaugh to weigh in on his experience when he was Corporation Counsel. Chair Deldin likened this scenario to when an attorney was needed for a specific situation, Corporation Counsel did not put out bids or solicit candidates, they simply hired who they knew had the right experience and fit the qualifications for what was needed (while also considering any fees). Retiree Representative Brumbaugh agreed that was an accurate depiction.

*The motion carried.*

**11. New Business**

Mr. Holycross provided a brief update on performance and indicated that he will likely propose a rebalance to the Board at an upcoming meeting. There have been a flurry of capital calls recently and they will need to replenish their cash reserves for additional calls that may be coming.

**12. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Grix, supported by Trustee Haugh to adjourn the meeting at 9:16 a.m. The motion carried.*