

MINUTES OF THE RETIREMENT BOARD
Thursday, October 25, 2018

A meeting of the Retirement Board was held on Thursday, October 25, 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:

Bryan Santo, Bob Smith, Matthew Murphy, Gary Cutler, Carol Grant, Larry Rocca, George Brumbaugh

Excused:

Mark Deldin

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 8:32 a.m. by Vice-Chair Santo.

2. Adoption of Agenda

A motion was made by Trustee Cutler, supported by Trustee Smith to adopt the agenda. The motion carried.

3. Approval of Minutes

a. October 11, 2018

A motion was made by Trustee Rocca, supported by Trustee Grant to approve the minutes of the October 11, 2018 meeting as presented. The motion carried.

4. Approval of Invoices

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

5. Public Participation

None

6. Retirement Administrator Report

Ms. Dobson advised that she was not able to produce the monthly Activity Report due to some technical issues with county software this week. She hopes to have that information available at the next meeting.

She also reported that her office has finally received a file with complete data from Martha T. Berry and that data has been loaded into the Buck system. This should ensure that the online calculator tool is working properly now for those members.

Ms. Dobson also advised that the announcement and invitations have gone out for the annual Retiree Holiday Luncheon. Her staff met at the venue yesterday to go over the floor plan and other logistics (including ensuring there is appropriate room for the photographer). Doors open at 10:00 am and lunch is served around Noon. There is a Pension Board meeting scheduled that morning, but the agenda appears relatively light and she is hopeful that many of the Board members will also be able to come to the luncheon.

A motion was made by Trustee Grant, supported by Trustee Smith to receive and file the Retirement Administrator Report. The motion carried.

7. J.P. Morgan investment update – Dan Goldberg

Mr. Dan Goldberg joined the meeting to provide an investment update for the J.P. Morgan Strategic Income Opportunities Fund. He provided a brief background of the product and its place within the realm of fixed income. They are a diversifier to traditional fixed income. Mr. Goldberg also reviewed performance and portfolio characteristics. Their largest investment is in cash and will not force trades if the return is not there.

Trustee Cutler requested that next time J.P. Morgan comes back to report, he would like to see the amount of money the Board has invested, the inception date, and what their specific returns have been since the Board placed money with them. Mr. Holycross said that he will put that information together when this manager is scheduled next time because the investment is through a mutual fund and J.P. Morgan would not have any of the underlying data on when the Board started investing.

A motion was made by Trustee Murphy, supported by Trustee Rocca to receive and file the J.P. Morgan investment update. The motion carried.

8. Unfinished Business

None

9. New Business

Trustee Murphy questioned the Board's recollection of a discussion related to an arbitration decision surrounding the span of time used for calculation of a member's final average compensation (FAC). He recalled that the Board was not setting policy and that they were looking at that as a sole arbitration and if other individuals in a similar situation came forward, theirs would be handled similarly (as opposed to going through another arbitration process).

He asked if Mr. Michaud recalled this discussion. Mr. Michaud recalled this being something that would be handled on a case-by-case basis. That one individual's case was dealt with and that arbitration decision was for that one particular instance. Trustee Murphy advised that there will likely be approximately 30 deputies coming up with similar circumstances and wondered if that means they will each have to go through the grievance procedure. Mr. Michaud indicated that his recollection is that those labor issues will be dealt with through that process and would come back to the Board if

necessary. Trustee Murphy said that he recalled that future like and similar circumstances would be handled per the arbitration ruling that had already been decided. He does not recall there being a need for each member to file a separate grievance. Mr. Michaud said that he did not believe prior discussion had been at that level with this Board, but had solely revolved around that one specific case.

Trustee Murphy inquired whether this was something the Board should place on the next meeting agenda for further discussion. He also asked Ms. Dobson if there have been additional people coming forward with circumstances similar to those of the individual with the arbitration decision. She said she knows of one individual who has an appointment coming up, but has not heard from any others.

Mr. Schapka added that he thinks labor issues are beyond the jurisdiction of this Board. Those issues are between the collective bargaining unit and the County. He does not think there is any plan right now to apply the prior arbitration decision to “everybody”. Situations will be addressed on a case-by-case basis. Trustee Grant asked if that means that each individual will need to go through their own grievance process. Mr. Schapka does not know if they will ultimately need to go through the entire process, but it will be approached on an individual basis.

Vice-Chair Santo asked if there was a motion to put this topic on the next meeting agenda.

Retiree Representative Brumbaugh added that he thinks Mr. Schapka’s advice is solid and that Corporation Counsel should work with Mr. McKinnon to let Human Resources and Labor Relations (HRLR) review this matter. He does not think the Board wants to step into a HRLR issue at this time and the Board should see what the process brings them. Trustee Murphy advised he is fine with the clarification and withdrew his request to have further discussion on this at the next meeting.

10. Adjournment

There being no further business before the Board, a motion was made by Trustee Rocca, supported by Trustee Smith to adjourn the meeting at 9:05 a.m. The motion carried.