

BOARD OF TRUSTEES OF THE CITY OF FARMINGTON HILLS, MICHIGAN
EMPLOYEES' RETIREMENT SYSTEM
MINUTES – MAY 12, 2023
CITY HALL COMMUNITY ROOM

1) Call Meeting to Order

Chairperson Lauri Siskind called the meeting of the Board of Trustees of the City of Farmington Hills, Michigan Employees' Retirement System (ERS) to order at 9:01 a.m. on May 12, 2023, in the City Hall Community Room.

Roll call.

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

Others Present: Attorney Michael VanOverbeke; Investment Consultants Brian Green and Mike Holycross; Pension Accountant Susan Hardy; Finance Department Secretary Stephanie Keimer.

2) Approval of Agenda - MOTION #FH-2023-13: Eric Gould made a motion to approve the agenda with 2 amendments. The Administrators report will be added as item 6C above the Attorney report. The date on item 7C should be June 30, 2024, not June 30, 2025. Seconded by Tom Skrobola. Unanimously approved.

3) Approval of Minutes – MOTION #FH-2023-14: Eric Gould made a motion to approve the meeting minutes of February 10, 2023. Seconded by Tim Waker. Unanimously approved.

4) Public Comments and Questions - None.

5) Board Member Correspondence, Comments & Announcements

A. The Investment Subcommittee (ISC) did meet. The current members are Eric Gould, Brian Moore, and Stacy Parke. Their report is as follows:

Our fiduciary responsibilities include examining and evaluating our portfolio and investment policy. It has been several years since the Board's last examination and evaluation.

The ISC reviewed the plan's asset allocation mix and 2023 projected returns and projected risk. AndCo provided data for models based on the current investment policy, re-allocation under a traditional portfolio model, and re-allocation reducing alternative investments and increasing fixed income allocations. The "traditional only" and "less hedge fund, more fixed income" both provide a similar projected return to the current policy, with less risk.

To maximize flexibility and opportunities, reducing alternative investment allocations requires lead time. This requires current action to submit a redemption request for a September 30 window. This allows us to get us "in line" to recover funds. The request may be rescinded up to 5 days before the redemption date.

- B. The MAPERS Spring Conference is coming up on May 20-23, 2023. Lauri Siskind, Eric Gould, Tim Waker, Brian Moore, and Stacy Parke will be attending.
- C. Lauri Siskind noted for the board that she had recently attained 20 years on the Retirement System board and expressed appreciation to the City for providing such an important benefit to its employees.

6) Routine Matters

- A. **MOTION #FH-2023-15:** Stacy Parke made a motion to accept the quarterly Report of Refunds, Beneficiary Changes, New Retirees and New Applications for Membership as of March 31, 2023. Seconded by Eric Gould. Unanimously approved.
- B. **MOTION #FH-2023-16:** Domenic Lauria made a motion to accept the Report of Retirement System and Retiree Healthcare expenses paid for the quarter ending March 31, 2023. Seconded by Stacy Parke. Unanimously approved.
- C. Administrator report:
 - Pension – Defined Benefit conversion project: Tom Skrobola reported that out of the 149 people eligible to purchase prior service with the City, 54 purchased prior service. The funds for all prior service purchased totaled \$3.2 million.
 - Tom Skrobola reported the new Assistant Finance Director, Teresa Jablonski, will be starting on May 30, 2023.
- D. Attorney Michael VanOverbeke has nothing to report at this time.

7) Old Business

- A. The Board reviewed both ERS & RHCF signed consent forms from Reinhart. This was for informational purposes only. No action required.
- B. Pension Custodian – (Comerica): The current agreement expires on December 31, 2023. **MOTION #FH-2023-17:** Eric Gould made a motion to receive the fee schedule and extend the agreement through December 31, 2024. Seconded by Stacy Parke. Unanimously approved.
- C. Actuary – (Gabriel Roeder Smith & Company): The current agreement expires on June 30, 2023. **MOTION #FH-2023-18:** Domenic Lauria made a motion to receive the fee schedule and renew through June 30, 2024, with the City paying for the one-time setup fees for employees recently added to the Defined Benefit system due to the re-opening of the Defined Benefit System, as well as \$1,470 (7% of \$21,000 cost) for the Retiree Health Care Study, which is recommended to take place one year earlier than usual (for the period ending 6/30/2023 vs. 6/30/2024). Seconded by Stacy Parke. Unanimously approved.
- D. The Board reviewed the fee schedule from AndCo. This was for informational purposes only. No action required.

8) New Business

- A. The Board reviewed the proposed FY 2023/24 Retirement Board budget. **MOTION #FH-2023-19.** Stacy Parke made a motion to approve the budget as presented. Seconded by Tim Waker. Unanimously approved.

- B. The 1st Quarter Investment Performance Report as of March 31, 2023, was presented and discussed with the Board by Financial/Investment Advisors Brian Green and Mike Holycross of AndCo Consulting. The Retirement System performance was up 3.72% during the quarter compared to the Policy Index being up 4.57% during the quarter, ranking in the 74th percentile. The Retiree Healthcare Fund performance was up 3.79% during the quarter compared to the Policy Index being up 4.57% during the quarter, ranking in the 70th percentile. There is currently a redemption request for Corbin in the amount of 1.5 million which will be paid out on May 20, 2023. The Board will discuss another possible redemption request at the next meeting on August 11, 2023. **MOTION #FH-2023-20:** Eric Gould made a motion to accept and file the AndCo quarterly investment reports for ERS and Post-Retirement Health Care. Seconded by Stacy Parke. Unanimously approved.
- C. AndCo Financial Advisors discussed the previous redemption request the Board entered from Corbin for both ERS and Healthcare. Brian Green suggested the Board add a recurring agenda item under Old Business labeled “Review of Corbin”. This will allow the Board to review the market conditions and decide whether to continue with redemption requests that have already been entered and/or enter new redemption requests. **MOTION #FH-2023-21:** Stacy Parke made a motion to enter a redemption request from Corbin for 25% of the available balance for ERS for the September 30, 2023 redemption window. Seconded by Brian Moore. Unanimously approved. **MOTION #FH-2023-22:** Eric Gould made a motion to enter a redemption request from Corbin for 25% of the available balance for Retiree Healthcare for the September 30, 2023 redemption window. Seconded by Domenic Lauria. Unanimously approved. The Board will consider, based on market conditions, rescinding and/or reducing these redemption requests from Corbin at the August 11, 2023, meeting.
- D. **MOTION #FH-2023-23:** Domenic Lauria made a motion to appoint Board members Brian Moore and Tim Waker as voting delegates at the Spring 2023 MAPERS Conference, with alternate Stacy Parke. Seconded by Brian Moore. Unanimously approved.
- E. AndCo will be holding an informational roundtable on domestic equity on June 23, 2023, at 9:00am. No action required.
- F. The Board confirmed the next regular meeting date of Friday, August 11, 2023, at 9:00 a.m. in the Community Room.
- 9) **MOTION #FH-2023-24:** Without objection, Chairperson Siskind adjourned the meeting at 11:11AM.

**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.