

BOARD OF TRUSTEES OF THE CITY OF FARMINGTON HILLS, MICHIGAN
EMPLOYEES' RETIREMENT SYSTEM
MINUTES – AUGUST 5, 2022
CITY HALL COMMUNITY ROOM

1) Call Meeting to Order

Chairperson Gould called the meeting of the Board of Trustees of the City of Farmington Hills Employees' Retirement System (ERS) to order at 9:03 a.m. on August 5, 2022, in the City Hall Community Room.

Roll call.

Board Members Present: Eric Gould
Lauri Siskind
Tom Skrobola
Tim Waker
Stacy Parke
Domenic Lauria

Others Present: Attorney Michael VanOverbeke; Investment Consultants Brian Green; Pension Accountant Susan Hardy; Finance Department Secretary Kim Ried.

2) New Trustee Tim Waker took the Oath of Office as performed by City Clerk Pam Smith for the General Trustee unexpired term through December 31, 2024.

3) Approval of Agenda - Chairperson Gould requested 2 items be added to New Business, item 9F) Fradette DRO and item 9G) Ancora request for reference contact. **MOTION #FH-2022-24:** Tom Skrobola made a motion to approve the agenda as amended. Seconded by Lauri Siskind. Unanimously approved.

4) Approval of Minutes - Lauri Siskind requested we clarify in Item 7C that it involves the "Funding" policy. **MOTION #FH-2022-25:** Lauri Siskind made a motion to approve the meeting minutes of May 16, 2022 as amended. Seconded by Domenic Lauria. Unanimously approved.

5) Public Comments and Questions - Police Lt. Brian Moore was in attendance and introduced himself. He is running in the current election for the open position of Police/Fire Trustee which will be decided on August 16th.

6) Board Member Correspondence, Comments & Announcements - The Board members introduced themselves to the new Trustee.

7) Routine Matters

A. **MOTION #FH-2022-26:** Lauri Siskind made a motion to accept the quarterly Report of Refunds, Beneficiary Changes, New Retirees and New Applications for Membership as of June 30, 2022. Seconded by Tom Skrobola. Unanimously approved.

B. **MOTION #FH-2022-27:** Tom Skrobola made a motion to accept the Report of Retirement System and Retiree Healthcare expenses paid for the quarter ending June 30, 2022. Seconded by Domenic Lauria. Unanimously approved.

C. The Investment Subcommittee (ISC) did not meet. The current members are Tom Skrobola, Lauri Siskind and Stacy Parke.

- D. Attorney VanOverbeke gave an update on the Pension Rescue bill proposals. They have been put to the side because Michigan's budget this year contains a grant program for retirement systems below 60% funded. We are not eligible. At this time there are no updates on the OMA.
- E. Administrator Tom Skrobola attended a MAPERS conference session on system management and policies where Michael VanOverbeke provided a list of recommended items for a Trustee Handbook. Kim Ried blended this list with our own handbook items and provided each Board member a flash drive containing an updated Trustee Handbook. The Handbook/flash drives can be updated by bringing them back to us or by emailing updates. Michael VanOverbeke will review this list of policies as part of his ongoing project to update the Board's policies. Tom updated the Board on the ongoing union negotiations and that there are tentative agreements with all 5 unions. Susan Hardy reported that everything has gone smoothly with closing the fiscal year.

8) Old Business – None.

9) New Business

- A. The 2nd Quarter Investment Performance Report as of June 30, 2022, was presented and discussed with the Board by Financial/Investment Advisors Brian Green of AndCo Consulting. The Retirement System performance was down 9.27% during the quarter compared to the Policy Index being down 10.41% during the quarter, ranking in the 28th percentile. The Retiree Healthcare Fund performance was down 9.46% during the quarter compared to the Policy Index being down 10.41% during the quarter, ranking in the 32nd percentile. AndCo recommended no changes at this time. AndCo Consulting noted that due to declines in the equity and fixed income markets, the Real Estate allocation fell above the 10% maximum allowed under Public Act 314. Corrective action was taken to reduce the allocation via a redemption from PRISA II and Brookfield. In addition, market gains post quarter end has brought the allocation back into compliance. **MOTION #FH-2022-28:** Stacy Parke made a motion to receive and file the AndCo quarterly investment reports for ERS and Post-Retirement Health Care. Seconded by Domenic Lauria. Unanimously approved.
- B. AndCo Financial Advisor Brian Green gave an overview of the Investment Policy Statement (IPS) which was last updated in September 2021. He has no recommended changes. The review date at the bottom of the pages should be updated to reflect that it was reviewed on an annual basis. The Board discussed language in item D9 that should also be included in item C. Brian will update the IPS and bring it to the next meeting for a motion.
- C. AndCo Financial Advisor Brian Green gave a short educational presentation on the measurement of inflation.
- D. The MAPERS Fall Conference will be held September 17-20 on Mackinac Island. The Board must assign 2 voting delegates and 2 alternates to participate in votes on matters coming before the conference. **MOTION #FH-2022-29:** Lauri Siskind made a motion to appoint Board members Stacy Parke and Tom Skrobola as voting delegates at the Fall 2022 MAPERS Conference, with alternates Domenic Lauria and Tim Waker. Seconded by Domenic Lauria. Unanimously approved.
- E. There is no need to have the regular scheduled meeting on September 30th, so it will be canceled. A virtual Round Table discussion lead by AndCo Consulting will be held instead. **MOTION**

#FH-2022-30: Tom Skrobola made a motion to cancel the September 30th meeting. Seconded by Stacy Parke. Unanimously approved.

F. Attorney Frank Judd had reviewed the Fradette DRO and recommended approval of the drafted related Resolution. **MOTION #FH-2022-31:** Domenic Lauria made a motion to acknowledge receipt of a DRO to participant Donald F. Fradette and to adopt the Resolution prepared and recommended by counsel. Seconded by Lauri Siskind. Unanimously approved.

G. Eric Gould brought forward a request from Ancora, one of our money managers, for us to be a reference contact when requested by other organizations as part of their RFP process. Eric will be the contact person. There were no objections by the Board.

H. The Board confirmed the next regular meeting date of Friday, November 11, 2022, at 9:00 a.m. in the Community Room.

10) MOTION #FH-2022-32: Without objection, Chairperson Gould adjourned the meeting at 11:26AM.

**Respectfully Submitted,
Thomas C. Skrobola
Secretary-Treasurer, Board of Trustees**

Procedures for accommodations for persons with disabilities:

Anyone planning to attend the meeting remotely or who has need of special assistance under the Americans with Disabilities Act (ADA) is asked to contact the City Clerk's Office at 248-871-2410 at least two (2) business days prior to the meeting, wherein necessary arrangements/accommodations will be made.