

MINUTES OF THE RETIREMENT BOARD
Thursday, April 18, 2024

A meeting of the Retirement Board was held on Thursday, April 18, 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, Skip Maccarone, Michael Grix, Ken Willis, Wendy Fisher

Excused:

Dan Willis

Also Present:

Stephen Smigiel, Cindy Mitchell, Christina Miller, Andrew 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

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 April 4, 2024

A motion was made by Vice-Chair Santo, supported by Trustee Grix to approve the minutes from April 4, 2024 as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Bloomfield Capital Annual Presentation – Jason Jarjosa, Mike Lucci

Mr. Jason Jarjosa and Mr. Mike Lucci joined the meeting in person to provide the Board with an update on their investment with Bloomfield Capital. Mr. Jarjosa introduced himself and Bloomfield's strategy. He discussed the investor summary as of December 31, 2023 and talked about two investment profiles (one in flex office space and one in hospitality). He also answered some questions from Mr. Cutler and Mr. Holycross.

A motion was made by Trustee Ken Willis, supported by Vice-Chair Santo to receive and file the Bloomfield Capital Annual Presentation. The motion carried.

7. Golub Capital Annual Presentation – Peter Kenny

Mr. Peter Kenny joined the meeting in person to provide the Board with an update on their investment with Golub Capital. He introduced himself and provided an overview of Golub. He talked about their investment focus and performance in the fourth quarter of 2023. He discussed resiliency in the asset class and examined internal performance ratings. Mr. Kenny also reviewed some domestic portfolio highlights.

A motion was made by Trustee Ken Willis, supported by Trustee Grix to receive and file the Golub Capital Annual Presentation. The motion carried.

8. D. Miller hearing

Mr. Michaud explained the process for this hearing and described the history of the question being addressed today. He provided a full background and advised that this matter had been directed back to the Board by the Court.

Mr. Robert Levi introduced himself and explained his and Mr. Derek Miller's position on this issue. He summed up his argument with the word "fairness." Mr. Levi discussed old ordinances and what they stated about vesting requirements. He argued that Mr. Miller had no idea when he left or when he came back that the vesting requirements might change and stated that Mr. Miller might have made another decision about returning to the County if he'd been aware that his vesting requirements might be different upon his return. He asked that the Board grant Mr. Miller a retirement under the 8-year vesting and noted that since the fund is well over 100% funded this would be the fair thing to do. He questioned the justification for denying Mr. Miller a pension if it doesn't make any difference to the other members of the pension fund since the plan is already fully funded (and has been for many years).

Mr. Miller spoke briefly on his own behalf and stated that all case law aside, he tried to do the right thing at every step in regard to his pension. When he parted with the County the first time, he left his money in the system and stated that benefited the system and the County. When he returned in 2016, he was allowed back into the defined benefit plan, but he believes he should have remained in the 8-year vesting plan because that is what he was in when he left. He is just asking for what he feels is fair. He stated that he has always tried to make the best decisions he could for his future and for his family and based his decisions on what was right and common sense.

Mr. Maccarone asked a question and Mr. Levi responded. Trustee Haugh advised that he has some questions for Mr. Michaud that can be addressed during closed session.

9. Disability Retirement Reviews

a. Christine Rutledge-Dudek (Re-examination Opinion)

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

A motion was made by Trustee Grix, supported by Trustee Ken Willis that based on the Medical Director's opinion, the continuation of the disability retirement of Christine Rutledge-Dudek 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, Christine Rutledge-Dudek was granted a disability retirement on May 10, 2016, 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 Christine Rutledge-Dudek 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 April 1, 2024, which states that Christine Rutledge-Dudek 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 Christine Rutledge-Dudek 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 Christine Rutledge-Dudek 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 Christine Rutledge-Dudek and all other appropriate parties.

The motion carried.

b. David DeRosia (Re-examination Opinion)

The Board was in receipt of the Medical Director’s confidential medical reports regarding the re-examination of David DeRosia. The Medical Director has concluded, based on the re-examination, that Mr. DeRosia’s disability retirement should be continued.

A motion was made by Trustee Grix, supported by Trustee Ken Willis that based on the Medical Director’s opinion, the continuation of the disability retirement of David DeRosia 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, David DeRosia was granted a disability retirement on April 14, 2022, 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 David DeRosia 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 March 29, 2024, which states that David DeRosia 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 David DeRosia 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 David DeRosia 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 David DeRosia and all other appropriate parties.

The motion carried.

10. Retirement Services Report – Cindy Mitchell/Jennifer Smiley

Ms. Mitchell advised the Board that there is a retiree who had wanted to attend the meeting today to present some information during Public Participation, but she ended up sending Ms. Mitchell a letter instead. She will add this letter to a future meeting agenda. This retiree is seeking to request an increase in her pension benefit.

Ms. Mitchell also stated that MMRO approved a disability retirement for Mr. James Stanley and that will also be added to the next meeting agenda.

Mr. McKinnon passed on a compliment to the Retirement Services office from family members of retirees who have recently passed away. He thanked Ms. Mitchell and her team for their diligence and excellent service to these families during a very difficult time.

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

11. Investment Consultant Report – Mike Holycross

Mr. Holycross had nothing formal to report today.

A motion was made by Trustee Haugh, supported by Trustee Ken Willis to receive and file the Investment Consultant Report. The motion carried.

12. Analyst Report – Gary Cutler

Mr. Cutler advised that he has presented a new style of report with more detail on the things he is looking at on behalf of the Board. He is working closely with Mr. Holycross and others at Mariner and expects the transition from AndCo to Mariner will be seamless. He noted they are also reviewing a change that is being discussed within the Yousif Capital Management Dividend Aristocrat portfolio.

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

Chair Deldin advised that the Legal Report will be moved to the last item on the meeting agenda so that the Board can go into closed session to have counsel answer questions related to the Derek Miller hearing.

13. Unfinished Business

a. TerraCap update from Mariner

Mr. Holycross advised that Mr. David Julier in his office has nearly completed his research and is in the process of putting together a summary of his thoughts. This will be available within the next couple of weeks. The Board would like to invite TerraCap to a face-to-face meeting for a discussion at the May 16th meeting. Mr. Holycross will extend that invitation and provide the summary from Mr. Julier to the Board as soon as it is available, so they have an opportunity to review it before that meeting.

14. New Business

a. Advisor Review Schedule memo – Stephen Smigiel

Mr. Smigiel advised the Board that the next service provider up for review in the rotation is the Medical Director. He indicated that depending on feedback from Human Resources and others they could put out a Request for Proposals (RFP) or just do an internal review. Chair Deldin stated that he would like to issue an RFP and see what type of responses they get and then go from there.

A motion was made by Trustee Ken Willis, supported by Vice-Chair Santo to issue an RFP for Medical Director services. The motion carried.

15. Legal Report – Tom Michaud

Mr. Michaud advised that an answer had been filed on behalf of the Board in the Biondo matter and the case is proceeding on schedule.

a. Closed Session

A motion was made by Trustee Ken Willis, supported by Vice-Chair Santo to enter Closed Session. A roll call vote was taken with all members responding affirmatively. The motion carried.

After discussion, the Board returned to Open Session.

16. Adjournment

There being no further business before the Board, a motion was made by Trustee Haugh, supported by Vice-Chair Santo to adjourn the meeting at 11:01 a.m. The motion carried.