

MINUTES OF THE RETIREMENT BOARD
Thursday, November 30, 2023

A meeting of the Retirement Board was held on Thursday, November 30, 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, Dan Willis, Wendy Fisher

Excused:

Michael Grix, Ken Willis

Also Present:

Stephen Smigiel, John Schapka, Cindy Mitchell, Christina Miller, 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 Trustee Haugh to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from November 16, 2023

A motion was made by Trustee Haugh, supported by Trustee Rocca to approve the minutes from November 16, 2023 as presented. 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. Nantucket Annual Update – Bill Goldsmith, Eric Strzempek, Libby Greenstone

Mr. Bill Goldsmith, Mr. Eric Strzempek and Ms. Libby Greenstone joined the meeting in person to provide the Board with an update on their investment with Nantucket. Ms. Greenstone introduced the team and briefly examined Nantucket's philosophy and discussed their performance against their benchmarks from 1996-2023. Mr. Goldsmith continued the presentation and noted that it has been a tough year. He examined a recap of their performance and stated that their investment with Tiger Global failed their expectations. Mr. Strzempek then discussed the actions they have taken to recover, noting that they have reduced their exposure and cut their Tiger Global position in half. Mr. Strzempek also discussed some new funds and terminations indicating that they have become more defensive.

Mr. Goldsmith then reviewed their post-action results as of October 31, 2023. He looked at performance/attribution and strategy exposure as well as the top five contributors and detractors. He also discussed their outlook for the future and corrections they have made since 2022 and indicated they are back on track. Mr. Cutler, Trustee Haugh, Vice-Chair Santo, Trustee Rocca and Mr. Holycross asked the team some questions and Mr. Goldsmith and Mr. Strzempek responded.

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

7. Retirement Services Report – Cindy Mitchell

Ms. Mitchell reported that they are now working with the new payroll system and things seem to be going well. She also reviewed the Activity Report included in the Board’s packets and noted that numbers for this same period are down from last year.

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.

a. James Stanley – Disability Retirement Determination - Appeal

A motion was made by Vice-Chair Santo, supported by Trustee Haugh to adopt the following resolution:

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 for disability retirement from James Stanley dated March 28, 2023 and

WHEREAS, in accordance with Section 28 of the Retirement Ordinance provides that upon the application of a member, or their 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 Retirement 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 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, and

WHEREAS, the Retirement Board has previously acknowledged receipt of said application and directed the processing of said application in accordance with the Retirement System provisions, and

WHEREAS, on August 2, 2023, Dr. Craig Lemmen report and certification reflects that James Stanley is not totally and permanently incapacitated for duty in the employ of the County, and further indicates that James Stanley should not be retired, and

WHEREAS, on James Stanley said applicant exercised their right for appeal and the Retirement Board resolved to have the appeal processed, and

WHEREAS, as of November 3, 2023, Mr. Stanley did not provide any additional medical documentation or records to support is appeal.

WHEREAS, the Retirement Board has discussed this matter and has determined that James Stanley has not met the eligibility requirements for disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Board hereby disapproves the disability retirement of James Stanley and further

RESOLVED, that a copy of this resolution shall be provided to James Stanley and all other appropriate parties.

The motion carried.

Mr. Stanley was present at the meeting and spoke briefly to the Board. He stated that he appreciated their time in reviewing his disability retirement request but is disappointed that he seems to now be stuck in limbo with his employment status. Chair Deldin advised that this Board is only able to address the disability retirement request and is unable to provide any assistance with the issues Mr. Stanley may be having with Human Resources. Mr. Stanley indicated he understood this and thanked the Board for their time.

8. Investment Consultant Report – Mike Holycross

Mr. Holycross had nothing formal to report today. He will have the 3rd Quarter Performance Report and a rebalance recommendation for the next meeting.

9. Analyst Report – Gary Cutler

Mr. Cutler passed along an invitation from Golub (one of the Board’s fund managers) to attend a lunch after the Board’s next meeting to discuss their investment. He will email the Board members with the details for that event.

He also stated that he has continued meeting with both current and prospective managers. He recently met with Intercontinental and noted that the Board has a redemption request in the queue with them. He indicated that Intercontinental is not returning any money right now and he suggested the Board may want to consider increasing the amount of their redemption request.

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

10. Legal Report – Aaron Castle

Mr. Castle directed the Board’s attention to the memo that was emailed to them yesterday regarding recent amendments to the Open Meetings Act. The amendments mean that this Retirement Board would be allowed to meet remotely effective February 13, 2024. Remote meetings are not required, but if the Board decides to opt to hold meetings remotely, the Board will need to adopt a policy and a sample was provided with the memo. Trustee Haugh asked a question about public participation and Mr. Castle responded. Chair Deldin indicated he would like to place this item back on the agenda for the next meeting under “Unfinished Business” so the Board members who are not present today can be involved in the discussion.

A motion was made by Trustee Haugh, supported by Vice-Chair Santo to receive and file the Legal Report as presented by Mr. Castle. The motion carried.

11. Unfinished Business

a. MCERS Benefit Payments & Contributions Report – 1st, 2nd, and 3rd Quarters 2023

Secretary Smigiel noted that these are the reports that are routinely provided to the Board showing payments and contributions by quarter. He indicated that he does not see anything out of the ordinary and directed the Board members to the second page of each report for a breakdown of any payments.

A motion was made by Vice-Chair Santo, supported by Trustee Haugh to receive and file these reports as presented by Secretary Smigiel. The motion carried.

b. 2024 Proposed Board meeting dates

A motion was made by Trustee Rocca, supported by Trustee Dan Willis to adopt the 2024 meeting dates as proposed. The motion carried.

Chair Deldin advised that there are a couple of meeting dates that Mr. Holycross has conflicts with, but he will simply not schedule fund manager presentations on those dates. He also noted that, as in previous years, meetings may be cancelled with advance notice if it appears there is no pressing business to conduct.

12. New Business

a. Certification of 2023 Employee Representative Regular Election

Chair Deldin noted that current Trustee Dan Willis was the only individual who submitted a self-nomination form to run for the Employee Representative seat and was the winner by default per the Board's election policy. Participants in the Retirement System have been notified and the Board now needs to certify these results.

A motion was made by Trustee Haugh, supported by Vice-Chair Santo to certify the results of the 2023 Employee Representative Regular Election. The motion carried.

13. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Dan Willis to adjourn the meeting at 9:44 a.m. The motion carried.