

MINUTES OF THE RETIREMENT COMMISSION
Thursday, January 29, 2015

A meeting of the Retirement Commission was held on Thursday, January 29, 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, Mark Deldin, Dave Flynn, Bob Hoepfner, Matthew Murphy

Excused:

Gary Cutler

Also Present:

John Kravitz, John Schapka, Greg Suma, Steve Smigiel
Brian Green, Mike Holycross, Tom Michaud
Gary Bender, Ted Miller, Eric Lessanau, World Asset

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 Hoepfner.

2. Adoption of Agenda

A motion was made by Trustee Flynn, supported by Trustee Hoepfner to adopt the agenda as presented. Motion Carried.

3. Public Participation

4. None

5. Approval of Minutes

A motion was made by Trustee Deldin, supported by Trustee Murphy to approve the minutes of January 15, 2015 as presented. Motion Carried.

6. Approval of Invoices

A motion was made by Trustee Flynn, supported by Trustee Deldin to approve payment of invoices as presented. Motion Carried.

7. Retirement Administrator Report

Greg Suma distributed a correspondence which revised the pay scale for the request to reclass the existing Retirement Assistant position to a Retirement Specialist. Mr. Suma indicated the level of responsibilities the position entails justifies the position upgrade. There were no objections from the trustees. It was noted that the Agreement for Retirement Administration Services will reflect this change.

Trustee Flynn asked about the status of the agreement. Mr. Smigiel indicated he is finalizing it and will have a draft ready for the February 19, 2015 meeting.

Chair Moffitt asked about the status of the Actuary RFP. Mr. Suma responded he will provide a matrix of the responses for the next meeting.

8. World Asset Management Portfolio Update

Gary Bender, Eric Lessanau and Ted Miller were in attendance to provide an investment review of the domestic/international equities and the fixed income portfolios. Mr. Bender, Mr. Lessanau and Mr. Miller each provided a comprehensive review of how portfolios are created to replicate each of the respective indices as well as tracking performance dispersion to corresponding benchmarks. Mr. Miller responded to the Board's question pertaining to the underperformance in the international portfolio. An update on personnel additions and new products was also provided.

A motion was made by Trustee Slanec, supported by Trustee Murphy to receive and file the World Asset Management portfolio update. Motion Carried.

9. Correspondence re: Eligible Rollover Distributions

Tom Michaud provided an overview on recent IRS changes pertaining to eligible rollover distributions.

A motion was made by Trustee Flynn supported by Trustee Deldin to receive and file the correspondence regarding Eligible Rollover Distributions. Motion Carried.

10. Adopt Notice to Recipients of Lump Sum Distributions Resolution

Tom Michaud indicated the proposed resolution updates the current resolution, adopted on January 12, 2007, which incorporates the recent IRS changes to eligible rollover distributions.

A motion was made by Trustee Hoepfner, supported by Trustee Slanec to adopt the Notice to Recipients of Lump Sum Distributions Resolution. Motion Carried.

Chair Moffitt requested that Mr. Suma post the information discussed in items 9 and 10 on the Retirement website, so that employees are aware of the regulations prior to retirement.

11. 2013 Summary Annual Report

Steve Smigiel provided an overview of the 2013 Summary Annual Report, which is a requirement of PA 347. As required by law, the report encompasses a comprehensive outline of the Retirement System's fiduciaries/service providers, asset/investment information, actuarial data and an itemized budget with projected expenditures (including a professional/training education line item). Mr. Smigiel noted that all the information has been audited and extracted from the County's CAFR.

A motion was made by Trustee Deldin, supported by Trustee Murphy to adopt the 2013 Summary Annual Report as presented. Motion Carried.

12. Adopt 2015 Projected Budget

The Board was in receipt of the 2015 Projected Budget, which included 2012/2013 (actual expenses), 2014 budgeted and 2015 projections for anticipated expenditures. Chair Moffitt felt that a more detailed budget should be presented and asked Mr. Smigiel to provide specific line items for each of the categories. He requested that a summary of what has been paid to each manager annually be provided as well. Trustee Flynn mentioned the Agreement for Retirement Services should be approved prior to adopting a budget.

A motion was made by Trustee Flynn, supported by Trustee Murphy to table adoption of the 2015 budget until the February 19, 2015 meeting. Motion Carried.

13. Discuss Administrative Policy Committee

Chair Moffitt suggested trustees who are interested in volunteering for the Administrative Policy Committee should email the Secretary prior to the next meeting. The Board then can determine which members will be appointed and schedule dates.

14. Other Business

There was no other business.

15. Adjournment

There being no further business before the Board, the meeting was adjourned at 9:30 a.m.