

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, July 21, 2022**

A meeting of the Retirement Board was held on Thursday, July 21, 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 Lee, Larry Rocca, Daniel Willis, George Brumbaugh

**Excused:**

**Also Present:**

Stephen Smigiel, John Schapka, Joe Biondo, Christina Miller, Karlyn Semlow, Jennifer Smiley, Tom Michaud, Mike Holycross (via Webex), Gary Cutler

**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 Grix, supported by Vice-Chair Santo to adopt the agenda as presented. The motion carried.*

**3. Approval of Minutes from June 23, 2022**

*A motion was made by Trustee Haugh, supported by Trustee Rocca to approve the minutes from June 23, 2022 as presented. The motion carried.*

**4. Approval of Invoices**

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

**5. Public Participation**

None

**6. Intercontinental Real Estate Corporation Annual Update – Ross Vaillancourt**

Mr. Vaillancourt joined the meeting to provide the Board with an update on their investment with Intercontinental Real Estate Corporation. He introduced himself and his firm and noted that they had recently renovated their headquarters and that their office plans to continue to work remotely until the summer is over. He reviewed more details about the firm including their number of employees, key personnel, a partial list of investors and their advisory board.

Mr. Vaillancourt then discussed fund level information (structure, criteria and strategy). He provided the Board with a handout showing performance as of June 30<sup>th</sup> (the information provided in their packets was through March 31<sup>st</sup>). He also reviewed Intercontinental's investment objectives and noted that they are currently overweight in office and multi-family when compared to the index. They are planning to reduce their office weighting to closer to 30% as it remains unclear whether companies will be returning to the office full-time. Mr. Vaillancourt also answered some questions from Mr. Holycross.

*A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the Intercontinental Real Estate Annual Update. The motion carried.*

**7. Bloomfield Capital Annual Update – Jason Jarjosa, Mike Lucci**

Mr. Jason Jarjosa and Mr. Mike Lucci joined the meeting to provide the Board with an update on their investments with Bloomfield Capital. Mr. Jarjosa provided an overview of the firm and noted that they are lenders, not a traditional real estate investment firm. Bloomfield's goal is to create an income fund by reviewing opportunities and targeting those that will provide a decent return.

Mr. Jarjosa reviewed performance across the three funds that Macomb is invested in (Funds II, III and V). All of these funds are in wind down and are no longer actively making investments. He anticipates that Fund II will close out by year end with Fund III following in approximately 18 months. All three funds are currently returning capital. He reviewed the portfolio of Fund V-B and examined the current investments. He also reviewed the profile of one specific investment (an industrial complex in Houston). Mr. Jarjosa also answered some questions for Mr. Holycross and discussed the differences they are seeing in the market now and the types of deals they are reviewing.

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

**8. Analyst Report – Gary Cutler**

Mr. Cutler provided feedback specific to the two firms that presented to the Board today. He recently visited with both of them and was able to go through an in-depth process review with Bloomfield. He was very impressed with their paperwork, appraisals, bank records and the significant amount of detail they review for each potential investment. He indicated that there have been no unpleasant surprises so far with any of the managers he has met with. He stated he is working his way through meeting with both current managers and prospective managers. He advised that he will be traveling to Chicago next week for a private equity conference.

*A motion was made by Trustee Grix, supported by Trustee Rocca to receive and file the Analyst Report provided by Mr. Cutler. The motion carried.*

**9. Retirement Services Report – Jennifer Smiley**

Ms. Smiley reviewed the Activity Report for the month and indicated that numbers seem to be consistent for this time of year. She advised that there seems to have been an increased interest in retiring in August and that they have been sending out a lot of paperwork in response to inquiries. As a result, the numbers for retirements in August may trend higher.

Ms. Smiley also provided an update on the Annual Signature Verification process. There are 49 that currently remain outstanding and her office will begin making phone calls and sending emails to these individuals soon. Retiree Representative Brumbaugh offered the assistance of the Retirees' Association with contacting the individuals that have still not responded. They have assisted with this process before and have had some luck helping to resolve some of these. Ms. Smiley thanked him for the offer.

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

**10. Unfinished Business**

None

**11. New Business**

Secretary Smigiel indicated that Buck will be in at the next meeting to present the 2021 Valuation to the Board. He stated that the report is in their peer-review process currently, but he does not anticipate there being any issues. Preliminary results indicate that the system will be just shy of 105% funded. He does not have specific numbers at this time.

Trustee Haugh inquired whether there are still any on-going issues with Buck related to the problems that they had been experienced with the online system and calculations. Ms. Smiley indicated that she feels communication is much improved with Buck and that they are continuing to meet every couple of weeks to iron out any issues that arise. Most seem to involve decades old income issues that affect calculations.

Secretary Smigiel also noted that kudos should be given to the Department of Roads for continuing to overfund their health care. They have been over-contributing to both pension and health care for several years.

Trustee Haugh indicated that he had been watching coverage of the Governor signing the state budget and it was mentioned that there is money earmarked for municipal pension funds. He inquired if Mr. Michaud knew what that was referring to. Mr. Michaud indicated that those are grant funds that will be administered through the State Treasurer and will go to pension funds that are underfunded. The details are still being worked out. Macomb will not be eligible for these funds.

**12. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Haugh, supported by Trustee Grix to adjourn the meeting at 9:40 a.m. The motion carried.*