

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, March 23, 2023**

A meeting of the Retirement Board was held on Thursday, March 23, 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 (via Webex), Cindy Mitchell, Joe Biondo, Christina Miller, Tom Michaud, Jennifer Smiley, Karlyn Semlow, 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**

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

**3. Approval of Minutes from March 9, 2023**

*A motion was made by Trustee Grix, supported by Trustee Dan Willis to approve the minutes from March 9, 2023 as presented. The motion carried.*

**4. Approval of Invoices**

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

**5. Public Participation**

None

**6. EARNEST Partners Annual Update – Patmon Malcom, Pavel Sokolov**

Mr. Patmon Malcom and Mr. Pavel Sokolov joined the meeting in-person to provide the Board with an update on their investment with EARNEST Partners. Mr. Malcom provided a brief introduction and discussed a “story of two markets” last year. The portfolio was down for the year overall, but

rebounded in the fourth quarter. He also reviewed the current issues in the banking sector. Mr. Sokolov talked about investments in China and recent acquisitions in the portfolio. Mr. Malcom noted that there have been no changes to their process or their team. Trustee Grix and Mr. Cutler asked some questions and Mr. Malcom responded.

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

**7. Cramer, Rosenthal, McGlynn Annual Update – Harris Swenson, Brian Harvey**

Mr. Harris Swenson and Mr. Brian Harvey joined the meeting in-person to provide the Board with an update on their investment with Cramer, Rosenthal, McGlynn. Mr. Swenson provided a brief introduction and discussed performance through the end of 2022. Mr. Harvey examined the top contributors and detractors in the portfolio and noted that they are finding good opportunities moving forward. He talked about the financial sector and that stock selection is key. Trustee Grix and Mr. Holycross asked some questions and Mr. Swenson and Mr. Harvey responded.

*A motion was made by Trustee Grix, supported by Trustee Dan Willis to receive and file the Cramer, Rosenthal, McGlynn Annual Update. The motion carried.*

**8. Reinhart Partners Annual Update – Joshua Wheeler, Trevor Savage**

Mr. Joshua Wheeler and Mr. Trevor Savage joined the meeting in-person to provide the Board with an update on their investment with Reinhart Partners. Mr. Savage introduced himself and Mr. Wheeler introduced the firm and discussed their performance in 2022. Mr. Wheeler continued the discussion by reviewing the shift in the investment environment and change in value. He reviewed the portfolio's attribution and sector breakdown. He examined the portfolio's characteristics and their top 10 holdings. He also discussed their outlook moving forward. Trustee Rocca and Mr. Holycross asked some questions and Mr. Wheeler responded.

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

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

**a. 2022 4<sup>th</sup> Quarter Performance Report**

Mr. Holycross reviewed the letter at the beginning of the report from Mr. Welker that provided updates on the firm. He discussed asset allocation compliance and noted that the fund was down for the year, but that this was not unexpected given the market conditions. Trustee Grix inquired about the underperforming manager report as he could not locate it in the report. Mr. Holycross advised that he will locate it and send it on. Trustee Grix also asked a question about the current banking situation and Mr. Holycross responded.

**b. Monthly Flash Report (January)**

Mr. Holycross briefly examined performance as of January 31, 2023.

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

**10. Analyst Report – Gary Cutler**

Mr. Cutler reported that he has a Zoom call scheduled this afternoon and several other meetings coming up with fund managers. He stated he had nothing else of note to report today.

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the Analyst Report provided by Mr. Cutler. The motion carried.*

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

Ms. Mitchell reported that the Annual Signature Verification will be going out in the mail in the next two weeks.

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

**12. Disability Retirement**

**a. Timothy Hartman (Re-examination Opinion)**

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

*A motion was made by Trustee Haugh, supported by Trustee Ken Willis that based on the Medical Director's opinion, the continuation of the disability retirement of Timothy Hartman 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**, Timothy Hartman was granted a disability retirement on March 17, 2006, 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 Timothy Hartman 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 27, 2023, which states that Timothy Hartman 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 Timothy Hartman 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 Timothy Hartman 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 Timothy Hartman and all other appropriate parties.

*The motion carried.*

**b. Matthew Pintar (Re-examination Opinion)**

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

*A motion was made by Trustee Haugh, supported by Trustee Ken Willis that based on the Medical Director's opinion, the continuation of the disability retirement of Matthew Pintar 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**, Matthew Pintar was granted a disability retirement on April 30, 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 Matthew Pintar 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 March 9, 2023, which states that Matthew Pintar 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 Matthew Pintar 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 Matthew Pintar 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 Matthew Pintar and all other appropriate parties.

*The motion carried.*

**c. Kelly Malicki (Re-examination Opinion)**

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

*A motion was made by Trustee Haugh, supported by Trustee Ken Willis that based on the Medical Director's opinion, the continuation of the disability retirement of Kelly Malicki 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**, Kelly Malicki was granted a disability retirement on May 2, 2020, 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 Kelly Malicki 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 March 7, 2023, which states that Kelly Malicki 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 Kelly Malicki 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 Kelly Malicki 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 Kelly Malicki and all other appropriate parties.

*The motion carried.*

**13. Legal Report – Tom Michaud**

Mr. Michaud briefly discussed an update to Public Act 4 which deals with the taxation of retirees. He noted that this is a very individualized issue and that if retirees call with questions they should be referred to their financial advisor as the Retirement System cannot give tax advice. He also advised the Board that a memo had recently gone out from his office regarding a pension grant program. This applies only to underfunded pension systems and would not apply to Macomb. If there are any questions about any of the information he provided, he is happy to answer them.

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the Legal Report as provided by Mr. Michaud. The motion carried.*

**14. Retirement Eligibility Discussion (D. Camphous-Peterson) – Tom Michaud**

Mr. Michaud advised the Board that he will have a legal opinion prepared for their review at the April 6, 2023 meeting. He suggested the Board may want to go into Executive Session to discuss the opinion. Ms. Camphous-Peterson has advised the Retirement Services Office that she would like to attend the meeting in order to address the Board. The letter provided in the Board's packets today is for their information only.

**15. Advisor Review Schedule Memo – Stephen Smigiel**

Secretary Smigiel advised the Board that per their rotating schedule, the next service provider up for review is the Custodial Bank. He and Mr. Holycross are recommending that the Board issue a formal RFP for this service. They are also recommending that this include the Retirement System, the Intermediate Trust and the Retiree Health Care Fund. Currently, the Retiree Health Care Fund has a different custodial bank than the other two funds.

*A motion was made by Trustee Grix, supported by Trustee Rocca to follow the recommendation of Secretary Smigiel and Mr. Holycross and issue a RFP for Custodial Bank. The motion carried.*

**16. Unfinished Business**

**a. Administrative Policy Committee Update**

Secretary Smigiel advised the Board that the committee will be having their second meeting today. He anticipates they will need one more meeting after that and then will be ready to present draft policies to the Board for their review.

**17. New Business**

None

**18. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Haugh, supported by Trustee Grix to adjourn the meeting at 10:18 a.m. The motion carried.*