

MINUTES OF THE RETIREMENT BOARD
Thursday, August 24, 2023

A meeting of the Retirement Board was held on Thursday, August 24, 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:

Joe Biondo, Christina Miller, Jennifer Smiley, Andrew McKinnon, Aaron Castle, 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 Vice-Chair Santo to adopt the agenda. The motion carried.

3. Approval of Minutes from August 10, 2023

A motion was made by Trustee Haugh, supported by Trustee Rocca to approve the minutes from August 10, 2023 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Marathon Annual Update – Jeff Jacob, Scott Boyle

Mr. Jeff Jacob and Mr. Scott Boyle joined the meeting in-person to provide the Board with an update on their investment with Marathon. Mr. Jacob provided a brief introduction and noted that there will be no more capital calls made for the Board's commitment. They expect to start distributing capital in the third quarter. Mr. Jacob discussed a few investment examples from their portfolio (car rental and wound care centers). Trustee Rocca and Mr. Holycross asked some questions and Mr. Jacob and Mr. Boyle responded.

A motion was made by Trustee Ken Willis, supported by Trustee Grix to receive and file the update provided by Marathon. The motion carried.

7. H.I.G. Annual Update – Sergei Schmidt, Adam Schimel

Mr. Sergei Schmidt and Mr. Adam Schimel joined the meeting via Webex to provide the Board with an update on their investment with H.I.G. Mr. Schmidt introduced himself and Mr. Schimel who discussed H.I.G.'s investment strategy. He also stated that they have had a strong track record and have outperformed the credit indices. He summarized the Fund VI portfolio and noted that they have only had one unrealized deal. They are pleased with their performance and touched briefly on the market environment and their outlook for the future.

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

8. Retirement Services Report – Jennifer Smiley

Ms. Smiley reported that the activity numbers for the summer are consistent with last year. She expects that retirement numbers will continue to go up as the end of the year approaches. Ms. Smiley also reported that there are still 19 Annual Signature Verifications outstanding. There are five that her office has not been able to reach at all and some of them are names that are familiar from previous years. Chair Deldin inquired if Ms. Fisher could assist as Mr. Brumbaugh used to. Ms. Fisher said that she had been able to reach one person and they had returned their form. Ms. Smiley stated that she appreciates any assistance the Retirees' Association can provide.

Vice-Chair Santo inquired about the stipulation that employees are not allowed to retire on a holiday but must do so at the end of a pay period. He noted that the ends of two pay periods in November both fall on holidays. He wondered if that is something specified in the ordinance or if it is a written policy or just past practice. Ms. Smiley indicated she would investigate, but she believes it is just past practice. Mr. Cutler added that he believes it is a requirement because there is a County policy that says you must work the day before and the day after a holiday in order to be paid for the holiday. Ms. Smiley also noted that employees are required to work their last day. Ms. Smiley stated that they would never refuse an employee their retirement, but there could be a delay in the processing of their paperwork and receipt of their first pension check. She will look further into the dates in November and provide an update.

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

9. Intermediate Fixed Income Manager Analysis – Mike Holycross

Mr. Holycross discussed the analysis that he provided in the Board's packets for a new investment in Fixed Income. He talked about the current position with Comerica and examined the comparisons of the three candidates provided in the search book.

AndCo is recommending an investment of \$20 million with \$10 million coming from the Comerica legacy investment and \$10 million from Baird. They recommend choosing National Investment Services (NIS). Mr. Holycross asked the Board if they would like to have NIS come in for a presentation or if they would like to move forward with the investment recommendation today. The Board indicated they would like

to meet the individuals from NIS, so Mr. Holycross will extend an invitation to them for the next meeting on September 7th and will coordinate this with Ms. Schave.

A motion was made by Trustee Dan Willis, supported by Trustee Grix to receive and file the Intermediate Fixed Income Manager Analysis provided by Mr. Holycross. The motion carried.

10. Analyst Report – Gary Cutler

Mr. Cutler had nothing formal to report today.

11. Legal Report – Aaron Castle

Mr. Castle distributed copies of an opinion authored by Mr. Michaud in response to a question that had been posed regarding the Board's authority to exert control over the pension of a former employee who had been convicted of a felony committed during their employment. Mr. Castle directed the Board's attention to item #7 on the document which indicated that if the Board were presented with a Court Order regarding forfeiture they would then need to comply with that order (under Section 5 of the Public Employee Retirement Benefits Forfeiture Act).

A motion was made by Vice-Chair Santo, supported by Trustee Haugh to receive and file the legal report provided by Mr. Castle. The motion carried.

12. Unfinished Business

None

13. New Business

Trustee Rocca advised the Board that Mr. Biondo will be moving to the Prosecutor's Office effective September 1st and stated that he will be missed in the Treasurer's Office. Mr. Biondo thanked the Board and Trustee Rocca for their guidance and the education he gained during his time working for Trustee Rocca and attending the Retirement Board meetings.

Mr. Holycross reminded the Board that they had submitted a partial redemption request with Corbin for their investment with Pinehurst. He is recommending that the Board now approve a full redemption request. They would need to approve this today to make the cutoff to request a full redemption.

A motion was made by Trustee Ken Willis, supported by Trustee Dan Willis to submit a full redemption request to Corbin Capital based on Mr. Holycross' recommendation. The motion carried.

Trustee Grix inquired if this money will be re-invested once it is received or if it will be set aside in the cash account. Mr. Holycross indicated that by the time the money comes back, they will likely have a recommendation to re-invest some of the funds and leave some in cash for future capital calls and other expenses.

14. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Haugh to adjourn the meeting at 9:42 a.m. The motion carried.