

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, March 9, 2023**

A meeting of the Retirement Board was held on Thursday, March 9, 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, Harold Haugh, Larry Rocca, Michael Grix, Dan Willis, Ken Willis, George Brumbaugh

**Excused:**

**Also Present:**

Stephen Smigiel, Cindy Mitchell, John Schapka, Joe Biondo, Christina Miller, Tom Michaud, Andrew McKinnon, 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**

Due to some technical issues in the meeting room this morning, Chair Deldin advised that agenda item #6 (the annual update by EARNEST Partners) will be rescheduled to a future date.

*A motion was made by Trustee Haugh, supported by Vice-Chair Santo to adopt the agenda as revised. The motion carried.*

**3. Approval of Minutes from February 16, 2023**

*A motion was made by Trustee Grix, supported by Trustee Rocca to approve the minutes from February 16, 2023 as presented. The motion carried.*

**4. Approval of Invoices**

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

**5. Public Participation**

None

**6. HGK Asset Management Annual Update – Matt Kosara, Joe Caretti, Nick Mayor**

Mr. Matt Kosara and Mr. Joe Caretti joined the meeting in-person and Mr. Nick Mayor joined via Google Meet to provide the Board with an update on their investment with HGK Asset Management.

Mr. Kosara provided a brief introduction and examined performance numbers as of December 31, 2022 and year-to-date returns. Mr. Mayor continued the presentation with a look at investments by sector and a review of the top five and bottom five names in the portfolio as of the fourth quarter of 2022. He also examined changes within the portfolio and names that were bought and sold last year. Mr. Kosara also touched on emerging markets.

*A motion was made by Trustee Haugh, supported by Trustee Grix to receive and file the HGK Asset Management Annual Update. The motion carried.*

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

Mr. Holycross advised the Board that the rebalance that was approved at the last meeting has been processed. He also noted that he and Mr. Cutler had made a trip to AndCo's home office recently and he will let Mr. Cutler provide more details on that in his Analyst Report.

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to approve the Investment Consultant Report as provided by Mr. Holycross. The motion carried.*

**8. Analyst Report – Gary Cutler**

Mr. Cutler reported on his and Mr. Holycross' visit to the AndCo home office. He met Mr. Welker and received a tour of the office. He was very impressed with the staff and the office culture. They conducted a full agenda and had a great discussion. Mr. Cutler also had reports for January and February included in the meeting packet. He offered to answer any questions for the Board.

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

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

Ms. Mitchell provided the Activity Report for the month of January. She noted that numbers for the month are about half of what they were in 2022 and indicated this was unusual. She also reported that her office is working on preparing the Annual Signature Verification and they hope to have that out some time in April.

Ms. Mitchell also advised that a date of September 12<sup>th</sup> has been set for an outdoor Retiree luncheon. Retiree Representative Brumbaugh stated that this date might be an issue for some retirees as the Retirees' Association holds their annual meeting around the same time. He mentioned that some retirees might be confused by back-to-back events. Ms. Mitchell responded that she had talked with him about the September 12<sup>th</sup> date and she recalled he said the Association's luncheon was in October. They will continue to discuss this event after the meeting.

Chair Deldin brought to the Board's attention that another employee who had worked for the County previously has come forward and there appears to be a vesting issue similar to the situation with former employee Derek Miller. He asked legal counsel to look into this matter and provide a written opinion to the Board at a future meeting.

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

**10. Disability Retirement**

**a. Victor Krese (Re-examination Opinion)**

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

*A motion was made by Trustee Grix, supported by Trustee Dan Willis that based on the Medical Director's opinion, the continuation of the disability retirement of Victor Krese 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**, Victor Krese was granted a disability retirement on March 6, 2018, 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 Victor Krese 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 February 17, 2023, which states that Victor Krese 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 Victor Krese 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 Victor Krese 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 Victor Krese and all other appropriate parties.

*The motion carried.*

**11. Legal Report – Tom Michaud**

**a. Secure 2.0 Update**

Mr. Michaud discussed the update memo provided in the Board’s packets. The memo outlines changes that need to be made to the “402 Notice” related to eligible rollover distributions. He has also provided a draft “Eligible Rollover Distribution” resolution for the Board’s review and adoption.

Trustee Ken Willis asked a question about potential legislation and if there has been any movement on anything that Lansing has been discussing. Mr. Michaud advised that there has not been much progress on anything pending and that he would keep the Board apprised of any updates.

*A motion was made by Trustee Haugh, supported by Trustee Grix to adopt the “Eligible Rollover Distribution” resolution proposed by Mr. Michaud and receive and file the Legal Report. The motion carried.*

**12. Upcoming Conferences**

**a. Spring 2023 MAPERS Conference – Kalamazoo, MI – May 20-23, 2023**

The Board was provided with the information regarding the Spring 2023 MAPERS Conference scheduled for May 20-23, 2023 being held at Radisson Plaza Hotel in Kalamazoo.

*A motion was made by Trustee Ken Willis, supported by Trustee Grix to approve Board member and staff attendance and related expenses for the Spring 2023 MAPERS Conference scheduled for May 20-23 at the Radisson Plaza Hotel in Kalamazoo. The motion carried.*

Ms. Schave will send out an email to find out who is interested in attending and begin making travel arrangements as needed.

**13. Unfinished Business**

**a. Administrative Policy Committee Update**

Secretary Smigiel advised the Board that the first meeting of the reconvened Administrative Policy Committee will be held following this meeting. They will be reviewing the Education/Travel Policy and the Supplemental Payment Policy. Another update will be provided at the next Retirement Board meeting.

**14. New Business**

None

**15. 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 9:09 a.m. The motion carried.*