

**MINUTES OF THE RETIREMENT BOARD**  
**Thursday, October 11, 2018**

A meeting of the Retirement Board was held on Thursday, October 11, 2018 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, Bob Smith, Matthew Murphy, Gary Cutler, Carol Grant, Larry Rocca, George Brumbaugh

Excused:

Also Present:

John Schapka, Stephen Smigiel, Joe Biondo, Christina Miller, 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. Chair Deldin requested Trustee Rocca introduce the new Investment Officer for the Treasurer's Office. Trustee Rocca introduced Ms. Christina Miller to the Board. Ms. Miller comes to his office from the Sheriff's Department where she has spent the last 15 years.

**2. Adoption of Revised Agenda**

*A motion was made by Trustee Grant, supported by Trustee Murphy to adopt the revised agenda. The motion carried.*

**3. Approval of Minutes**

**a. September 20, 2018**

*A motion was made by Trustee Rocca, supported by Vice-Chair Santo to approve the minutes of the September 20, 2018 meeting as presented. The motion carried.*

**4. Approval of Invoices**

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

**5. Public Participation**

None

**6. Retirement Administrator Report**

None

## 7. Disability Retirements

### a. Robin Silver (initial opinion)

The Board was in receipt of the Medical Director's confidential medical reports regarding the examination of Robin Silver. The Medical Director has concluded, based on the exam, that his disability retirement should be approved.

*A motion was made by Trustee Cutler, supported by Trustee Rocca that based on the Medical Director's opinion, the disability retirement of Robin Silver shall be approved and the following resolution shall 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**, the Retirement Board is in receipt of an application for disability retirement from Robin Silver dated July 13, 2018 and

**WHEREAS**, in accordance with Section 28 of the Retirement Ordinance provides that upon the application of a member, or their 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 Retirement 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 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, and

**WHEREAS**, the Retirement Board has previously acknowledged receipt of said application and directed the processing of said application in accordance with the Retirement System provisions, and

**WHEREAS**, the Retirement Board is in receipt of a certification from the Medical Director, dated September 20, 2018, which states that Robin Silver is totally and permanently incapacitated for duty in the employ of the County, that such incapacity will probably be permanent, and further indicates that Robin Silver should be retired, and

**WHEREAS**, the Retirement Board has discussed this matter and has determined that Robin Silver has met the eligibility requirements for disability retirement from the Retirement System, therefore be it

**RESOLVED**, that the Retirement Board hereby approves the disability retirement of Robin Silver 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 Robin Silver and all other appropriate parties.

*The motion carried.*

**b. Gordon Carpenter (initial application)**

*A motion was made by Trustee Murphy, supported by Trustee Grant to adopt the following resolution to process the disability retirement application of Gordon Carpenter 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 September 16, 2018 from Gordon Carpenter 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 Gordon Carpenter 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 Gordon Carpenter, 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. Term extension for Alidade Capital Fund II, LP**

Mr. Holycross stated that this is the last extension that Alidade can ask for on Fund II. There is one investment that remains on the books and they are anticipating it will be sold sometime early next

year. This fund will close as soon as they sell that asset. He recommends approving this final one year extension.

*A motion was made by Vice-Chair Santo, supported by Trustee Rocca to approve the final term extension for Alidade Capital Fund II, LP. The motion carried.*

**9. Public Act 202 of 2017 update – Uniform Actuarial Assumptions**

Mr. Michaud directed the Board's attention to the executive summary enclosed in their packets that details the assumptions retirement systems are required to use for reporting purposes. He noted that some of these assumptions (particularly the investment rate of return) are different than those adopted by the Board. This will require them to work with their Actuary to work on implementing reporting for these assumptions going forward into 2019.

*A motion was made by Trustee Smith, supported by Trustee Grant to receive and file the Public Act 202 of 2017 update provided by Mr. Michaud. The motion carried.*

**10. Securities Litigation**

Mr. Schapka advised that he had been contacted by two of the law firms that monitor possible securities litigation for the Board. There was a downturn in one of the Board's investments and it concerns the Nielsen Corporation. The loss was occasioned by what appears to be Nielsen potentially not disclosing their expansion into European markets and the fact that European market privacy law does not allow them to mine data (they were representing they would be able to). When that became known, there was a sharp downturn in their stock and Macomb County's loss within a four month period earlier this year was \$320,000.

A lawsuit has already been filed and litigation is pending. This is a class action matter and various parties are now vying for lead plaintiff status. The advantage of lead plaintiff status is control over the litigation as a decision maker as opposed to just being a part of the class. Monroe County and a large electrical workers union are willing to pool their losses with Macomb County to vie for lead plaintiff status. Mr. Schapka spoke with Chair Deldin earlier in the week and agreed they could be included with the motion filed this past Tuesday seeking ratification of lead plaintiff status.

Trustee Murphy inquired if there was any downside to participating at a lead plaintiff. Mr. Schapka responded that the downside is minimal. Chair Deldin noted that of the three, Macomb County suffered the greatest loss. He asked if any recovery would be prorated and Mr. Schapka confirmed that recovery is prorated based on loss.

*A motion was made by Trustee Murphy, supported by Trustee Rocca to ratify this litigation issue. The motion carried.*

**11. Unfinished Business**

None

**12. New Business**

Mr. Holycross advised the Board that he received notification from ClearArc (one of the Board's fixed income managers whose parent company is Fifth Third Bank) is shuttering most of their investment strategies. There is nothing that the Board needs to take action on. The investment will be liquidated and the vast majority of proceeds should be returned in cash by the end of this month with the balance coming in by the end of November. They will let the money sit in cash for now and will do a fixed income search to find a way to redeploy those assets at some point. Trustee Cutler inquired what the dollar amount is the Board had invested with ClearArc. Mr. Holycross checked and advised that it is almost \$13 million.

Chair Deldin reminded the Board that they had made some changes to the Election Policy and now if only one candidate runs for a vacant Employee Representative spot, an election will not be held and they would save the expenses involved in conducting an election. He advised the Board members that the deadline for filing a petition to run for the Employee Representative spot on the Board is October 31, 2018. Thus far, only Trustee Grant has pulled a petition to run.

**13. Adjournment**

*There being no further business before the Board, a motion was made by Trustee Smith, supported by Trustee Grant to adjourn the meeting at 8:42 a.m. The motion carried.*