

MINUTES OF THE RETIREMENT COMMISSION
Thursday, May 12, 2016

A meeting of the Retirement Commission was held on Thursday, May 12, 2016 at 8:30 a.m., at the Talmer Building, 2nd Floor Finance Department Conference Room, located at 120 North Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Chair David Flynn, Vice-Chair Gary Cutler, Bob Hoepfner, Mark Deldin, Derek Miller, Matthew Murphy, George Brumbaugh

Excused:

Also Present:

Stephen Smigiel, John Schapka, Stephanie Dobson, Tom Michaud, John Kravitz, Mike Holycross

1. Call to Order

There being a quorum of the committee present, the meeting was called to order at 8:50 a.m. by Chair Flynn.

2. Adoption of Agenda

Chair Flynn advised that the GRS Pension & Software Services contract would be added for discussion under "Other Business".

A motion was made by Trustee Miller, supported by Trustee Hoepfner to approve the agenda as presented with the addition of the discussion of the GRS contract. The motion carried.

3. Public Participation

None

4. Approval of Minutes

A motion was made by Trustee Murphy, supported by Trustee Hoepfner to approve the minutes of the April 29, 2016 meeting as presented. The motion carried.

5. Chairman’s Comments

Chair Flynn advised that he had met with Ms. Dobson earlier in the week to discuss time frames for the phases to get the Retirement Commission website up and running with more functionality (including the online pension calculator). He indicated they also talked about the restatement of the Retirement Ordinance. He anticipates presenting a draft of the ordinance to the Board at the June 12th meeting.

6. Disability Retirement

-- Cindy Cooke (Opinion)

The Board was in receipt of the Medical Director’s medical reports and opinion pertaining to Ms. Cooke’s independent medical evaluation. The Medical Director has certified she is mentally or physically totally incapacitated for duty in the employ of the County, that such incapacity will probably be permanent and that she should be retired. Based on the Medical Director’s opinion, the Board concurred to approve Ms. Cooke’s disability retirement.

A motion was made by Trustee Murphy, supported by Trustee Deldin to adopt the following resolution:

WHEREAS, the Retirement Commission 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 Commission is in receipt of an application for disability retirement from Cindy Cooke dated February 1, 2016 and

WHEREAS, Section 28 of the Retirement Ordinance provides that upon the application of a member, or his/her department head, a member who (1) is in the employ of the County, (2) has ten or more years of credited service, and (3) has become or becomes totally and permanently incapacitated for duty in the employ of the County, may be retired by the Retirement Commission: provided, that after a medical examination of the member made by or under the discretion of the medical director, the medical director certifies to the Commission (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 Commission 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 Commission is in receipt of a report from its Medical Director, Dr. Jeffrey Deitch who conducted a comprehensive review of Cindy Cooke's disability claim information on April 28, 2016 and

WHEREAS, Dr. Jeffrey Deitch, in conducting the review, has reviewed all the records provided and as considered such factors as Patient History, Past Medical History, Current Medications, Allergies, Social History, Outside Medial Records, Physical Examination, and

WHEREAS, Dr. Jeffrey Deitch's report and certification reflects that Cindy Cooke is totally incapacitated for duty in the employ of the County, that such incapacity will probably be permanent, and further indicates that Cindy Cooke should be retired, and

WHEREAS, the Retirement Commission has discussed this matter and has determined that Cindy Cooke has met the eligibility requirements for disability retirement from the Retirement System, therefor be it

RESOLVED, that the Retirement Commission hereby approves the disability retirement of Cindy Cooke 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 Cindy Cooke and all other appropriate parties.

Motion carried.

7. EARNEST Partners

Mr. Patmon Malcom and Mr. Pavel Sokolov joined the meeting to present the Board with an update of their investment with EARNEST Partners through March 31, 2016. Mr. Malcom provided a summary of performance history and an equity market overview. He also covered the return differential between emerging and developed markets. Mr. Malcom noted that emerging markets have started to outpace developed markets. Mr. Sokolov covered several sample holdings and Mr. Malcom reviewed sector weights (comparing the Board's portfolio to the benchmark).

A motion was made by Trustee Hoepfner, supported by Trustee Murphy to receive and file the EARNEST Partners presentation. The motion carried.

8. Edgewood Management

Chair Flynn excused himself at 9:40 a.m. and Vice-Chair Cutler assumed control of the meeting.

Mr. Alan Breed and Mr. Gui Costin joined the meeting to provide the Board with an update on the Edgewood Management portfolio. Mr. Costin stated there had been no major changes

within the firm during the last year and indicated there had been no personnel turnover. Mr. Breed covered performance history as of March 31, 2016 and noted a particularly sluggish start to the year primarily caused by companies in the health care sector. He also provided some information on names that had been added to the portfolio recently. Mr. Breed said they feel very good about where the portfolio is today and they have a lot of good ideas they are working on for the future.

A motion was made by Trustee Deldin, supported by Trustee Murphy to receive and file the Edgewood Management presentation. The motion carried.

9. Other Business

Prior to his departure from the meeting, Chair Flynn inquired about when the results of the Employee Representative election would be available. The votes are being counted by Plante Moran on May 17th and the results should be available prior to the next meeting.

Chair Flynn had also opened discussion of the GRS Pension and Software Services contract. Mr. Smigiel advised that the intent of this contract is to extend the service provided by GRS in reviewing EDROs and some additional software support. This is to keep things flowing until the Buck system is fully operational.

A motion was made by Trustee Hoepfner, supported by Trustee Murphy to approve the contract with GRS as presented. The motion carried.

Vice-Chair Cutler indicated he would like to discuss conflicting opinions on mental incapacity as it relates to disability determinations. Ms. Dobson indicated that some of the discrepancies come from the fact that the eligibility for disability must be determined based on the individual's current classification. While they may not be deemed disabled for every job within their department, the Medical Director must base their opinion solely on the individual's specific job duties and treatment for the illness at the time of application for disability.

10. Adjournment

There being no further business before the Board, a motion was made by Trustee Miller, supported by Trustee Deldin to adjourn the meeting at 10:05 a.m. The motion carried.