

MINUTES OF THE RETIREMENT BOARD
Thursday, August 10, 2023

A meeting of the Retirement Board was held on Thursday, August 10, 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:

Mark Deldin, Bryan Santo, Harold Haugh, Larry Rocca, Michael Grix, Dan Willis, Ken Willis, Wendy Fisher

Excused:

Also Present:

Stephen Smigiel, Cindy Mitchell, John Schapka, Joe Biondo, Jennifer Smiley, Andrew McKinnon, 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. The motion carried.

3. Approval of Minutes from July 27, 2023

A motion was made by Trustee Haugh, supported by Trustee Rocca to approve the minutes from July 27, 2023 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. EnTrust Annual Update – Bryan Schneider, David Flynn

Mr. Bryan Schneider and Mr. David Flynn joined the meeting in-person to provide the Board with an update on their investment with EnTrust. Mr. Flynn introduced Mr. Schneider and thanked the Board for their long-standing relationship with EnTrust. Mr. Schneider provided an overview of EnTrust's co-investment strategy and fund structure. He reviewed a summary of investment performance and noted that EnTrust makes hands-on investments (not passive). He examined their liquidity profile and equity market volatility. Mr. Schneider also discussed an investment example (Vistry) and Mr. Holycross asked

some questions. Mr. Schneider and Mr. Flynn also introduced a new investment opportunity called Blue Ocean. AndCo is currently underwriting the investment and Mr. Schneider reviewed its performance as of March 31, 2023. They are currently raising capital with an expected close in the third or fourth quarter of this year.

A motion was made by Vice-Chair Santo, supported by Trustee Dan Willis to receive and file the update provided by EnTrust. The motion carried.

7. 2022 Actuarial Valuation Presentation – Kevin Spanier, Brett Hunter

Mr. Kevin Spanier and Mr. Brett Hunter joined the meeting in-person to provide the Board with the results of the 2022 Actuarial Valuation. Mr. Spanier advised that he had brought hard copies of today's presentation and the full valuation report with him today. He also reported that Buck has been acquired by Gallagher but there have been no changes to the team serving Macomb and none are anticipated.

Mr. Hunter continued the presentation with an overview of the life of a pension plan and the importance of a valuation. He discussed the key results of the December 31, 2022 valuation for the Retirement System. There was a decrease in surplus and an increase in liabilities. The system is currently 101.56% funded. Mr. Hunter talked about the covered population and Mr. Spanier reviewed the plan assets. Mr. Spanier also suggested that a five-year experience study be conducted as well as an examination of the System's funding policy. Buck will put together a proposal for these items and submit it for the Board's review.

A motion was made by Trustee Ken Willis, supported by Vice-Chair Santo to receive and file the 2022 Actuarial Valuation. The motion carried.

8. Retirement Services Report – Cindy Mitchell

Chair Deldin introduced Ms. Wendy Fisher who will be taking over the Retiree Representative position on the Board since George Brumbaugh's passing. Ms. Fisher stated that she is pleased to be joining the Board.

Ms. Mitchell reported that there are still approximately 34 Signature Verifications outstanding. Her office has been in contact with about half of them and she expects that certified mailings will be going out soon. She also advised that sometime in September or October, there will be a mailing going out to advise retirees that there will be a new process for viewing direct deposit stubs online. The County is moving to a new payroll system.

Ms. Smiley invited all of the Board members to the Retiree Luncheon coming up on September 12th at the Lake St. Clair Metropark Activity Center. She noted that the park entry fee will be covered and they can arrive as early as 11:30 a.m. that day.

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

9. Investment Consultant Report – Mike Holycross

Mr. Holycross had no formal report today but provided a handout showing S&P 500 trends from June 2022 through June 2023. He noted the top seven stocks that were driving returns during that period. He

also advised that at the next meeting he will be providing a recommendation for a Fixed Income investment.

A motion was made by Trustee Rocca, supported by Trustee Grix to receive and file the Investment Consultant Report provided by Mr. Holycross. The motion carried.

10. Analyst Report – Gary Cutler

Mr. Cutler stated that he has been pleased with the information he has been providing in his weekly emails and that next week's message may be more long-winded than usual. He hopes the Board finds the messages informative.

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.

11. Legal Report – Tom Michaud

Mr. Michaud had nothing official to report today.

12. Unfinished Business

None

13. New Business

None

14. 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 9:47 a.m. The motion carried.