

MINUTES OF THE RETIREMENT BOARD
Thursday, October 5, 2023

A meeting of the Retirement Board was held on Thursday, October 5, 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:

Skip Maccarone, Jennifer Smiley, 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 Vice-Chair Santo, supported by Trustee Dan Willis to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from September 21, 2023

A motion was made by Trustee Ken Willis, supported by Trustee Haugh to approve the minutes from September 21, 2023 as presented.

Ms. Schave noted for the Board that before the meeting today she added a sentence to the Disability Retirement section indicating that Mr. James Stanley had attended the meeting to speak to the Board. The Board had no objections.

The motion carried.

4. Approval of Invoices

A motion was made by Trustee Haugh, supported by Trustee Dan Willis to approve the invoices as presented. The motion carried.

5. Public Participation

None

6. Robert W. Baird & Company Annual Update – Jeff Simmons

Mr. Jeff Simmons joined the meeting in-person to provide the Board with an update on their investment with Robert W. Baird & Company. He introduced himself and provided an update on the firm and several

notable awards they have received recently. He gave a brief overview of the investment team and discussed an update on investment performance. He stated there have been no changes to Baird's investment philosophy or process. Mr. Simmons also touched on risk controls and portfolio positioning. He examined the portfolio characteristics and a comparison to the benchmark for both the Aggregate Fund and the Intermediate Fund. He provided a brief commentary on the macro environment and answered some questions from Trustee Rocca and Mr. Holycross.

A motion was made by Vice-Chair Santo, supported by Trustee Grix to receive and file the update provided by Constitution Capital. The motion carried.

7. Disability Retirement

a. 2024 Resolution – Re-examination of Disability Retirants

The Board was in receipt of the proposed resolution from Retirement Services regarding the re-examination of disability retirants in 2024.

A motion was made by Trustee Grix, supported by Trustee Dan Willis that the following resolution should be adopted:

WHEREAS, the Retirement Board is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System, and

WHEREAS, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following the retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board may require a disability retirant to undergo a medical examination by or under the direction of the Retirement Board's physician, and

WHEREAS, the Retirement Board has determined that required re-examinations must be performed by the Retirement Board's authorized physician on a schedule that coincides with the retirant's initial date of retirement, and

WHEREAS, it is the policy of the Retirement Board that all disability retirants be required to undergo annual re-examinations for purposes of determining continued eligibility to receive disability retirement benefits unless otherwise determined by the Retirement Board based on reasons that support a disability retirants exclusion from the re-examination requirement, and

WHEREAS, the Retirement Board has reviewed the files of all disability retirants to determine what disability retirants must undergo medical re-examination, therefore be it

RESOLVED, the following disability retirants be re-examined pursuant to Retirement System provisions:

- | | |
|-------------------|---------------------------|
| Lojko, Erica | Rutledge-Dudek, Christine |
| Miottel, Patricia | O'Brien, Siobhan |
| Rossmann, Jamie | Zmick, Amy |
| Derosia, David | Taylor, Ty |
| Malicki, Kelly | Dewalt, Sophie |

and further

RESOLVED, that the Retirement Board's Medical Director is designated to conduct or direct said examinations, and further

RESOLVED, that any member who refuses or fails to submit to said re-examination shall be subject to suspension or termination of disability retirement benefits, and further

RESOLVED, that a copy of this resolution and the appropriate letters be sent to said retirants and said physician consistent with this resolution.

The motion carried.

8. Retirement Services Report – Jennifer Smiley

Ms. Smiley reported that Mr. Stanley has filed an appeal to the denial of his disability retirement application. That will be brought before the Board on a future meeting agenda. She advised that a mailing for retiree Open Enrollment is being prepared and will likely go out next week. Open Enrollment for retirees runs from November 1st through November 17th. Trustee Grix asked some questions about the transition to Workday and how the retirees will be notified. Ms. Smiley responded that the first pension check to be issued out of Workday will be the November 1st check and that information will be mailed to the retirees explaining the transition. She also noted that Open Enrollment will NOT be done electronically as most retirees seem to prefer and be more comfortable with paper.

Chair Deldin inquired if it would be possible to put together some sort of policy statement regarding when employees should notify the retirement office of their intention to retire. He brought this up again because of previous conversations that limit the times employees can retire near the end of the year because of all the holidays. He suggested that the language indicate that 2-3 months' notice should be given. Ms. Smiley indicated that this is on her office's radar and once things have settled down with Workday, they will revisit this topic. Mr. Michaud offered to provide some sample language that is used by other entities he works for that could be placed on the Retirement Services website and paperwork that employees fill out when they apply for retirement.

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

9. Investment Consultant Report – Mike Holycross

a. Private Equity Search

Mr. Holycross reviewed the book that was provided to the Board members in their packets for the recent Private Equity Search conducted by AndCo. There are three candidates up for consideration and he examined the characteristics of each, as well as the key differentiators and fees. He discussed the historical performance of Neuberger Berman and the track record of Performance Equity Management. Trustees Grix and Dan Willis asked some questions and Mr. Holycross responded. Mr. Holycross is recommending a \$10 million investment with Neuberger Berman.

A motion was made by Vice-Chair Santo, supported by Trustee Ken Willis to make a \$10 million investment with Neuberger Berman as recommended by Mr. Holycross pending review of the legal documents. The motion carried.

10. Analyst Report – Gary Cutler

Mr. Cutler advised that he attended the Macomb County Retirees Association annual meeting last week along with County Executive Hackel and Ms. Smiley. He provided the members of the Association with an update on the status of the fund and reported that the retirees are very happy with the Board's decision making and oversight of the Retirement fund.

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

11. Legal Report – Tom Michaud

There was no legal 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 Dan Willis, supported by Trustee Haugh to adjourn the meeting at 9:19 a.m. The motion carried.