

MINUTES OF THE RETIREMENT BOARD
Thursday, April 6, 2023

A meeting of the Retirement Board was held on Thursday, April 6, 2023 at 8:30 a.m. in the Administration Building, 9th Floor Committee Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Bryan Santo, Harold Haugh, Larry Rocca, Michael Grix, Dan Willis, George Brumbaugh

Excused:

Mark Deldin, Ken Willis

Also Present:

Stephen Smigiel, Cindy Mitchell, Joe Biondo, Tom Michaud, Karlyn Semlow, 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 Vice-Chair Santo.

2. Adoption of Agenda

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

3. Approval of Minutes from March 23, 2023

A motion was made by Trustee Rocca, supported by Trustee Haugh to approve the minutes from March 23, 2023 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

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

Mr. Gary Faccenda and Mr. Andrew Wellington joined the meeting via Webex to provide the Board with an update on their investment with Lyrical Asset Management. Mr. Faccenda provided a brief introduction and Mr. Wellington gave an overview of performance since February 28, 2023. He discussed Lyrical's approach to investing and noted that they do not own any banks in their portfolio. Mr. Wellington also reviewed some recent trades within the portfolio and examined their account

holdings. Mr. Holycross asked a question about Lyrical's investment with Uber and Mr. Wellington provided a response.

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

7. Clarkston Capital Annual Update – Kurt Terrien, Jeff Hakala

Mr. Kurt Terrien and Mr. Jeff Hakala joined the meeting in-person to provide the Board with an update on their investment with Clarkston Capital. Mr. Terrien provided a brief introduction and thanked the Board for their continued trust and patience in Clarkston. Mr. Hakala reviewed performance and attribution as of December 31, 2022 as well as through February 28, 2023. He discussed activity within the portfolio and talked about some of the meetings they have been having. Mr. Cutler asked how much they are currently holding in Cash and Mr. Hakala responded that it is around 8% currently.

A motion was made by Trustee Grix, supported by Trustee Dan Willis to receive and file the Clarkston Capital Annual Update. The motion carried.

8. Yousif Capital Management Annual Update – Kevin Yousif, Dave Jones, Kelly Fetterman

Mr. Kevin Yousif, Mr. Dave Jones and Ms. Kelly Fetterman joined the meeting in-person to provide the Board with an update on their investment with Yousif Capital Management. Mr. Yousif introduced the team and noted that this year is their 10-year anniversary with Macomb. He discussed economic growth, the historic rise in interest rates, inflation, used car prices, job openings and car sales. He examined a market value summary for 2022 and talked about some of the "household" names within the portfolio. Mr. Yousif also noted YCM's relationship with Comerica and the investment services they provide to the Retirement System in conjunction with them.

A motion was made by Trustee Haugh, supported by Trustee Dan Willis to receive and file the Yousif Capital Management Annual Update. The motion carried.

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

Mr. Michaud summarized the issue the Board will be discussing for this agenda item and noted that it relates to a question of vesting. Ms. Camphous-Peterson indicated that she would like this item discussed in closed session and stated that she has sought the advice of legal counsel for this matter.

A motion was made by Trustee Haugh to enter into closed session to discuss the Legal Opinion provided by Mr. Michaud related to Ms. Camphous-Peterson's situation. The motion was supported by Trustee Dan Willis. A roll call vote was taken with all members responding affirmatively to enter into closed session. The motion carried.

After discussion in closed session, the Board returned to open session and Ms. Camphous-Peterson and others were invited back into the room.

A motion was made by Trustee Haugh, supported by Trustee Rocca to postpone further discussion on this issue until the next Board meeting. The motion carried.

10. Retirement Services Report – Cindy Mitchell

Ms. Mitchell reported the activity numbers for the month of February. She noted that they were a little lower than this same time last year, but that things seem to be picking up. She also confirmed that the Annual Signature Verification will likely be going out in the mail by Monday.

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

11. Disability Retirements

a. Jamie Rossmann (Initial Application)

A motion was made by Trustee Rocca, supported by Trustee Grix to adopt the resolution to process the disability retirement application of Jamie Rossmann and direct Human Resources to order the requisite IME.

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, the Retirement Board is in receipt of an application dated March 21, 2023 from Jamie Rossmann requesting a Non-Duty disability retirement; and

WHEREAS, in accordance with Section 28 of the Retirement System Ordinance provides that upon the application of a member, or the Member’s department head, a member who (1) is in the employ of the County, (2) is vested**, and (3) has become or becomes totally and permanently incapacitated for duty in the employ of the County, may be retired by the Board: Provided, that after a medical examination of the member made by or under the direction of the medical director, the medical director certifies to the Board (1) that the member is mentally or physically totally incapacitated for duty in the employ of the County, (2) that such incapacity will probably be permanent, and (3) that the member should be retired, therefore be it

RESOLVED, that the Retirement Board acknowledges receipt of said application and directs the processing of said application in accordance with the Retirement System provisions, and further

RESOLVED, that the Retirement Board directs the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Jamie Rossmann to be examined and to advise the Medical Director of their responsibilities, and further

RESOLVED, that the Retirement Board requests that all medical and/or other information be forwarded to the Medical Director in support of the application, and further

RESOLVED, that the Medical Director fulfill their duties and report to the Retirement Board their findings and certifications, and further

RESOLVED, that copies of this resolution and the Board’s disability retirement procedures be forwarded to Jamie Rossmann, the Medical Director and all other appropriate parties.

The motion carried.

b. James Stanley (Initial Application)

A motion was made by Trustee Rocca, supported by Trustee Grix to adopt the resolution to process the disability retirement application of James Stanley and direct Human Resources to order the requisite IME.

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, the Retirement Board is in receipt of an application dated March 28, 2023 from James Stanley requesting a Non-Duty disability retirement; and

WHEREAS, in accordance with Section 28 of the Retirement System Ordinance provides that upon the application of a member, or the Member's department head, a member who (1) is in the employ of the County, (2) is vested**, and (3) has become or becomes totally and permanently incapacitated for duty in the employ of the County, may be retired by the Board: Provided, that after a medical examination of the member made by or under the direction of the medical director, the medical director certifies to the Board (1) that the member is mentally or physically totally incapacitated for duty in the employ of the County, (2) that such incapacity will probably be permanent, and (3) that the member should be retired, therefore be it

RESOLVED, that the Retirement Board acknowledges receipt of said application and directs the processing of said application in accordance with the Retirement System provisions, and further

RESOLVED, that the Retirement Board directs the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for James Stanley to be examined and to advise the Medical Director of their responsibilities, and further

RESOLVED, that the Retirement Board requests that all medical and/or other information be forwarded to the Medical Director in support of the application, and further

RESOLVED, that the Medical Director fulfill their duties and report to the Retirement Board their findings and certifications, and further

RESOLVED, that copies of this resolution and the Board's disability retirement procedures be forwarded to James Stanley, the Medical Director and all other appropriate parties.

The motion carried.

12. Investment Consultant Report – Mike Holycross

Mr. Holycross advised that he had no formal report for today's meeting.

13. Analyst Report – Gary Cutler

Mr. Cutler reported that he has had a number of discussions with fund managers recently (some new and some existing). He noted in particular that he had spoken with Golub who was hired by the

Retirement System late last year. They are expecting to see about a 10% return on their investment so far.

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

14. Legal Report – Tom Michaud

Mr. Michaud wished everyone a “Happy Easter” and advised that he had nothing to report today.

15. Unfinished Business

a. Administrative Policy Committee Update

Secretary Smigiel reported to the Board that the committee met after the last Retirement Board meeting and will be meeting again today after this meeting concludes. He expects that they will have final recommendations for updates to two policies at the May 4th Board meeting.

16. New Business

a. April 20th Retirement Board meeting

Vice-Chair Santo advised the other Board members that there had been discussion about cancelling the April 20th Retirement Board meeting. There are a number of Board members who will be absent and concerns that there may not be a quorum available on that date.

A motion was made by Trustee Haugh, supported by Trustee Dan Willis to cancel the April 20th Retirement Board meeting. The motion carried.

17. Adjournment

There being no further business before the Board, a motion was made by Trustee Haugh, supported by Trustee Dan Willis to adjourn the meeting at 10:07 a.m. The motion carried.