

MINUTES OF THE RETIREMENT COMMISSION
Thursday, February 26, 2015

A meeting of the Retirement Commission was held on Thursday, February 26, 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, Gary Cutler, Bob Hoepfner, Matthew Murphy

Excused:

Dave Flynn, Mark Deldin

Also Present:

John Kravitz, John Schapka, Eric Herppich, Steve Smigiel, Leonard Reinowski, Stephanie Dobson

Brian Green, Tom Michaud

Brent Jesko, Rick Plawecki – Reinhart Partners, Inc.

Meredith Mertens, Richard Hirayama – WHV International Equity

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 Hoepfner, supported by Trustee Cutler to adopt the agenda as presented. Motion Carried.

3. Public Participation

None

4. Retirement Administrator Report

Eric Herppich introduced Stephanie Dobson who is the Acting Retirement Administrator. Stephanie Dobson updated the Board on the retiree numbers for January. She also discussed current projects – 2014 Annual Part-Time Audit, 2014 Actuarial Data, MMRO Process, Department of Roads Payroll Update, Martha T. Berry Update, Retirement Ordinance update and Policy Review Committee.

GRS Benefit Estimator Proposal – RFP results and interview schedules will be discussed at next months meeting.

5. Retirement Administrator Job Description

Eric Herppich spoke about the Retirement Administrator job description and has added "at will" to the job description. He also included health care under experience and took out investment management.

A motion was made by Trustee Cutler, supported by Darra Slanec to receive and file the Retirement Administration Job Description. Motion Carried

6. Reinhart All Cap Portfolio Update

Brent Jesko and Rick Plawecki provided a portfolio review of the all cap private market value (mid cap focus). They discussed performance history, attribution, sector weightings, allocation and characteristics.

A motion was made by Trustee Slanec, supported by Trustee Hoepfner to receive and file the portfolio update as presented by Reinhart. Motion Carried.

The investment consultant advised the Board of poor performance relative to benchmark since inception and poor stock selection in 2014. A recommendation was made that Reinhart be placed on a "watch list" for six months. The investment consultant will closely monitor the portfolio and review monthly performance updates throughout the watch period.

A motion was made by Trustee Slanec, supported by Trustee Hoepfner to place Reinhart All Cap on a "watch list" from January 1, 2015 through June 20, 2015. Monthly performance reports are expected to be supplied to Brian Green. Motion Carried.

7. WHV International Portfolio Update

Meredith Mertens and Richard Hirayama provided a portfolio review of the primarily large cap international growth stocks. Richard Hirayama discussed long-term strategy. He advised they have added one research analyst. Performance, attribution, characteristics, allocation along with investment philosophy and investment process was discussed. Energy supply and demand was discussed in great detail.

A motion was made by Trustee Slanec, supported by Trustee Hoepfner to receive and file the portfolio update as presented by WHV International. Motion Carried.

8. Other Business

There was no other business.

9. Adjournment

There being no further business before the Board, the meeting was adjourned at 10:05 a.m.