

MINUTES OF THE RETIREMENT BOARD
Thursday, March 7, 2024

A meeting of the Retirement Board was held on Thursday, March 7, 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:

Mark Deldin, Bryan Santo, Harold Haugh, Michael Grix, Dan Willis, Ken Willis, Wendy Fisher

Excused:

Larry Rocca

Also Present:

Stephen Smigiel, Cindy Mitchell, Skip Maccarone, Christina Miller, Tom Michaud, Mike Holycross, Andrew McKinnon

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 Ken Willis, supported by Trustee Grix to adopt the agenda as presented. The motion carried.

3. Approval of Minutes from February 22, 2024

A motion was made by Vice-Chair Santo, supported by Trustee Dan Willis to approve the minutes from February 22, 2024 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Lyrical Asset Management Annual Presentation – Gary Faccenda, Andrew Wellington

Mr. Gary Faccenda and Mr. Andrew Wellington joined the meeting via Webex to provide the Board with an update on their investment with Lyrical Asset Management. Mr. Wellington began the presentation with a brief introduction and described their V-Q-A investment strategy. He talked about deep value and growth and how they are an uncommon combination. Mr. Wellington also examined performance as of December 31, 2023. He looked at the composition of the portfolio and some of the changes that had been made in 2023. Mr. Faccenda added some information about the proposed Collective Investment Trust (CIT) that they

will be launching. He detailed the discounts that would be available to those joining the CIT and those who choose to remain in separate accounts.

A motion was made by Trustee Dan Willis, supported by Vice-Chair Santo to receive and file the Lyrical Asset Management Annual Update. The motion carried.

7. Disability Retirement(s)

a. Jamie Rossmann (Re-examination Opinion)

The Board was in receipt of the Medical Director's confidential medical reports regarding the re-examination of Jamie Rossmann. The Medical Director has concluded, based on the re-examination, that Ms. Rossmann's disability retirement should be continued.

A motion was made by Trustee Ken Willis, supported by Trustee Grix that based on the Medical Director's opinion, the continuation of the disability retirement of Jamie Rossmann should be approved and the following resolution should be adopted:

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, Jamie Rossmann was granted a disability retirement on March 27, 2023, after a finding by the Retirement Board that the requirements of the Retirement System had been met, and

WHEREAS, in accordance with Section 32 of the Retirement Ordinance, at least once each year during the first five (5) years following retirement of a member with a disability pension and at least once every three (3) year period thereafter, the Retirement Board requires a disability retiree to undergo a medical examination directed by the Retirement Board Medical Director, and

WHEREAS, that the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set up an appointment for Jamie Rossmann to be re-examined and to advise the Medical Director of their responsibilities, and

WHEREAS, the Retirement Board is in receipt of a certification from the Medical Director, dated February 20, 2024, which states that Jamie Rossmann is totally and permanently incapable of resuming employment with the County in the same or similar job classification in which said individual was employed at the time of disability, and

WHEREAS, the Retirement Board has discussed this matter and has determined that Jamie Rossmann has met the eligibility requirements for a continual disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Board hereby approves the continual disability retirement of Jamie Rossmann and directs that benefits be paid consistent with the Retirement System's provisions, and further

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

The motion carried.

8. Retirement Services Report – Cindy Mitchell/Jennifer Smiley

Ms. Mitchell reported that they are continuing to work on gathering the data for the dependent audit that is slated to begin in April. They have also been fielding phone calls about corrected 1099s and questions about state taxes.

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. Q4 2023 Performance Report

Mr. Holycross discussed the impact of the “Magnificent 7” on the S&P and reviewed the effect of inflation and interest rates on the markets. He examined the Board’s compliance with Public Act 314 and performance as of December 31, 2023. He looked at performance of the total fund and that of individual managers. Mr. Holycross also expressed disappointment in TerraCap’s recent disclosure of relatively significant markdowns in their portfolio. He indicated that his office is conducting a full analysis and will be reporting back to the Board when that is complete. The Board indicated they may want representatives from TerraCap to come back before them to explain this information. Mr. Holycross stated he would arrange that once AndCo’s analysis is finished.

b. Lyrical Asset Management – CIT launch & discounted fees

Mr. Holycross expanded on the CIT launch that was mentioned by Lyrical during their presentation. He indicated they will definitely be taking advantage of the fee discount for separate accounts and will likely decide by the end of the year whether or not to enter the CIT.

A motion was made by Trustee Ken Willis, supported by Vice-Chair Santo to receive and file the Investment Consultant Report provided by Mr. Holycross. The motion carried.

10. Analyst Report – Gary Cutler

None

11. Legal Report – Aaron Castle

None

12. Upcoming Conferences

None

13. Unfinished Business

None

14. New Business

Chair Deldin advised that there is a proposal for Board room renovations that will be going before the Board of Commissioners for their consideration next week. That may impact the availability of the meeting room the Board has been using. It may be necessary to hold meetings in other locations during the renovations. The Board will be kept advised of the progress of the renovations and if other meeting locations are required.

15. Adjournment

There being no further business before the Board, a motion was made by Trustee Haugh, supported by Trustee Ken Willis to adjourn the meeting at 9:28 a.m. The motion carried.