

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, February 16, 2023**

A meeting of the Retirement Board was held on Thursday, February 16, 2023 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, Dan Willis, Ken Willis, George Brumbaugh

**Excused:**

Harold Haugh, Michael Grix

**Also Present:**

Stephen Smigiel, Cindy Mitchell, Joe Biondo, Christina Miller, Tom Michaud, Mike Holycross, 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 Rocca, supported by Trustee Dan Willis to adopt the agenda as presented. The motion carried.*

**3. Approval of Minutes from January 26, 2023**

*A motion was made by Trustee Ken Willis, supported by Trustee Rocca to approve the minutes from January 26, 2023 as presented. The motion carried.*

**4. Approval of Invoices**

*A motion was made by Vice-Chair Santo, supported by Trustee Dan Willis to approve the list of invoices as presented. The motion carried.*

**5. Public Participation**

None

**6. Edgewood Management Annual Update – Alan Breed, Gui Costin**

Mr. Alan Breed joined the meeting via Webex and Mr. Gui Costin joined the meeting in-person to provide the Board with an update on their investment with Edgewood Management. Mr. Costin provided a brief introduction and noted that performance has been much improved since the last time they met with the Board in October. Mr. Breed discussed his outlook for the next 5-10 years and examined the position of the portfolio. He also reviewed a few of the new names within the portfolio (ASML, Airbnb and Blackstone).

Mr. Breed also provided commentary on the re-opening of China and the impact of that on the markets. He also spoke about Edgewood's view of ESG and how they use this framework to evaluate companies in the portfolio and those they might consider adding in the future. He also answered a question for Trustee Rocca.

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

**7. Seizert Capital Partners Annual Update – Andy Jones, Tom Kenny**

Mr. Andy Jones and Mr. Tom Kenny joined the meeting to provide the Board with an update on their investment with Seizert Capital Partners. Mr. Kenny provided a brief introduction and an update on performance through January and February. He noted that turnover was low last year and there are only a couple of new names in the portfolio. Mr. Jones spoke about the missing sectors within the portfolio and explained that they are simply looking for the right opportunities to fill those sectors. Mr. Kenny examined the other sectors where they are overweight and briefly talked about performance since inception. He also discussed earnings expectations and Seizert's view of ESG.

*A motion was made by Trustee Rocca, supported by Trustee Ken Willis to receive and file the Seizert Capital Partners Annual Update. The motion carried.*

**8. Investment Consultant Report – Mike Holycross**

**a. Proposed Rebalance**

Mr. Holycross provided a market value document as of January 31<sup>st</sup>. He is proposing moving a total of \$25 million to cash. This will help cover future capital calls and other cash needs through the next several months.

*A motion was made by Vice-Chair Santo, supported by Trustee Dan Willis to approve the rebalance as proposed by Mr. Holycross. The motion carried.*

**9. Analyst Report – Gary Cutler**

Mr. Cutler advised that he attended the TerraCap Conference in Florida last week and had met with both Edgewood and Seizert before the meeting today. He asked again for any feedback on his weekly emails and remains happy to answer questions or provide other information at the request of the Board members.

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

**10. Portfolio Advisors – Omnibus Consent Form**

Mr. Holycross provided the Board with some information related to the Omnibus Consent Form that was recently received from Portfolio Advisors. His team has no issues with this from the investment side, but Mr. Michaud will need to review it from a legal perspective.

*A motion was made by Vice-Chair Santo, supported by Trustee Dan Willis to approve the Portfolio Advisors Omnibus Consent Form pending legal review by Mr. Michaud. The motion carried.*

**11. Reinhart Partners – Consent Letter**

Mr. Holycross provided the Board with some information related to the consent letter for an equity transfer that was recently received from Reinhart Partners. His team has no issues with this and Mr. Michaud confirmed that there are no legal issues either.

*A motion was made by Trustee Rocca, supported by Trustee Dan Willis to approve the Reinhart Partners consent letter. The motion carried.*

**12. Retirement Services Report – Cindy Mitchell**

Ms. Mitchell advised the Board that Derek Miller has submitted an appeal and the information has been sent to Mr. Michaud for review. Once he has had an opportunity to examine the information provided this item will be placed on a future agenda. She also noted that one of the individual's whose pension had been suspended finally responded and their pension will be reinstated. She intends to reach out to the other two individuals again this week.

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

**13. MCERS Benefit Payments & Contributions 2022 Report – Stephen Smigiel**

Secretary Smigiel advised that this is the updated version of the report that is provided each year. Retiree Representative Brumbaugh asked a question and Secretary Smigiel responded.

*A motion was made by Trustee Dan Willis, supported by Trustee Rocca to receive and file the MCERS Benefit Payments & Contributions 2022 Report. The motion carried.*

**14. Unfinished Business**

None

**15. New Business**

Secretary Smigiel requested the Administrative Policy Subcommittee be reconvened. That subcommittee has not met for quite some time and there are some policies that could use some revisions. As an example, he indicated that Supplemental Payment Policy has some language that needs to be cleaned up. Mr. Michaud also suggested that other older policies could be revisited for possible updates (Education, Travel, Code of Conduct, etc.).

This subcommittee was previously comprised of Secretary Smigiel, John Schapka, Tom Michaud, the Retirement Administrator and an employee representative trustee. Chair Deldin suggested that Vice-Chair Santo also be included in the event there is language affecting the Roads Department. Trustee Ken Willis volunteered to be the employee representative and serve on the subcommittee. Secretary Smigiel will work on determining a meeting date for the subcommittee within the next month or so.

*A motion was made by Trustee Rocca, supported by Vice-Chair Santo to reconvene the Administrative Policy Subcommittee. The motion carried.*

Chair Deldin discussed the invitations that the Board has been receiving to attend meetings hosted by fund managers that require travel. He indicated that he would like to ask Mr. Holycross to provide updates on the firms that are holding the meetings so they can better gauge whether their attendance will be beneficial. Chair Deldin feels it is important that they keep in mind the outside perception of Board member travel and the expenses associated with it. The rest of the Board members agreed and Mr. Holycross will begin reviewing the invitations as they come in and they will continue to be put on the Board's meeting agendas for review and any necessary approval.

**16. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Dan Willis to adjourn the meeting at 10:02 a.m. The motion carried.*