

MINUTES OF THE RETIREMENT COMMISSION
Thursday, September 17, 2015

A meeting of the Retirement Commission was held on Thursday, September 17, 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, Darra Slanec – Vice-Chair, Matthew Murphy, Mark Deldin, Dave Flynn, Bob Hoepfner, Gary Cutler

Excused:

Leonard Reinowski

Also Present:

Stephen Smigiel, John Schapka, John Kravitz, 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 Cutler. The motion carried.

3. Public Participation

None

4. Approval of Minutes – August 27, 2015

A motion was made by Trustee Deldin, supported by Trustee Hoepfner to approve the minutes of August 27, 2015 as presented. The motion carried.

Before proceeding with the agenda, Chair Moffitt invited Mr. Holycross to speak. Mr. Holycross reported that Mr. Green has resigned from Morgan Stanley and expressed his disappointment, but assured the Board members that the level of service they have become accustomed to receiving from Graystone will not change. He will be the lead contact person again and as in the past, no information or recommendations will be made without his guidance. He pledges that service and performance from his local team will not change and that they have a wealth of resources they can call upon if necessary. Mr. Holycross invited questions and hearing none, Chair Moffitt resumed the meeting agenda.

5. Retirement Administrator Report

Ms. Dobson reported activity for the month of July. She noted nothing remarkable as the numbers remain close to average for this time of year. Ms. Dobson also reported that per a request at the last meeting, she had gone through all of the disability retirements granted in the last 10 years and found seven (7) permanent disability re-examination waivers had been granted by the Board during that period of time. The last permanent disability re-examination waiver was granted in 2013.

A motion was made by Trustee Deldin and supported by Trustee Murphy to receive and file the Retirement Administrator report. The motion carried.

6. Disability Retirement

-- Denise Anastos (Opinion)

Trustees were in receipt of the Medical Director's confidential medical documents regarding the independent medical examination of Denise Anastos. The Medical Director has certified based on the independent medical exam that Denise Anastos is not mentally or physically totally incapacitated for duty in the employ of the County, and therefore does not meet the requirements for a disability retirement.

A motion was made by Trustee Cutler, supported by Trustee Hoepfner that based on the Medical Director's certification, to deny Denise Anastos a disability retirement and 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 Denise Anastos dated May 27, 2015 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 direction 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. Deborah Heaney, M.D., who conducted an independent exam of Denise Anastos on August 19, 2015, and

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

WHEREAS, Dr. Deborah Heaney, M.D.'s, report and certification reflects that Denise Anastos is not totally incapacitated for duty in the employ of the County, and further indicates that Denise Anastos should not be retired, and

WHEREAS, the Retirement Commission has discussed this matter and has determined that Denise Anastos has not met the eligibility requirements for disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Commission hereby disapproves the disability retirement of Denise Anastos and further

RESOLVED, that a copy of this resolution shall be provided to Denise Anastos and all other appropriate parties.

Motion Carried.

-- LaSonya Swan (Opinion)

Trustees were in receipt of the Medical Director's confidential medical documents regarding the independent medical examination of LaSonya Swan. The Medical Director has certified based on the independent medical exam that LaSonya Swan is not mentally or physically totally incapacitated for duty in the employ of the County, and therefore does not meet the requirements for a disability retirement.

A motion was made by Trustee Cutler, supported by Trustee Hoepfner that based on the Medical Director's certification, to deny LaSonya Swan a disability retirement and 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 LaSonya Swan dated June 12, 2015 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 direction 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. Shlomo Mandel, M.D., who conducted an independent exam of LaSonya Swan on August 11, 2015, and

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

WHEREAS, Dr. Shlomo Mandel, M.D.'s, report and certification reflects that LaSonya Swan is not totally incapacitated for duty in the employ of the County, and further indicates that LaSonya Swan should not be retired, and

WHEREAS, the Retirement Commission has discussed this matter and has determined that LaSonya Swan has not met the eligibility requirements for disability retirement from the Retirement System, therefore be it

RESOLVED, that the Retirement Commission hereby disapproves the disability retirement of LaSonya Swan and further

RESOLVED, that a copy of this resolution shall be provided to LaSonya Swan and all other appropriate parties.

Motion Carried.

7. Permanent Waiver Request

-- Elizabeth Carver

Mr. Michaud advised the Board he has been in contact with Ms. Carver's attorney and was told that there are two additional medical reports that they would like to submit for review. As those reports have not yet been submitted, Mr. Michaud requested this matter be tabled until the next meeting to allow her attorney time to submit those reports. He will contact him and advise him that any additional information he wishes to submit must be provided prior to the next meeting (September 24, 2015).

A motion was made by Trustee Murphy and supported by Trustee Hoepfner to table the Permanent Waiver Request until the next meeting. The motion carried.

8. Proposed Actuarial Service Provider contract

Mr. Michaud noted that the fee structure is included in the proposed contract and he reminded the Board of the limit of liability provision at \$1.5 million (a higher limit than many other systems). Trustee Cutler inquired about the hours for data collection on page nine at 20 hours, but listed at 25 hours on page eleven. Mr. Michaud confirmed the amount should be 25 hours and will make the necessary correction on page nine of the agreement. Mr. Schapka did not express any concerns about this agreement. Trustee Flynn asked Mr. Smigiel his opinion about whether or not Buck will be able to get up and running in time to produce the GASB information necessary for the audit next year. Mr. Smigiel outlined several options available to the Board and indicated he will need to speak with Mr. Langer for more details. He also noted that GRS is still working on completing the 2014 valuation.

A motion was made by Trustee Flynn and supported by Trustee Hoepfner to approve the proposed Actuarial Service Provider contract with Buck Consultants. The motion carried.

9. Discussion regarding membership after January 1, 2016

Mr. Michaud reiterated the original question regarding whether or not employees hired into the County after January 1, 2016 would be considered members of the Retirement System. They will make a minimal contribution into the system and it must be determined if that \$1,000 contribution entitles them to voting rights and opportunities to serve as trustees on the Board. Trustee Murphy inquired about the reason for the \$1,000 contribution requirement. Mr. Smigiel advised this was done for actuarial purposes to maintain an “open” retirement system. Trustee Deldin expressed concern about allowing people who only have a minimal interest in the plan to serve on the Board and make decisions regarding plan assets.

Mr. Michaud indicated that this is something that will need to be examined during the meetings discussing the restatement of the Retirement Ordinance (it will likely ultimately be tied to the final definition of “membership”). The Administrative Policy Subcommittee will examine this further during their meetings.

10. McMorgan Infrastructure

Mr. Mark Taylor reviewed the fund’s participation in the Global Strategic Investment Alliance (an investment consortium developed by the Ontario Municipal Employees Retirement System to allow joint investment in large-scale infrastructure assets). He provided an overview of the program, and reviewed the funding strategy. He also gave a capital deployment update and an assessment of the fund’s future outlook. Mr. Taylor also provided an overview of several of the current and committed fund investments.

A motion was made by Trustee Slanec and supported by Trustee Hoepfner to receive and file the McMorgan Infrastructure report. The motion carried.

11. ITS Capital 2nd Quarter Report

Mr. Holycross reported that ITS will be closing this fund soon. There is a lack of availability in film credits and they were not interested in keeping this part of the business going. There are only three films outstanding and the company is in the process of winding down within the next 12-15 months.

A motion was made by Trustee Flynn and supported by Trustee Hoepfner to receive and file the ITS Capital 2nd Quarter report. The motion carried.

12. Other Business

A motion was made by Vice-Chair Slanec, supported by Trustee Hoepfner to approve the invoice as presented. The motion carried.

13. Adjournment

There being no further business before the Board, a motion was made by Vice-Chair Slanec, supported by Trustee Hoepfner to adjourn the meeting at 9:22 a.m. The motion carried.