

MINUTES OF THE RETIREMENT BOARD
Thursday, September 6, 2018

A meeting of the Retirement Board was held on Thursday, September 6, 2018 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, Bob Smith, Gary Cutler, Carol Grant, Larry Rocca, George Brumbaugh

Excused:

Matthew Murphy

Also Present:

Stephanie Dobson, Stephen Smigiel, Joe Biondo, John Schapka, Tom Michaud, Mike Holycross

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 Smith, supported by Trustee Cutler to adopt the agenda as presented. The motion carried.

3. Approval of Minutes

a. August 23, 2018

A motion was made by Trustee Smith, supported by Vice-Chair Santo to approve the minutes of the August 23, 2018 meeting as presented. The motion carried.

4. Approval of Invoices

A motion was made by Trustee Rocca, supported by Trustee Cutler to approve the invoices as presented. The motion carried.

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson provided another update on the progress of the Annual Signature Verification. At this time, there are now six individuals who have still not returned the required documentation. The deadline to return the necessary form has passed and suspension of pension and health care benefits is slated for October 1st.

Ms. Dobson reported at this time there are almost 800 individuals who have registered to use the online pension calculator tool. She has also been working on updating the Retirement Board website with some FAQs. The County IT department is planning on giving her and her staff access to be able to make their own edits to the site and they will be adding/updating information as they see fit.

A motion was made by Trustee Cutler, supported by Trustee Smith to suspend the pension benefits of those who do not respond to the annual signature verification requirement before September 15, 2018. The motion carried.

7. Disability Retirements

a. Carrie Hogan (Re-examination Opinion)

A motion was made by Trustee Cutler, supported by Vice-Chair Santo to adopt the following resolution and continue the disability retirement of Carrie Hogan:

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, Carrie Hogan was granted a disability retirement on July 23, 2014, 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, the Retirement Board directed the Human Resources and Labor Relations Department to contact the Medical Director to set-up an appointment for Carrie Hogan 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 August 23, 2018, which states that Carrie Hogan 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 Carrie Hogan 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 Carrie Hogan 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 Carrie Hogan and all other appropriate parties.

The motion carried.

b. Amy Bischof (Application)

A motion was made by Trustee Cutler, supported by Trustee Grant to adopt the following resolution to process the disability retirement application of Amy Bischof and direct Human Resources to order an independent medical examination.

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 dated August 23, 2018 from Amy Bischof requesting a non-duty disability retirement, and

WHEREAS, in accordance with Section 28 of the Retirement System Ordinance provides that upon the application of a member, or the member's 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 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 mentally or physically 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, therefore be it

RESOLVED, that the Retirement Board acknowledges receipt of said application and directs the processing of said application in accordance with the Retirement System provisions, and further

RESOLVED, that the Retirement Board directs the Human Resources and Labor Relations Department to contact the Medical Director to set-up an appointment for Amy Bischof to be examined and to advise the Medical Director of their responsibilities, and further

RESOLVED, that the Retirement Board requests that all medical and/or other information be forwarded to the Medical Director in support of the application, and further

RESOLVED, that the Medical Director fulfill their duties and report to the Retirement Board their findings and certifications, and further

RESOLVED, that copies of this resolution and the Board's disability retirement procedures be forwarded to Amy Bischof, the Medical Director, and all other appropriate parties.

** Any member who is not vested, shall be considered vested for the exclusive purpose only of qualifying for disability retirement as provided in Section 28 provided that (1) the Board finds the member is totally and permanently incapacitated for duty as the natural and proximate result of a personal injury or disease arising out of and in the course of the member's actual performance of duty in the service of the County, and (2) the member is in the receipt of workers' compensation on account of the member's physical or mental incapacity. (Section 29 of the Retirement System Ordinance).

The motion carried.

8. AndCo 2nd Quarter Performance Report

Mr. Holycross distributed an additional handout to the Board showing the S&P 500 Total Return Index History since 2007. He briefly discussed this handout and then moved on to the performance report.

He reviewed total fund performance with a gain/loss summary. Year-to-date the beginning market value was just over \$1 billion, net negative contributions were \$17.4 million and return on income has been almost \$21 million (a 2% return).

Mr. Holycross also examined asset allocation (current target vs. policy targets) as of June 30, 2018. He also assessed performance of the individual managers compared to their benchmarks. He also did a quick review of the private investment report including the capital call/distribution summary and pointed out the snapshots of each of the individual managers.

A motion was made by Vice-Chair Santo, supported by Trustee Grant to receive and file the AndCo 2nd Quarter Performance Report. The motion carried.

9. Legislative Update

a. Public Act 202 – Uniform Actuarial Assumptions

Mr. Michaud directed the Board's attention to a memo from his office regarding the Uniform Actuarial Assumptions established by the state treasurer's office under Public Act (PA) 202. These assumptions are for reporting purposes only and become effective in 2019.

Of particular note is the Investment Rate of Return which was set at 7.00%. The Board will need to work with their actuary to run some additional calculations in order to mirror what the state requires now. This is the standard guideline for the Board to utilize on an annual basis. This could be subject to change at some point in the future.

A motion was made by Trustee Smith, supported by Vice-Chair Santo to receive and file the Legislative Update. The motion carried.

10. MAPERS Fall Conference – selection of delegates (2)

A motion was made by Trustee Cutler, supported by Trustee Rocca to name Chair Deldin and Vice-Chair Santo as the Board's delegates for the MAPERS Fall Conference. The motion carried.

11. Unfinished Business

None

12. New Business

Trustee Grant asked what the protocol is when an individual who has applied for disability retirement passes away before the examination process has been completed. Ms. Dobson responded that this particular individual's spouse is eligible to collect her benefit, but her office has not yet heard from him. She has also asked MMRO to waive the cancellation fee for this individual's examination and they have graciously agreed to do so.

Mr. Smigiel advised that he has been presented with a draft copy of a contract extension by Mr. Troy Jaros from Buck. The Board's initial contract with Buck expires on September 22nd. He has passed the draft document on to Mr. Schapka for review and anticipates having that item on the agenda for the

Board's approval at the September 20th meeting. His recommendation is to extend the contract through December 31, 2020, which is when the actuarial services will be up for review next.

13. Adjournment

There being no further business before the Board, a motion was made by Trustee Grant, supported by Trustee Rocca to adjourn the meeting at 9:15 a.m. The motion carried.