

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, December 16, 2021**

A meeting of the Retirement Board was held on Thursday, December 16, 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, Larry Rocca, Gary Cutler, Michael Grix, Larry Lee, George Brumbaugh

**Excused:**

Harold Haugh

**Also Present:**

Stephanie Dobson, Stephen Smigiel, John Schapka, Joe Biondo, Christina Miller, Aaron Castle

Mike Holycross joined the meeting remotely via Webex.

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

**3. Approval of Minutes from December 2, 2021**

*A motion was made by Trustee Grix, supported by Trustee Cutler to approve the minutes from December 2, 2021 as presented. The motion carried.*

**4. Approval of Invoices**

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

**5. Public Participation**

None

**6. Private Equity Co-Investment Overview – Mike Holycross & Justin Ellsesser, AndCo Consulting**

Mr. Holycross introduced Mr. Justin Ellsesser from AndCo who would be co-presenting the Private Equity Co-Investment Overview today. Mr. Ellsesser started the presentation by discussing the characteristics of private equity vehicles and the risk/return spectrum. He talked about understanding co-investing and what to look for in terms of platform, deal selection and construction. He reviewed four possible candidates for the Board and examined the investment teams, management structure, historical track

record and proposed management fees of each. AndCo is recommending the Board select two candidates (Adams Street Partners LLC and Portfolio Advisors LLC).

Portfolio Advisors has a final close for Fund IV on December 31, 2021. They are not able to extend the date any further, but indicated they would be willing to hold the signed documents in escrow until the Board's legal counsel is able to review. Mr. Castle indicated he did not see an issue with that.

*A motion was made by Trustee Cutler, supported by Trustee Grix to follow AndCo's recommendation to invest \$10 million with Adams Street Partners LLC and \$10 million with Portfolio Advisors LLC (with documents to be held in escrow until the legal review is complete). The motion carried.*

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the Private Equity Co-Investment Overview presentation. The motion carried.*

## **7. Retirement Administrator Report**

Ms. Dobson advised the Board members that their packets today included the latest Activity Report with numbers through October. She inquired if the Board would like to have her add some data to the report. She indicated that members of the 401a plan (those hired in after January 1, 2016) are starting to reach the five year mark with the County and are beginning to collect the \$1,000 they are entitled to upon separation. She can add that information to this report within an existing category (refunds) or as a separate line item if the Board is interested in seeing those numbers. Ms. Dobson answered some questions from the Board about the 401a plan. The Board indicated they would like to see the data on a separate line item on the Activity Report. She will update future reports accordingly.

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

## **8. Disability Retirements**

### **a. Amy Zmick**

The Board was in receipt of the Medical Director's confidential medical reports regarding the re-examination of Amy Zmick. The Medical Director has concluded, based on the re-exam, that Ms. Zmick disability retirement should be continued.

*A motion was made by Trustee Grix, supported by Trustee Rocca that based on the Medical Director's opinion, the continuation of the disability retirement of Amy Zmick 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**, Amy Zmick was granted a disability retirement on August 20, 2010, after a finding by the Retirement Board that the requirements of the Retirement System had been met, and

**WHEREAS**, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following retirement of a member with a disability pension and at least once every

three (3) year period thereafter, the Retirement Board requires a disability retiree to undergo a medical examination directed by the Retirement Board Medical Director, and

**WHEREAS**, that the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Amy Zmick to be re-examined and to advise the Medical Director of their responsibilities, and

**WHEREAS**, the Retirement Board is in receipt of a certification from the Medical Director, dated November 30, 2021, which states that Amy Zmick is totally and permanently incapable of resuming employment with the County in the same or similar job classification in which said individual was employed at the time of disability, and

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

**RESOLVED**, that the Retirement Board hereby approves the continual disability retirement of Amy Zmick 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 Amy Zmick and all other appropriate parties.

*The motion carried.*

**b. Sophie Dewalt**

The Board was in receipt of the Medical Director's confidential medical reports regarding the re-examination of Sophie Dewalt. The Medical Director has concluded, based on the re-exam, that Ms. Dewalt's disability retirement should be continued.

*A motion was made by Trustee Grix, supported by Trustee Rocca that based on the Medical Director's opinion, the continuation of the disability retirement of Sophie Dewalt 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**, Sophie Dewalt was granted a disability retirement on December 10, 2004, after a finding by the Retirement Board that the requirements of the Retirement System had been met, and

**WHEREAS**, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board requires a disability retiree to undergo a medical examination directed by the Retirement Board Medical Director, and

**WHEREAS**, that the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Sophie Dewalt to be re-examined and to advise the Medical Director of their responsibilities, and

**WHEREAS**, the Retirement Board is in receipt of a certification from the Medical Director, dated December 6, 2021, which states that Sophie Dewalt is totally and permanently incapable of resuming employment with the County in the same or similar job classification in which said individual was employed at the time of disability, and

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

**RESOLVED**, that the Retirement Board hereby approves the continual disability retirement of Sophie Dewalt 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 Sophie Dewalt and all other appropriate parties.

*The motion carried.*

**9. Certification of 2021 Employee Representative Regular Election**

Chair Deldin advised the Board that there was an issue with the election that was discovered yesterday. Due to an inadvertent clerical error, the voter list for Department of Roads was not merged into the main voter list when it was submitted to the election company prior to the start of voting. As a result the eligible voters from the Department of Roads did not receive ballots.

Chair Deldin asked Mr. Schapka to provide his input on what the Board should consider in order to correct this error. Mr. Schapka stated that there were a number of options available, but in his opinion the best one is to simply redo the election entirely. Mr. Castle agreed with Mr. Schapka's opinion and he added that whatever action the Board takes will set precedent for this kind of issue moving forward. They should consider that when making their decision.

Several Board members asked questions related to the issue and discussion was held. Ms. Schave confirmed that this was her error and that she deeply regrets the problem this has caused for the Board. Ms. Dobson confirmed for the Board that obtaining data from the multiple payroll systems involved is quite complex and she and her staff are very aware of the type of issue that occurred here. She stated she hopes that the Board understands that this was simply an unintentional error and could have happened to anyone. Chair Deldin concurred.

The Board discussed the time frame for voting in a new election and what type of communication needs to be sent out to participants. The Board agreed on a shorter voting window and that a mailing should still be done for those that do not have access to or use their email frequently.

*A motion was made by Trustee Rocca, supported by Vice-Chair Santo to invalidate the results of the 2021 Employee Representative Regular Election due to human error. The motion carried.*

*A motion was made by Trustee Grix, supported by Trustee Lee to hold a new election with a shortened voting duration of three weeks with voting information for the new election to be sent via both email and US mail. The motion carried.*

Ms. Schave will contact Simply Voting as soon as this meeting concludes to work with them on setting up the new election within the time frame the Board has chosen. Provided there are no issues, voting will end on Tuesday, January 11<sup>th</sup> and results will be available for the Board to certify at their meeting on Thursday, January 13, 2022.

**10. 2022 Retirement Board Budget – Stephen Smigiel, Board Secretary/Finance Director**

Mr. Smigiel presented the recommended budget for 2022. He noted that each line item is relatively consistent with prior years with the exception of investment earnings and consulting fees. Investment earnings are projected at 7% and fees are 60 basis points on the total amount of the fund (\$1.3 billion). There has also been a significant decrease in employer contributions as a result of the actuarial valuation. Mr. Smigiel offered to answer any questions about the budget and sought a motion to adopt the proposed budget as presented.

Ms. Dobson inquired whether this budget includes funds for the continued administration of the Annual Signature Verification by a third party. Mr. Smigiel indicated that it does not, but that funds are likely available within the Postage line item under Supplies and Services. Ms. Dobson also inquired about funding for the online actuary system and for the new Investment Analyst position. Mr. Smigiel advised where those funds can be found in the budget and that money may need to be moved at some point, but the funds are available.

*A motion was made by Trustee Rocca, supported by Trustee Cutler to adopt the 2022 Pension Board Budget as presented by Mr. Smigiel. The motion carried.*

**11. Unfinished Business**

None

**12. New Business**

Chair Deldin reminded the Board that Trustee Cutler had announced his retirement a few months ago and that his retirement date is approaching quickly (mid-February). He noted that this will create another mid-term vacancy on the Board and require another Special Election be held. He wondered if it would be possible to put the seat that is to be vacated by Trustee Cutler on the ballot that will be opening next week, so that there are two seats available to be filled from the one election (with one not taking effect until after Trustee Cutler has actually retired). He is concerned that voters will be extremely confused with multiple elections being held one right after another over the last few months.

Ms. Schave advised the Board that it would be necessary to send out notice of the vacancy and collect Self-nomination Forms from those who are interested in filling Trustee Cutler's seat. Trustee Cutler agreed that Trustee Grix's expiring term needs to be filled first and that candidate interest needs to be gauged for his seat when the time comes.

Trustee Cutler wondered if it would be possible to send out notification of the upcoming vacancy at the beginning of 2022 in order to get the process moving. Chair Deldin asked Ms. Schave to facilitate sending out the notification of the impending vacancy of Trustee Cutler's seat the first week in January in order to gauge candidate interest. Ideally, voting could open in mid-February and close in early March. Following this timeline, the new trustee could likely be sworn in and ready to participate at the March 24, 2022 meeting.

**13. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Grix to adjourn the meeting at 9:41 a.m. The motion carried.*