

BOARD OF TRUSTEES OF THE CITY OF FARMINGTON HILLS, MICHIGAN
EMPLOYEES' RETIREMENT SYSTEM
MINUTES – NOVEMBER 17, 2023
CITY HALL COMMUNITY ROOM

1) Call Meeting to Order

Vice Chairperson Eric Gould 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 November 17, 2023, in the City Hall Community Room.

Roll call.

Board Members Present: Eric Gould
Lauri Siskind via teleconference, will not vote
Tom Skrobola
Tim Waker
Brian Moore
Domenic Lauria
Stacy Parke

Others Present: Attorney Michael VanOverbeke; Investment Consultants Mike Holycross and Brian Green; Pension Accountant Susan Hardy; Finance Department Secretary Stephanie Keimer; Jim Anderson and Stephanie Sullivan from Gabriel Roeder Smith & Company (GRS); Michael Rolka from Yeo & Yeo; Assistant Director Teresa Jablonski; Police Officer, Thomas Allen; Building Maintenance Supervisor, Paul Wonfor.

- 2) **Approval of Agenda - [MOTION #FH-2023-43](#):** Stacy Parke made a motion to approve the agenda. Seconded by Tim Waker. Unanimously approved.
- 3) **Approval of Minutes – [MOTION #FH-2023-44](#):** Brian Moore made a motion to approve the meeting minutes of August 11, 2023. Seconded by Domenic Lauria. Unanimously approved.
- 4) **Public Comments and Questions - None.**
- 5) **Board Member Correspondence, Comments & Announcement**
 - A. Tom Skrobola informed the Board that voting for the General Board member position ends Monday November 20, 2023, at 4:00pm. Votes will be counted on Tuesday November 21, 2023.
- 6) **Routine Matters**
 - A. **[MOTION #FH-2023-45](#):** Stacy Parke made a motion to accept the quarterly Report of Refunds, Beneficiary Changes, New Retirees and New Applications for Membership as of September 30, 2023. Seconded by Tim Waker. Unanimously approved.
 - B. **[MOTION #FH-2023-46](#):** Stacy Parke made a motion to accept the Report of Retirement System and Retiree Healthcare expenses paid for the quarter ending September 30, 2023. Seconded by Tim Waker. Unanimously approved.
 - C. Attorney Michael VanOverbeke provided the Board with a brief update on House Bill No. 4346. The bill made it through the Senate prior to their adjournment. The bill is now waiting to be signed by the Governor, which Michael expects to happen soon. Michael advised the

Board that they will want to draft a policy as a lot of the provisions in the statute are permissive. Michael will be sending out a memo to the Board soon.

- D. Administrator report: Tom Skrobola updated the Board on the Duty Disability Retirement Offset Issue. A FOIA request was filed by Mr. Shamoun's attorney Matthew Enright dated November 7, 2023. An extension to the FOIA was requested by administrative staff extending the deadline to November 30, 2023. Mr. Shamoun was then granted an extension for the 90-day appeal notification extending the deadline to December 6, 2023. His appeal will go on the agenda for the regular February Pension Board meeting.

MOTION #FH-2023-47: Eric Gould made a motion that the Board affirm the general extension of time as coordinated with the administrator and further extend the extension to file an appeal to January 8, 2024, and have Mr. Skrobola advise attorney Matthew Enright regarding the additional time and the timing of the Board's next regular meeting on February 9, 2024. Seconded by Tom Skrobola. Unanimously approved.

- E. Eric Gould informed the Board that the Investment Subcommittee (ISC) has not held a meeting since August 2023. Considering the two members being finished with their service at the end of the year, the Board will need to reconstitute the Investment Subcommittee at the regular February meeting. Eric and the full board expressed thanks to outgoing Board members Brian Moore and Stacy Parke for their service.

7) Old Business

- A. Annual Review of the Investment Policy Statement (IPS). Brian Greene informed the Board that there are no recommended changes at this time. There will be changes that will need to be made early next year.

MOTION #FH-2023-48: Brian Moore made a motion to renew the current Investment Policy Statement (IPS) with an understanding that based upon prior Board actions it may require attention and possible amendment at the beginning of 2024. Seconded by Tom Skrobola. Unanimously approved.

8) New Business

- A. Michael Rolka from Yeo & Yeo presented the results of the audit of the Employees' Retirement System and the Post-Retirement Healthcare Finance fund for the FY 2022/2023 Annual Financial Reports. He reported that they have provided an Unmodified Opinion for both the Employees' Retirement System and Post-Retirement Healthcare Finance Fund, which means that these numbers and financial statements can be relied upon to be materially correct. Discussion continued with the Board. **MOTION #FH-2023-49** – Tim Waker made a motion to accept the reports for the audit of both the Employees' Retirement System Audit Report and the Post-Retirement Healthcare Finance Fund for the period ending June 30, 2023. Seconded by Domenic Lauria. Unanimously approved.
- B. Actuaries Jim Anderson and Stephanie Sullivan from Gabriel, Roeder, Smith & Company presented the results of the Annual Actuarial Valuation Reports for the Employees' Retirement System and the Retiree Health Plan Actuarial Valuation Report as of June 30, 2023. This report contains changes attributed to the re-opening of the Retirement System.

Stephanie Sullivan indicated that the Employees' Retirement System was 73% funded as of June

30, 2023 (down from 75% funded the prior year). The City/Court required retirement system contribution will be \$9,790,205 for FY 2024/25 which is \$2,282,243 more than the FY 2023/24 contribution. This report contains changes attributed to the re-opening of the Retirement System.

The Retiree Health Plan was 116.0% funded as of June 30, 2023 (up from 113.9% funded as of June 30, 2022). The City/Court contribution would be \$245,972 for FY 2024/25, which is equal to the FY 2023/24 contributions, which were established by the most recent previous biennial Retiree Health Plan Valuation dated 6/30/2022.

MOTION #FH-2023-50: Domenic Lauria made a motion to receive and accept the Employees' Retirement System actuarial report and the Retiree Health Plan actuarial report for the period ending June 30, 2023, including the calculated employer contribution rates; acknowledge receipt of the actuary's presentation; and forward a copy of the actuary's report to the City. Seconded by Brian Moore. Unanimously approved.

MOTION #FH-2023-51: Stacy Parke made a motion to approve the transfer of reserve amounts reflected in the Employees' Retirement System Actuarial Valuation Report. Seconded by Brian Moore. Unanimously approved.

- C. The 2nd Quarter Investment Performance Report as of September 30, 2023, was presented and discussed with the Board by Financial/Investment Advisors Brian Greene and Mike Holycross of AndCo Consulting. The Retirement System performance was down 2.12% during the quarter compared to the Policy Index being down 2.86% during the quarter, ranking in the 33rd percentile. The Retiree Healthcare Fund performance was down 2.17% during the quarter compared to the Policy Index being down 2.86% during the quarter, ranking in the 34th percentile.

MOTION #FH-2023-52: Stacy Parke made a motion to accept and file the AndCo quarterly investment reports for ERS and Post-Retirement Health Care. Seconded by Tom Skrobola. Unanimously approved.

- D. The Board reviewed the proposed 2024 Meeting Calendar. **MOTION #FH-2023-53.** Domenic Lauria made a motion to approve the 2024 Retirement Board Meeting Calendar with regular meeting dates of Friday February 9, Friday May 10, Friday August 23, and Friday November 22. Seconded by Tom Skrobola. Unanimously approved. The calendar will be posted on the City's website and on the bulletin board outside the City Hall entrance. Trustees will be sent electronic calendar appointments.

- E. The Board confirmed the next meeting date of Friday, February 9, 2024, at 9:00 a.m. in the Community Room.

- 9) **MOTION #FH-2023-54:** Without objection, Vice Chairperson Gould adjourned the meeting at 10:59AM.

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.