

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, December 14, 2023**

A meeting of the Retirement Board was held on Thursday, December 14, 2023 at 8:30 a.m. in the Administration Building, 9<sup>th</sup> 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, Ken Willis, Dan Willis, Wendy Fisher

**Excused:**

**Also Present:**

Stephen Smigiel, John Schapka, Cindy Mitchell, Christina Miller, Andy 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**

Chair Deldin requested to add an item under "New Business". This would be a discussion of the information emailed to the Board members yesterday regarding a securities litigation matter. He is asking this to be added as 12c. The Board had no objections.

*A motion was made by Trustee Haugh, supported by Trustee Rocca to adopt the agenda as revised by Chair Deldin. The motion carried.*

**3. Approval of Minutes from November 30, 2023**

*A motion was made by Trustee Haugh, supported by Vice-Chair Santo to approve the minutes from November 30, 2023 as presented. The motion carried.*

**4. Approval of Invoices**

There were no invoices presented for payment today.

**5. Public Participation**

None

**6. Retirement Services Report – Cindy Mitchell**

Ms. Mitchell reported notices (emails and letters) related to COBRA had gone out to all the retirees in error. Their phones and email addresses have been inundated with questions about these notices and

they are working on handling all the communication related to this. It appears these were sent out in error via Workday, and she indicated that nothing is changing with retiree benefits.

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

**7. Investment Consultant Report – Mike Holycross**

Mr. Holycross began the presentation with a look at calendar year returns for the S&P 500 for the last 97 years. He noted that this performance is the reason why they maintain long term investment targets. He also provided an update on the “Magnificent 7” through September 30, 2023 and noted that the Board is getting exposure to these names through their investments with World Asset Management. Mr. Holycross also provided an update on Edgewood’s portfolio and indicated that they have a call scheduled with them next week.

Mr. Holycross also gave a brief update on 3<sup>rd</sup> Quarter performance but will provide the Board with the full performance report at the next meeting. He did confirm that the Board is in compliance with their Investment Policy Statement.

**a. Market Value Rebalance recommendation**

Mr. Holycross provided a market value update and is recommending this Board move \$10 million from Equity to Cash to help cover the upcoming capital calls and other distributions.

*A motion was made by Trustee Ken Willis, supported by Trustee Grix to approve the rebalance as proposed by Mr. Holycross. The motion carried.*

**8. Analyst Report – Gary Cutler**

Mr. Cutler discussed the performance of the markets yesterday after the Fed meeting. He offered to answer questions and responded to one from Mr. Maccarone about consumer debt.

*A motion was made by Trustee Ken Willis, supported by Trustee Grix to receive and file the Analyst Report as presented by Mr. Cutler. The motion carried.*

**9. Legal Report – Tom Michaud**

Mr. Michaud noted that there are other agenda items listed that he will discuss, so he does not have anything else that needs to be reported here.

**10. Upcoming Conferences**

**a. MAPERS One-Day Seminar – MotorCity Hotel & Casino – February 29, 2024**

**b. MAPERS Night with the Detroit Red Wings – Little Caesars Arena – February 29, 2024**

*A motion was made by Trustee Haugh, supported by Vice-Chair Santo to approve Board member and staff attendance and related expenses for both MAPERS events in February. The motion carried.*

**11. Unfinished Business**

**a. Michigan Public Act 214 of 2023 – Open Meetings Act amendments**

Mr. Michaud reminded the Board of past discussion related to the recent amendments to the Open Meetings Act. He noted that trustees used to be able to call in to participate in meetings and that during the pandemic trustees were allowed to call in for specific reasons and then it changed again to not allow remote participation at all. Now, effective February 13, 2024 Retiree Health Care Board and Retirement Board trustees will once again be able to participate in meetings remotely (they will be able to vote, and their attendance will count towards a quorum). He noted that if meetings are held solely online, then a system will need to be put in place to allow participation by the public.

Chair Deldin stated that he prefers in-person meetings but could see that there may occasionally be extenuating circumstances that might require remote attendance. Since a policy needs to be put in place either way, it was suggested that this be referred to the Administrative Policy Committee. This Committee is comprised of: Secretary Smigiel, Vice-Chair Santo, Trustee Ken Willis, Mr. Michaud, Mr. Schapka and Ms. Mitchell. They will schedule a time to meet and work on preparing a draft policy to be submitted for the Board's review at the second meeting in January.

**12. New Business**

**a. 2024 Retirement Board Budget – Stephen Smigiel, Secretary**

Secretary Smigiel shared the proposed 2024 budget with the Retirement Board. He noted that this is consistent with prior years with two notable differences. There is a decrease in investment earnings (due to an unfavorable investment year in 2022) and an increase in benefit payments (based on anticipated new retirements). He answered a question from Chair Deldin about the decrease in employer contributions.

*A motion was made by Trustee Haugh, supported by Trustee Dan Willis to approve the budget proposed by Secretary Smigiel. The motion carried.*

**b. Buck Contract Renewals – Stephen Smigiel, Secretary**

**i. Actuarial Services**

Secretary Smigiel shared the document extending the contract for actuarial services with Buck through 2024 and 2025. There is approximately a 2.5% increase in fees each year.

**ii. Experience Study**

Secretary Smigiel shared the document for a proposed experience study to cover the period from 2017 to 2022. The fee listed is consistent with the last fee the Board approved for this type of study five years ago.

**iii. Administration Services**

Secretary Smigiel shared the document extending the contract for hosting services with Buck through 2024 and 2025. There is also an increase in fees each year for these services.

Ms. Mitchell and Secretary Smigiel responded to questions from Trustee Grix and Chair Deldin. Secretary Smigiel indicated that the cost of the Experience Study was not built into the 2024 proposed budget that was just approved. He will bring a budget amendment back to the Board in January for that expense.

*A motion was made by Vice-Chair Santo, supported by Trustee Grix to approve the contract renewals for Buck as presented by Secretary Smigiel. The motion carried.*

**c. Securities Litigation discussion – Tom Michaud**

Mr. Michaud advised the Board that they had been emailed some information about potential litigation related to a loss the Board incurred on one of their investments. He is recommending the Board pursue lead plaintiff status in the class action suit to try and recover some of their loss.

*A motion was made by Trustee Haugh, supported by Vice-Chair Santo to follow the recommendation of Mr. Michaud and engage the outside securities litigation firm to begin pursuing this matter. The motion carried.*

**13. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Ken Willis, supported by Trustee Dan Willis to adjourn the meeting at 9:18 a.m. The motion carried.*