

**BOARD OF TRUSTEES OF THE CITY OF FARMINGTON HILLS, MICHIGAN**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**MINUTES – FEBRUARY 11, 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, Michigan Employees' Retirement System (ERS) to order at 9:05 a.m. on February 11, 2022, in the City Hall Community Room.

**Roll call.**

Board Members Present: Eric Gould  
Lauri Siskind via teleconference, will not vote  
Tom Skrobola  
Kevin McCarthy  
Mark Rash  
Stacy Parke  
Domenic Lauria (at 9:25 a.m.)

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

**2) Trustee Kevin McCarthy took the Oath of Office** as performed by City Clerk Pam Smith for a new 3-year term ending December 31, 2024.

**3) Open Meetings Act (OMA)**

Attorney VanOverbeke reviewed the Open Meetings Act (OMA) which states a Trustee can call in to a meeting remotely only as a member of the public. They cannot fully participate as a Trustee, which means they will not vote, make motions, or be part of the quorum. Trustees have a fiduciary responsibility to hear and provide comments. The State Attorney General offered an opinion on the ADA and OMA which our attorneys are reviewing. The Governor has indicated she favors a rewrite of the entire OMA to bring it up to date, which will not likely happen soon.

**4) Approval of Agenda - MOTION #FH-2022-1:** Eric Gould made a motion to approve the agenda as amended, adding a new business item for allowing public participation by remote communication. Seconded by Stacy Parke. Unanimously approved.

**5) Approval of Minutes – MOTION #FH-2022-2:** Kevin McCarthy made a motion to approve the meeting minutes of November 12, 2021. Seconded by Mark Rash. Unanimously approved.

**6) Election of Officers**

A. Tom Skrobola nominated Eric Gould for Chairperson. There were no other nominations.

**MOTION #FH-2022-03:** Tom Skrobola made a motion to elect Eric Gould as Chairperson of the Retirement Board of Trustees and Healthcare Plan for 2022. Seconded by Kevin McCarthy. Unanimously approved.

B. Stacy Parke nominated Lauri Siskind for Vice Chairperson. There were no other nominations.

**MOTION #FH-2022-04:** Stacy Parke made a motion to elect Lauri Siskind as Vice Chairperson of the Retirement Board of Trustees and Healthcare Plan for 2022. Seconded by Tom Skrobola. Unanimously approved.

**7) Public Comments and Questions - None.**

**8) Board Member Correspondence, Comments & Announcements**

- A. The Investment Subcommittee (ISC) did not meet. Current members are Tom Skrobola and Lauri Siskind with one vacancy left when Doug Muller retired. Stacy Parke would be interested in being on the ISC. The ISC will set a meeting date to discuss the First Eagle search. **MOTION #FH-2022-05:** Kevin McCarthy made a motion for Stacy Parke to fill the vacancy on the ISC. Seconded by Mark Rash. Unanimously approved.
- B. Eric Gould reported registration is now open for the MAPERS One Day Seminar on March 4, 2022 in Auburn Hills.

**9) Routine Matters**

- A. **MOTION #FH-2022-6:** Stacy Parke made a motion to accept the quarterly Report of Refunds, Beneficiary Changes, New Retirees and New Applications for Membership as of December 31, 2021. Seconded by Kevin McCarthy. Unanimously approved.
- B. **MOTION #FH-2022-7:** Kevin McCarthy made a motion to accept the Report of Retirement System and Retiree Healthcare expenses paid for the quarter ending December 31, 2021. Seconded by Stacy Parke. Unanimously approved. Chairperson Gould acknowledged the service of the many retirees that passed away in 2021 and it is hoped the rest of the participants continue to have good long, healthy and fulfilling lives.
- C. Attorney VanOverbeke has nothing to report at this time.

**10) Old Business**

- A. Ancora Holdings recently joined Focus Financial Partners. This changed the ownership structure but no change in managers or money management. The SEC considers this an assignment of the investment management agreement and requires the client's consent. The Board discussed and approved this at the September Board meeting. Our attorneys felt more documentation and detail was needed so negotiated a formal reaffirmation agreement for both Plans which the Attorneys and AndCo Consulting recommend the Board approve. **MOTION #FH-2022-8:** Domenic Lauria made a motion to approve the reaffirmation agreements for both ERS and Post-Retirement Healthcare and authorize signatures on both. Seconded by Stacy Parke. Unanimously approved.
- B. At the November Board meeting, the Board approved a recommendation from AndCo Consulting to replace Vanguard Index Funds with Fidelity Index Funds. AndCo prepared a short memo for the Board's files to document this recommendation. **MOTION #FH-2022-9:** Mark Rash made a motion to receive and file the AndCo Consulting memorandum on replacing Vanguard Index Funds with Fidelity Index Funds. Seconded by Domenic Lauria. Unanimously approved.

**11) New Business**

- A. Chairperson Gould proposed the Board adopt a policy allowing public participation by remote communication at all meetings, if requested, by any member of the public including plan participants and that they may comment throughout the meeting. It was also noted that if the Chairperson will not be present, they can appoint any other person to chair the meeting in their absence. **MOTION #FH-2022-10:** Mark Rash made a motion to adopt a policy that would allow public participation by remote communication for all Retirement Board meetings. Seconded by Stacy Parke. Unanimously approved.

- B. In 2019 the Board updated the policy for the closed groups amortization to go from 15 to 20 years based on the experience study but the policy documentation did not get updated. GRS has requested the policy be updated and formally adopted by the Board. **MOTION #FH-2022-11:** Tom Skrobola made a motion to accept the updated policy change in amortization from 15 to 20 years for both ERS and Post-Retirement Health Care. Seconded by Stacy Parke. Unanimously approved.
- C. The Employees' Retirement System and Healthcare Fund Annual Reports to Membership were presented to the Board. The reports have been put on the City's website and sent to the Michigan Treasury. **MOTION #FH-2022-12:** Kevin McCarthy made a motion to accept and file the Annual Report for the Employees' Retirement System and the Post-Retirement Healthcare Fund. Seconded by Stacy Parke. Unanimously approved
- D. Chairperson Gould formally recognized Brian Green having been made a partner of AndCo Consulting.

The 4th Quarter Investment Performance Report as of December 31, 2021, 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 3.15% during the quarter compared to the Policy Index being up 4.83% during the quarter, ranking in the 85<sup>th</sup> percentile. The Retiree Healthcare Fund performance was up 3.19% during the quarter compared to the Policy Index being up 4.83% during the quarter, ranking in the 83<sup>rd</sup> percentile. At this time, AndCo has no allocation change recommendations. The Board requested that AndCo include an Executive Summary page in their reports in the future. **MOTION #FH-2022-13:** Domenic Lauria 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.

AndCo would like to reinstate Roundtable reviews virtually with the Managers using Microsoft Teams. It would be informal, on a staggered schedule and run by AndCo. This would avoid the cost and uneasiness some have with air travel(ers). Any actions or decisions would wait until the next formal Board meeting.

- E. The Board reviewed and discussed the status and timing of our vendor contracts.
- Investment Consultant – (AndCo Consulting) – The current agreement expires on June 30, 2023.
  - Attorney – (Michael VanOverbeke) – The current agreement expires on December 31, 2022. The Board is pleased with the services provided by the Attorney.
  - Actuary – (Gabriel Roeder Smith & Company) – The current agreement expires on June 30, 2023, it is an annual contract. The Board indicated it is around time for an Actuarial Audit which is required every 7 years by PA 202. Attorney VanOverbeke recommended using an RFI sent to actuarial firms to gather information, their thoughts on actuarial audits, and what the cost would be.
  - Pension Custodian – (Comerica) – The current agreement expires on December 31, 2023. Tom Skrobola and Susan Hardy indicated that Comerica's service has improved. There have been communication issues with Innovest, a contractor for Comerica. Chairperson Gould requested a letter be sent from the Board to express our concerns in writing, on the record.
  - Auditor – (Yeo & Yeo) - The current contract was extended and expires after the FY 2024/25 audit. The Retirement Board historically has retained the City's Auditor under the same terms and conditions as the City's contract with the Auditor. The City is pleased with the auditing service from Yeo & Yeo.

F. The Board confirmed the next meeting date of Friday, May 13, 2022, at 9:00 a.m. in the Community Room.

- 12) **MOTION #FH-2022-14:** Without objection, Chairperson Gould adjourned the meeting at 11:08a.m.

**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.