

MINUTES OF THE RETIREMENT BOARD
Thursday, July 29, 2021

A meeting of the Retirement Board was held on Thursday, July 29, 2021 at 8:30 a.m. in the Administration Building, 9th Floor Committee Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Mark Deldin, Bryan Santo, Matthew Murphy, Larry Rocca, Michael Grix, George Brumbaugh

Excused:

Gary Cutler, Harold Haugh

Also Present:

Stephanie Dobson, Stephen Smigiel, Christina Miller, 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 Grix to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from July 1, 2021

A motion was made by Trustee Rocca, supported by Trustee Grix to approve the minutes from July 1, 2021 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson provided the Activity Report with numbers through the month of May. She noted that things are remaining consistent with this same time in previous years.

Ms. Dobson also provided an update on the on-going situation with Buck and the administrative system. Meetings are still being held to address the continued problems they are having with the self-service site. There is one major piece that remains unresolved and that concerns the final calculation. The feature that generates that number is not working and Ms. Dobson and her team are still doing that calculation manually (this was an automated process in the previous system). Buck now has a "transition team"

involved to try to move this along and Ms. Dobson has been reviewing the part of the contract with Buck that addresses the administrative system. She is in discussions regarding Buck's performance in accordance with the contract and believes that there should be a conversation about either waiving fees or discounting fees until the system is up and running exactly the way it should be.

Ms. Dobson went on to give the Board an update on the Annual Signature Verification process. She is anticipating sending out the third notice to all of those individuals who have not yet responded today. There are 45 participants who have still not responded. She noted that this number is a bit higher than usual. This third notice advises them that if they do not respond by a specific date, their pension will be suspended. She is looking for input from the Board on implementing the suspension for the September pension run. The third notice goes out via regular and certified mail and any suspensions are rescinded with the participants being made whole once they comply with the Annual Signature Verification. Ms. Dobson stated that this is also the point at which they begin working with the Retirees Association in addition to calling and emailing individuals to prompt them to respond.

The Board asked some questions regarding the procedure leading up to the suspension of a pension. Mr. Michaud confirmed that the timeline provided by Ms. Dobson's office is overly generous and provides significant time for response. He suggested a policy could be drafted outlining the practice related to this action.

A motion was made by Trustee Murphy, supported by Vice-Chair Santo to follow Ms. Dobson's recommendation and suspend pensions effective September 1, 2021 for those who do not respond to the third notice for the 2021 Annual Signature Verification. The motion carried.

A motion was made by Trustee Rocca, supported by Trustee Murphy to direct Mr. Michaud to work with Ms. Dobson to develop a policy regarding the Annual Signature Verification process. The motion carried.

a. Pension Payment Discussion

Ms. Dobson advised the Board that her office received a call a couple of weeks ago notifying them of the death of a retiree. Her staff looked this individual up in their system and found that he had already been marked deceased back in 2011. They were able to retrieve this person's hard copy file from the archives and did not find a copy of a death certificate. It appears that prior staff in the Retirement Office had likely suspended this individual's pension due to non-response to the Annual Signature Verification and at some point, as a result, he was marked deceased. Now, ten years later, a loved one has called to report this individual has passed away.

Ms. Dobson's office has not yet taken any action as they are still waiting to receive a certified copy of the death certificate. Depending on the date of death confirmed by the death certificate, Ms. Dobson believes the system may owe his estate for suspended pension payments since December 2011 (approximately \$460,000). Mr. Brumbaugh recalled sending letters to this individual and stated he would not be in favor of paying this money out because he had been suspended. Since this individual did not comply with what was necessary he feels he should forfeit that money.

Mr. Michaud stated that this is simply an opportunity to notify the Board that this situation exists and he recommended that they wait to see what the death certificate actually says before any further discussion or action takes place. Chair Deldin agreed that waiting until the death certificate has been received is the best course of action at this point.

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

7. Intercontinental Real Estate Corporation Annual Update – Peter Palandjian, Ross Vaillancourt

Mr. Ross Vaillancourt and Mr. Peter Palandjian joined the meeting remotely via Webex to present the Board with an update on their investment with Intercontinental Real Estate Corporation. Mr. Vaillancourt began with a brief introduction and turned the presentation over to Mr. Palandjian. Mr. Palandjian noted that although the past year has been a strange one, it has also been a positive one. Their firm has had no key departures and has actually hired four people since the start of the pandemic. He reviewed their investor list and stated that there have been no changes to their advisory board.

Mr. Palandjian also reviewed fund level information, investment highlights and provided a snapshot of the Board's account. He emphasized their diversification, examined occupancy rates, lease expirations and discussed leverage.

A motion was made by Trustee Grix, supported by Vice-Chair Santo to receive and file the Intercontinental Real Estate Corporation annual update. The motion carried.

8. Bloomfield Capital Annual Update – Jason Jarjosa, Mike Lucci

Mr. Jason Jarjosa joined the meeting in person and Mr. Mike Lucci joined the meeting remotely via Webex to present the Board with an update on their investment with Bloomfield Capital. Mr. Jarjosa began the presentation with a brief introduction of the firm and reviewed their investment strategy. He examined a summary of their investments and talked about priority among investments. He also reviewed the investment summary specific to the Retirement System. Mr. Jarjosa also provided an overview of the performance of Fund V, Fund III and Fund II as well as discussed a specific investment example. Overall, the firm and the funds are doing well.

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

9. Correspondence from Corbin Capital Partners – Consent to Change Control

Mr. Holycross advised the Board that Corbin had made an announcement this month that their CEO and CIO are going to buy the remaining equity from the original two managing partners who are no longer active in the business (and have not been for 10-12 years). AndCo views this as very positive news because the current management structure wants to own 100% of the business. The executive team will end up owning 100% of their own company. AndCo's team has reviewed this and there are no red flags. Mr. Michaud advised there are no legal issues with this change.

A motion was made by Trustee Murphy, supported by Trustee Rocca to authorize consent to the change in ownership as proposed by Corbin Capital Partners. The motion carried.

10. Employee Representative Special Election

Chair Deldin congratulated Trustee Murphy on his upcoming retirement. Trustee Murphy is retiring from his position at the Sheriff's Department effective August 6, 2021. Chair Deldin expressed appreciation for Trustee Murphy's service and wished him well on his future endeavors.

Chair Deldin advised the Board that their guidelines state that the vacancy must be filled within 75 days. He asked Mr. Michaud if the process for planning the election can begin now and he confirmed that it can. Chair Deldin then asked Ms. Schave if she has mapped out a timeline yet for the election process. She responded that she has not yet, but did reach out to the company who facilitated the last election for the Board online to see if there will be any cost changes in case the Board wants to proceed with that type of election again. Chair Deldin wondered if it would be possible to combine the special election with the regular election for the term that is expiring at the end of the year. Ms. Schave pulled up the Election Policy and per that policy the election for the term expiring at the end of the year must be held on the second Tuesday of December. That is outside the window for filling the seat that is being vacated by Trustee Murphy.

Chair Deldin directed Ms. Schave to map out a timeline for the special election and send it to the Board, so they can get the ball rolling.

Trustee Murphy stated that it has been a pleasure serving on this Board. He noted that he has learned a lot and has been exposed to a lot of things he otherwise would not have been.

A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the information related to the Employee Representative Special Election. The motion carried.

11. Unfinished Business

None

12. New Business

Mr. Holycross advised the Board it has been brought to his attention that there is some interest in the next tranche of the EnTrust Special Opportunities Fund. AndCo is in the process of researching their offer documents and working on getting this investment potentially approved. Once that research is complete and any follow-up due diligence has been conducted, Mr. Holycross will bring the information back to the Board.

13. Adjournment

There being no further business before the Board, a motion was made by Trustee Murphy, supported by Trustee Grix to adjourn the meeting at 9:54 a.m. The motion carried.