

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, November 4, 2021**

A meeting of the Retirement Board was held on Thursday, November 4, 2021 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, Gary Cutler, Michael Grix, Harold Haugh, George Brumbaugh

**Excused:**

Larry Rocca

**Also Present:**

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

**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 welcomed Larry Lee to the meeting. The Board will be certifying the special election results later in the meeting and Mr. Lee was the candidate elected to fill retired Trustee Murphy's remaining term. Mr. Lee is sitting in on today's meeting and will be sworn-in by the County Clerk after the election results have been certified by the Board.

**2. Adoption of Agenda**

Chair Deldin requested removal of item #11 from the agenda as Mr. Holycross needed to be excused from today's meeting since he is under the weather. He noted that Trustee Rocca is also excused from today's meeting.

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

**3. Approval of Minutes from October 7, 2021**

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to approve the minutes from October 7, 2021 as presented. The motion carried.*

**4. Approval of Invoices**

Ms. Schave requested an additional invoice be approved for Buck in the amount of \$9,075.01.

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

**5. Public Participation**

None

**6. Blackstone Annual Update – Sarah Foster, Kassy Shiotani**

Ms. Sarah Foster and Ms. Kassy Shiotani joined the meeting remotely via Webex to present the Board with an update on their investment with Blackstone. Ms. Foster began the presentation with a brief discussion of the Tac Opps investment strategy, their mission and a review of the portfolio's construction. She reported that the third quarter was positive and they are seeing a strong post-COVID recovery.

Ms. Shiotani reviewed the Strategic Partners platform and provided an update on their team. She talked about Fund VII and noted that they are excited about future performance. She examined the portfolio's diversity by both geography and sector and stated that they are expecting to issue a distribution between 2-4% some time later this quarter.

*A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the Blackstone annual update. The motion carried.*

**7. Lyrical Asset Management Annual Update – Gary Faccenda, Andrew Wellington**

Mr. Gary Faccenda and Mr. Andrew Wellington joined the meeting remotely via Webex to present the Board with an update on their investment with Lyrical Asset Management. Mr. Faccenda began the presentation with a brief introduction of the firm and their outlook for the future. Mr. Wellington reviewed performance as of September 30, 2021 and discussed Lyrical's investment approach (Value – Quality – Analyzability). He also looked at historical performance and reviewed trades that have occurred since October 2020. Overall, they are very happy with the positioning of the portfolio.

*A motion was made by Trustee Grix, supported by Trustee Haugh to receive and file the Lyrical Asset Management annual update. The motion carried.*

**8. Seizert Capital Partners Annual Update – Andy Jones, Chris Heatley, Tom Kenny**

Mr. Andy Jones, Mr. Chris Heatley and Mr. Tom Kenny joined the meeting to present the Board with an update on their investment with Seizert Capital Partners. Mr. Heatley began with an introduction and noted that things are going well with very few changes taking place within the firm. He noted that they are also 100% employee owned. Mr. Kenny reviewed performance as of September 30, 2021, discussed the breakdown of change in value, trailing attribution (one year and three year) and the portfolio breakdown by sector. Mr. Jones reviewed the portfolio's characteristics, its top 10 holdings, and their investment process and philosophy (stressing that patience is very important).

*A motion was made by Vice-Chair Santo, supported by Trustee Haugh to receive and file the Seizert Capital Partners annual update. The motion carried.*

**9. Retirement Administrator Report**

Ms. Dobson provided the August Activity Report and stated that the numbers continue to be typical for this time of year. Her office is starting to prepare for the usual beginning of the year retirements and DROP sign ups.

Retiree Representative Brumbaugh inquired about a response Ms. Dobson had made via social media to a concern by retirees who have direct deposit of their pension that may be affected by the

TCF/Talmer/Chemical Bank merger with Huntington Bank. This merger resulted in routing numbers needing to be updated for approximately 90 retirees. Her office has reached out to those they have email addresses for and has posted a notice on the Retirees' Association Facebook page to notify those individuals that their next check will be a paper check. They are also working with Finance to see if it might be possible to see if the next pension check run can be processed and mailed a few days earlier to avoid any potential delays with the Thanksgiving holiday and the US Postal Service.

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

**a. Service Retirement Policy and Procedures – DRAFT**

Ms. Dobson discussed the marked-up version of the draft policy she is proposing for approval by the Board today. She believes the original policy was drafted by her predecessor and she has reviewed it recently in light of some challenges her office has faced with specific administrative duties performed by the Office of Retirement Services. She is looking to more officially document some of their procedures and began reviewing the document section by section starting with the initial introduction.

In Section I, she indicated that the forms that are referred to will no longer be attached to the policy (they will only be referred to). This is for ease of updating the documents when necessary and so that the entire policy does not need to be revised when a change is made to a form. This section also outlines certain guidelines for notice requirements (entering the DROP or retiring, implementation of an EDRO, etc.).

Section II is completely new and contains information specific to the DROP and retirement effective dates (must be a weekday, not a holiday, end of pay period, etc.). This section also indicates where the pay schedule is available online for reference by members.

Section III has had some language cleaned-up, but no major changes.

Section IV also has some references to forms as mentioned earlier. The references to the Human Resources and Labor Relations (HRLR) Department in this section have been removed since that area no longer handles the processing of anything retirement related. The Office of Retirement Services (Ms. Dobson and her two staff members) now handle everything (including payoffs).

Section V deals with effective dates and outlines when DROP statements are available through the self-service site. Mr. Michaud suggested that the word "cash" be removed from the second paragraph of this section to reduce the possibility that someone may ask for their annuity withdrawal in cash. Trustee Cutler questioned whether it was necessary to state that DROP statements would be available within 14 days instead of leaving it somewhat open ended in the event that they are not available within that timeframe. Ms. Dobson indicated that they are usually available much sooner than 14 days and was comfortable leaving that language as written.

Chair Deldin asked if this policy has been reviewed by the Human Resources and Labor Relations (HRLR) Director. Ms. Dobson responded that Mr. McKinnon was aware that a policy existed, but he has not reviewed the draft she has provided to the Board today. She wanted to provide it to the Board first and confirmed that legal counsel has already reviewed it. Chair Deldin noted that Retirement Services is not a standalone department and is a function of the HRLR Department and that while the Retirement Administrator has reporting responsibilities to this Board, that individual ultimately reports to the HRLR

Director. Chair Deldin would like to have some input from Mr. McKinnon on the revisions to this policy proposed by Ms. Dobson as the HRLR Director is the one who would ultimately be held responsible for changes to this policy. Trustee Haugh stated that the policy makes it sound like Retirement Services is an independent office outside of HRLR and sought confirmation on whether or not that is the case. Chair Deldin confirmed that Retirement Services is a part of HRLR and not an independent department. Retirement Services does not report directly to this Board. They report to the HRLR Director.

At Chair Deldin's request (with concurrence from the rest of the Board), Ms. Schave will place this item on a future agenda under "Unfinished Business" for further discussion once Mr. McKinnon has had a chance to review the revisions proposed.

Ms. Dobson asked if the Signature Verification Policy that she and Mr. Michaud have been working on should also go to Mr. McKinnon prior to the Board. She had hoped to have that policy on the next meeting agenda as well and is concerned about delaying that with the issue that is pending related to the individual that had passed away with retirement funds outstanding. Chair Deldin indicated that any policy should be presented to Mr. McKinnon for review prior to coming to the Board for approval. Mr. McKinnon does not need to be involved in the creation of the policies, but does need to be a part of the initial review process.

**b. Disability Re-examination Resolution for 2022**

The Board was in receipt of the proposed resolution from Ms. Dobson's office regarding the re-examination of disability retirants in 2022.

*A motion was made by Trustee Cutler, supported by Trustee Grix that the following resolution should be adopted:*

**WHEREAS**, the Retirement Board is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

**WHEREAS**, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following the retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board may require a disability retirant to undergo a medical examination by or under the direction of the Retirement Board's physician, and

**WHEREAS**, the Retirement Board has determined that required re-examinations must be performed by the Retirement Board's authorized physician on a schedule that coincides with the retirant's initial date of retirement, and

**WHEREAS**, it is the policy of the Retirement Board that all disability retirants be required to undergo annual re-examinations for purposes of determining continued eligibility to receive disability retirement benefits, unless otherwise determined by the Retirement Board based on reasons that support a disability retirants exclusion from the re-examination requirement, and

**WHEREAS**, the Retirement Board has reviewed the files of all disability retirants to determine what disability retirants must undergo medical re-examination, therefore be it

**RESOLVED**, the following disability retirants be re-examined pursuant to Retirement System provisions:

Bratten, Julie  
Burse, Lennice  
Harrell, Joey  
Hogan, Carrie  
Krese, Victor  
Malicki, Kelly

Marker-Grey, Cherie  
Marschke, Steven  
Pintar, Matthew  
Rasch, Dean  
Rowe, Jason

and further

**RESOLVED**, that the Retirement Board's Medical Director is designated to conduct or direct said examinations, and further

**RESOLVED**, that any member who refuses or fails to submit to said re-examination shall be subject to suspension or termination of disability retirement benefits, and further

**RESOLVED**, that a copy of this resolution and the appropriate letters be sent to said retirants and said physician consistent with this resolution.

*The motion carried.*

Vice-Chair Santo inquired about whether Mr. Rowe would be subject to a physical examination. Ms. Dobson confirmed that Mr. Rowe's examination will only consist of a review of his medical documentation. He will not receive a letter regarding the review and a physical examination will not be required.

**10. Certification of 2021 Employee Representative Special Election**

Chair Deldin summarized the letter from Simply Voting certifying the 2021 Employee Representative Special Election. A total of 599 eligible ballots were received with 321 votes (approximately 54%) going to Larry Lee and 276 votes (approximately 46%) going to Eric Holmes. There were two write-in votes. Larry Lee is elected to serve the remainder of former trustee Matthew Murphy's term which ends December 31, 2022.

*A motion was made by Trustee Cutler, supported by Trustee Grix to receive and file the letter certifying the 2021 Employee Representative Special Election. The motion carried.*

**11. Unfinished Business**

None

**12. New Business**

None

**13. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Haugh, supported by Vice-Chair Santo to adjourn the meeting at 9:52 a.m. The motion carried.*