

MINUTES OF THE RETIREMENT BOARD
Thursday, February 22, 2024

A meeting of the Retirement Board was held on Thursday, February 22, 2024 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:

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

Excused:

Mark Deldin

Also Present:

Stephen Smigiel, Jennifer Smiley, Skip Maccarone, Aaron Castle, Mike Holycross, Gary Cutler, Andrew McKinnon

1. Call to Order

There being a quorum of the Board present, the meeting was called to order at 8:32 a.m. by Vice-Chair Santo.

2. Adoption of Agenda

A motion was made by Trustee Ken Willis, supported by Trustee Haugh to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from February 8, 2024

A motion was made by Trustee Rocca, supported by Trustee Haugh to approve the minutes from February 8, 2024 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Centerbridge Partners Annual Presentation – Keith Merrill, Billy Rahm

Mr. Keith Merrill and Mr. Billy Rahm joined the meeting via Webex to provide the Board with an update on their investment with Centerbridge Partners. Mr. Merrill provided an introduction and Mr. Rahm briefly discussed their strategy. He noted they have no office or retail properties in either fund. They have a high retention rate with their team and Mr. Rahm examined their investment process as well as performance as of December 31, 2023. Mr. Merrill and Mr. Rahm talked about market takeaways and strategies for today's market environment. They answered questions from Trustee Rocca, Trustee Haugh, Mr. Maccarone, Mr. Cutler and Mr. Holycross.

A motion was made by Trustee Haugh, supported by Trustee Rocca to receive and file the Centerbridge Partners Annual Update. The motion carried.

7. TerraCap Management Annual Presentation – Pat Melton, Steve Hagenbuckle, Nicholas Vician

Mr. Pat Melton joined the meeting in-person and Mr. Steve Hagenbuckle and Mr. Nicholas Vician joined the meeting via Webex to provide the Board with an update on their investment with TerraCap Management. Mr. Melton introduced the team and the firm. Mr. Hagenbuckle provided an update on Fund V and reviewed their company profile. He noted that Fund V has been closed about a year-and-a-half and talked about the markets they are invested in. Mr. Vician provided a real estate overview and discussed historical movement of interest rates. They also answered questions from Trustees Rocca and Haugh.

A motion was made by Trustee Ken Willis, supported by Trustee Rocca to receive and file the TerraCap Management Annual Update. The motion carried.

8. Retirement Services Report – Cindy Mitchell/Jennifer Smiley

Ms. Smiley advised that the dependent audit will likely begin in April, so her office will be pushing the signature verification process to June/July.

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

9. Investment Consultant Report – Mike Holycross

a. Market Value Update and Rebalance Recommendation

Mr. Holycross presented a rebalance recommendation to raise cash to cover upcoming capital calls and other expenses. He is recommending moving \$10 million from Domestic Equity to Cash.

A motion was made by Trustee Ken Willis, supported by Trustee Dan Willis to follow Mr. Holycross' recommendation and approve the rebalance as presented. The motion carried.

b. Capital Dynamics Investor Consent Request

Mr. Holycross described the request from Capital Dynamics to extend the final closing date of Fund VI to October 2024. He is recommending the Board approve the extension request.

A motion was made by Trustee Dan Willis, supported by Trustee Grix to approve the extension requested by Capital Dynamics. The motion carried.

c. Bloomfield Capital Fund V-Series C allocation request

Mr. Holycross described the request from Bloomfield Capital asking for a \$10 million commitment to Fund V-Series C. This is the amount the Board had previously allocated to Bloomfield's Fund III. He indicated they would be more comfortable with and recommended a commitment of \$5 million.

A motion was made by Trustee Ken Willis, supported by Trustee Rocca to follow Mr. Holycross' recommendation of a \$5 million commitment to Fund V-Series C. The motion carried.

10. Analyst Report – Gary Cutler

Mr. Cutler advised that he will be attending the TerraCap meeting next week and will also be making a visit to the AndCo home office while in Florida.

A motion was made by Trustee Grix, supported by Trustee Dan Willis receive and file the Analyst Report. The motion carried.

11. Legal Report – Aaron Castle

a. Cramer Rosenthal McGlynn – Second Amendment to Investment Management Agreement

Mr. Castle advised the Board that a second amendment request had been received from Cramer Rosenthal McGlynn. This amendment clarifies the calculation of the performance fee and the total fee. He has reviewed this request and recommends the Board approve this amendment.

A motion was made by Trustee Dan Willis, supported by Trustee Grix to approve the request for the second amendment to the IMA for Cramer Rosenthal McGlynn. The motion carried.

12. Upcoming Conferences

a. Spring 2024 MAPERS Conference – Soaring Eagle, Mt. Pleasant – May 18-21, 2024

b. 2024 Franklin Park Annual Meeting – Philadelphia, PA – May 14-15, 2024 (registration open)

The Board was provided with the information available regarding the above events.

Mr. Holycross provided a recommendation in support of the Franklin Park Annual Meeting. Trustee Ken Willis also confirmed that he found a lot of value in the Franklin Park meeting last year and would recommend it.

A motion was made by Trustee Haugh, supported by Trustee Ken Willis to approve Board member and staff attendance and related expenses for the Spring 2024 MAPERS Conference and the 2024 Franklin Park Annual Meeting. The motion carried.

13. Unfinished Business

None

14. New Business

Trustee Haugh asked for an update on the litigation in the Biondo matter. Mr. Castle advised that an answer to the complaint was filed last week.

15. Adjournment

There being no further business before the Board, a motion was made by Trustee Grix, supported by Trustee Dan Willis to adjourn the meeting at 10:00 a.m. The motion carried.