

MINUTES OF THE RETIREMENT COMMISSION
Thursday, June 25, 2015

A meeting of the Retirement Commission was held on Thursday, June 25, 2015 at 8:30 a.m., at the Macomb County Administration Building, 9th Floor Conference Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Jerry Moffitt – Chair, Dave Flynn, Bob Hoepfner, Gary Cutler, Matthew Murphy, Mark Deldin

Excused:

Darra Slanec – Vice-Chair

Also Present:

Steve Smigiel, John Schapka, Stephanie Dobson, Mike Holycross, Tom Michaud

1. Call to Order

There being a quorum of the committee present, the meeting was called to order at 8:30 a.m. by Chair Moffitt.

2. Adoption of Agenda

A motion was made by Trustee Flynn to adopt the agenda as presented. The motion was supported by Trustee Hoepfner. The motion carried.

3. Public Participation

None

4. Approval of Minutes – June 4, 2015

A motion was made by Trustee Hoepfner, supported by Trustee Murphy to approve the minutes of June 4, 2015 as presented. The motion carried.

5. Approval of Invoices

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

6. Retirement Administrator Report

Ms. Dobson provided an updated Retirement Activity Report which included status updates on various projects her office is working on. Human Resources is upgrading some of its software and a lot of staff time has been spent working on testing and making sure that data is accurate, so that when the time comes to transition from GRS to Buck the data is solid.

Ms. Dobson reported that HR has completed supplying the necessary information to the auditors and the department has been holding meetings several times a week to work on the updated draft of the Retirement Ordinance. It is hoped that the document will be available for the Board to review in early July. The Administrative Policy Subcommittee has been moving forward and there are several items Ms. Dobson would like to bring to the Board for comment. She is working on drafting the EDRO policy and it will be reviewed by the committee. She is also looking for input from the Board in regards to some additions that have been suggested for the Retirement Commission website. These include adding trustee profiles and meeting minutes. These items are not required to be available on the website, but would provide added content and help members gain more useful information.

Ms. Dobson is also still waiting for feedback from the Board on the new retiree survey. She would like to start putting the survey in place with new retirees. Retiree open enrollment is scheduled for late October and her staff will be involved in getting that up and running. Two meetings have been held regarding the Retiree Holiday Luncheon and a save the date has been given to the association. Ms. Dobson also advised that she will be a part of the 2017 negotiations team as there are potential changes related to the retirement articles. She is also a part of the committee to get the 401a started and they are on target for implementation. Ms. Dobson is also still working with Martha T. Berry on a regular basis to make sure they get their file feeds loaded into GRS.

Chair Moffitt proposed sending out the updated draft of the Retirement Ordinance to the participants and have a public hearing to allow for questions and/or comments before the Board takes any formal action. Trustee Murphy indicated he would support that idea. Trustee Flynn inquired about the context of the proposed Ordinance changes. Ms. Dobson responded that the updated draft would seek to provide more clarification and streamline a few areas especially in terms of the definitions.

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

7. Rhonda Vermander – request to purchase part-time service

Ms. Dobson reminded the Board what transpired during Public Participation at the June 4, 2015 meeting in regards to Ms. Vermander requesting to purchase part of her part-time service. Mr. Michaud advised that Ms. Vermander only worked one year (two years are required) on a part-time basis and did not meet the criteria to become a member of the Retirement System. After review of her request, Ms. Vermander is not entitled to purchase her part-time service. Although she was contributing at 3.5% during her part-time service, she was not actually eligible to be a member of the retirement system at that time.

Trustee Cutler suggested an audit of membership dates and the multiplier to ensure that circumstances similar to this do not happen again. Ms. Dobson has already begun this audit and has approximately 200 people that need to be reviewed and it will take her some time to complete the audit.

A motion was made by Trustee Deldin, supported by Trustee Murphy to move Ms. Vermander into the correct contribution category (2.5%) and issue her a refund of the contribution difference plus the appropriate interest. The motion carried unanimously.

8. Disability Retirements

-- Denise Anastos (Application)

A motion was made by Trustee Cutler, supported by Trustee Hoepfner to adopt the resolution to process the disability retirement application of Denise Anastos and direct Human Resources to order an IME. The motion carried.

Ms. Anastos was present, but did not arrive until after Public Participation was closed. Chair Moffitt gave her the opportunity to comment on her application. Ms. Anastos indicated that she did not know whether or not she needed to be at the meeting, but that Vice-Chair Slanec had advised her she could attend if she were so inclined. She reported that she has exhausted her FMLA leave time and that a loudermill hearing has been scheduled for her termination. She wanted to know what would happen with her application for disability retirement under these circumstances. Mr. Michaud advised her that this is the first step in the process and that HR will forward her application on for medical review and that they will handle her case as quickly and as efficiently as possible. Ms. Anastos indicated she had brought additional medical records with her and Mr. Michaud requested she pass them on to Ms. Dobson.

-- LaSonya Swan (Application)

A motion was made by Trustee Cutler, supported by Trustee Murphy to adopt the resolution to process the disability retirement application of LaSonya Swan and direct Human Resources to order an IME. The motion carried.

-- Arin White (Opinion)

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

A motion was made by Trustee Cutler, supported by Trustee Hopefner 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 Arin White dated June 24, 2014 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. Saul Forman, who conducted an independent exam of Arin White on May 4, 2015 and **WHEREAS**, Dr. Saul Forman, 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 Medical Records, Physical Examination, and **WHEREAS**, Dr. Saul Forman's report and certification reflects that Arin White is totally incapacitated for duty in the employ of the County, that such incapacity will probably be permanent, and further indicates that Arin White should be retired, and **WHEREAS**, the Retirement Commission has discussed this matter and has determined that Arin White 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 Arin White 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 Arin White and all other appropriate parties.

The motion carried.

9. Update on Actuarial Service Provider negotiation

Mr. Michaud advised the Board that there have been several discussions regarding the contract and they are working with Buck to determine the services and the associated costs. Chairman Moffitt requested a narrative spelling out all of the options available. Mr. Smigiel advised the Board that he and Ms. Dobson are still working with Buck's implementation team to determine exactly what features are necessary and that the final price will be driven largely by the features that are ultimately selected. Ms. Dobson pointed out that it also important for them to make sure they don't eliminate a feature that will be needed at some point in the future.

10. Penn Square Global Real Estate presentation

Nicole Smeader, Anthony Frammartino and Jeff Barone provided a portfolio review of the Penn Square Global Real Estate Fund I. Their report consisted of a review of the performance and allocation and process and philosophy for fourth quarter 2014. They also provided biographies, a list of current portfolio holdings and an overview of their firm and the market. Trustee Cutler inquired about future capital calls. Ms. Smeader indicated they are not anticipating any additional calls at this time. A motion was made by Trustee Deldin, supported by Trustee Hoepfner to receive and file the report. The motion carried.

11. 1st Quarter Performance Report

The investment consultant presented the 1st Quarter Performance Report. A preliminary performance update as of June 23, 2015 was also distributed at the meeting for informational purposes. The quarterly performance report consisted of a market commentary, total fund performance analysis, manager performance, alternative investments summary, underperforming manager policy and a performance attribution summary. Mr. Holycross provided a performance comparison for each manager vs. their respective benchmarks.

A motion was made by Trustee Hoepfner, supported by Trustee Murphy to receive and file the report as presented by the investment consultant. The motion carried.

12. Other Business

None

13. Adjournment

There being no further business before the Board, a motion was made by Trustee Hoepfner, supported by Trustee Deldin to adjourn the meeting at 9:30 a.m. The motion carried.