

BOARD OF TRUSTEES OF THE CITY OF FARMINGTON HILLS, MICHIGAN
EMPLOYEES' RETIREMENT SYSTEM
MINUTES – FEBRUARY 16, 2024
CITY HALL COMMUNITY ROOM

1) Call Meeting to Order

Vice Chairperson Gould called the meeting of the Board of Trustees of the City of Farmington Hills, Michigan Employees' Retirement System (ERS) to order at 9:00 a.m. on February 16, 2024, in the City Hall Community Room.

Roll call.

Board Members Present: Eric Gould
Lauri Siskind via teleconference
Tom Skrobola
Tim Waker
Domenic Lauria
Paul Wonfor
Thomas Allen (left meeting at 11:46am)

Others Present: Mayor Teresa Rich (left meeting at 10:02am); Attorney Michael VanOverbeke; Investment Consultant Mike Holycross; Pension Accountant Susan Hardy; Finance Department Secretary Stephanie Keimer.

- 2) **Approval of Agenda - MOTION #FH-2024-01:** Tom Skrobola made a motion to approve the agenda. Seconded by Tim Waker. Unanimously approved.
- 3) **Approval of Minutes – MOTION #FH-2024-02:** Lauri Siskind made a motion to approve the meeting minutes of November 17, 2023. Seconded by Tim Waker. Unanimously approved.
- 4) **Trustees Eric Gould, Paul Wonfor, and Thomas Allen took the Oath of Office** as performed by City Clerk Carly Lindahl for a new 3-year term ending December 31, 2026, prior to the meeting being called to order.
- 5) **Election of Officers**
Vice Chairperson Gould requested that Board counsel Michael VanOverbeke conduct the election process.
 - A. Eric Gould nominated Lauri Siskind for Chairperson. There were no other nominations. **MOTION #FH-2024-03:** Tom Skrobola made a motion to elect Lauri Siskind as Chairperson of the Retirement Board of Trustees and Healthcare Plan for 2024. Seconded by Paul Wonfor Unanimously approved.
 - B. Tom Skrobola nominated Eric Gould for Vice Chairperson. There were no other nominations. **MOTION #FH-2024-04:** Domenic Lauria made a motion to elect Eric Gould as Vice Chairperson of the Retirement Board of Trustees and Healthcare Plan for 2024. Seconded by Tom Skrobola. Unanimously approved. Vice Chairperson Gould retained the chair for the remainder of the meeting.
- 6) **Investment Subcommittee (ISC) –** The Investment Sub Committee (ISC) did not meet. There are two vacancies due to the departures of Stacy Parke and Brian Moore from the Board. Tim Waker and Tom Allen expressed interest in joining the ISC. **MOTION #FH-2024-05:** Tom Skrobola made a motion for Tim Waker and Tom Allen to fill the vacancies and join Eric Gould on the ISC.

Seconded by Domenic Lauria. Unanimously approved.

7) Public Comments and Questions - None.

8) Board Member Correspondence, Comments & Announcements

- A. Eric Gould introduced Mayor Teresa Rich. Mayor Rich thanked the Board for all the work they do. Mayor Rich informed the Board of several upcoming events throughout the City that she helped to organize.
- B. Eric Gould reported that the MAPERS One Day Seminar at the MotorCity Hotel in Detroit is on Thursday February 29, 2024.
- C. Eric Gould reported registration is now open for the MAPERS Spring Conference Saturday, May 18 – Tuesday, May 21, at Soaring Eagle Resort, Mt. Pleasant, MI.

9) Routine Matters

- A. **MOTION #FH-2024-06:** Lauri Siskind made a motion to accept the quarterly Report of Refunds, Beneficiary Changes, New Retirees and New Applications for Membership as of December 31, 2023. Seconded by Tim Waker. Unanimously approved.
- B. **MOTION #FH-2024-07:** Paul Wonfor made a motion to accept the Report of Retirement System and Retiree Healthcare expenses paid for the quarter ending December 31, 2023. Seconded by Domenic Lauria. Unanimously approved.
- C. Attorney Report:
 - Michael VanOverbeke discussed Public Act 202 of 2017 (Stability Act). PA 202 became effective December 20, 2017. PA 202 requires that an actuarial experience study be done at least every five (5) years (a proposal for this study was presented later in the meeting). PA 202 also requires that every eight (8) years the system either needs to have an actuarial audit performed or the system needs to appoint a new Actuary. The Board will need to complete that requirement by December 20, 2025. Attorney VanOverbeke's recommendation is for the Board to do an RFP in late 2024 after the five (5) year experience study is complete.
- D. Administrator Report:
 - Tom Skrobola provided the Board with an update on the Duty Disability Retirement offset issue.
 - i. Two invoices for repayment of retiree health care costs have been paid in full.
 - ii. The requested IRS Form 4506 for calendar years 2021 and 2022 was received. It is being routed to the IRS for fulfillment which is expected around the end of March 2024.
 - iii. The FOIA request dated November 7, 2023, was assembled by City staff and was sent on November 30, 2023.

10) Old Business –

A. Open Meetings Act:

Michael VanOverbeke discussed amendments to the Open Meetings Act which became effective Tuesday February 13, 2024. These amendments allow for retirement systems and retirement healthcare boards to participate in virtual meetings. Michael VanOverbeke will put together bylaws for the Board and present them at the next Board meeting.

11) New Business –

- A. The Employees' Retirement System Annual Report and the Healthcare Fund Annual Report to

Membership were presented to the Board. The reports were posted on the City's website and sent to the Michigan Department of Treasury. There is a minor change that needs to be made to each report. Lauri Siskind is listed as Vice Chair and Eric Gould is listed as Chair. This needs to be corrected to Lauri Siskind as Chair and Eric Gould as Vice Chair on page 9 of the Healthcare Fund Annual Report and page 11 of the Employees' Retirement System Annual Report. **MOTION #FH-2024-08:** Eric Gould made a motion to accept and file the Employees' Retirement System Annual Report and Healthcare Fund Annual Report with the changes mentioned above. Seconded by Tim Waker. Unanimously approved.

- B. Mike Holycross from AndCo Consulting informed the Board that the target closing date for the recent purchase by Mariner of AndCo Consulting is April 2, 2024. The Board will need to sign a consent form drafted by AndCo and reviewed by VMT Law. **MOTION #FH-2024-09:** Domenic Lauria made a motion to acknowledge receipt of a memorandum of information from investment consultant AndCo with respect to the purchase agreement of Mariner LLC, and to authorize the consent for assignment of investment consulting services agreement as submitted be signed by the Board Vice Chair, Eric Gould. Seconded by Paul Wonfor. Unanimously approved.
- C. Mike Holycross from AndCo Consulting presented and discussed the 4th Quarter Investment Performance Report as of December 31, 2023. The Retirement System performance was up 6.95% during the quarter compared to the Policy Index being up 8.00% during the quarter, ranking in the 72nd percentile. The Retiree Healthcare Fund performance was up 7.11% during the quarter compared to the Policy Index being up 8.00% during the quarter, ranking in the 70th percentile. Mike Holycross informed the Board that all required Board action related to the full redemption request of Corbin is complete and the Board is now awaiting the payout, which is expected in late March or early April 2024. Mike Holycross informed the Board that AndCo plans to do a search which they will bring to the Investment Subcommittee to discuss several alternate International Equity investment candidates. This is due to the continued underperformance of Hardman Johnson and First Eagle. The results of that meeting will be presented at the next Board meeting. **MOTION #FH-2024-10:** Domenic Lauria made a motion to receive and file the AndCo quarterly investment reports for ERS and Post-Retirement Health Care. Seconded by Paul Wonfor. Unanimously approved.
- D. The Board reviewed and discussed the status and timing of vendor contracts.
- Investment Consultant – (AndCo Consulting) – The current agreement expires on June 30, 2024. **MOTION #FH-2024-11:** Tom Allen made a motion to renew through June 30, 2025. Seconded by Lauri Siskind. Unanimously approved.
 - Attorney – (Michael VanOverbeke) – Retainer agreement, no expiration date. No action required.
 - Actuary – (Gabriel Roeder Smith & Company) – The current agreement expires on June 30, 2024. **MOTION #FH-2024-12:** Domenic Lauria made a motion for a two-year extension through June 30, 2026. Seconded by Paul Wonfor. Unanimously approved.
 - Pension Custodian – (Comerica) – The current agreement expires on December 31, 2024. **MOTION #FH-2024-13:** Tim Waker made a motion to authorize staff to prepare and solicit RFPs for custodial trust services looking for commencement as of January 1, 2025, and that the Board will work with AndCo to draft an RFP and summary. Seconded by Domenic Lauria. Unanimously approved.
 - Auditor – (Yeo & Yeo) - The current contract expires after the FY 2024/25 audit. No action required.

- E. Tom Skrobola presented the Board with a proposal from Gabriel Roeder Smith & Company for a five-year experience study for both the ERS and Post-Retirement Health Care Fund for a total of \$26,000. The Board requested a change from 2 alternate sets of assumptions presented in the proposal to three, the same number that was provided in the last experience study from GRS. **MOTION #FH-2024-14:** Lauri Siskind made a motion to accept the proposal from Gabriel Roeder Smith & Company to perform the experience studies based on three alternate set of assumptions. Seconded by Tom Skrobola. Unanimously approved.
- F. Appeal of Suspension of Disability Benefits. **MOTION #FH-2024-15:** Domenic Lauria made a motion to acknowledge the prior receipt of the opinion of general counsel dated August 4, 2023 and the decision of the Board thereafter to apply a pension offset to Mr. Shamoun's earnings from his business; noting the Appeal of the Board's decision filed by Attorney Matthew J. Enright dated January 4, 2024; the Board having reviewed the Appeal; the Board having further reviewed and being made aware of the full definition of earnings under the Webster Dictionary as provided by Attorney Enright; the Board further being advised on the accounting definition of earnings; the Board finding there being no basis to grant the appeal or change its prior decision; therefore Mr. Shamoun and his attorney be advised accordingly and the Appeal be denied. Seconded by Tom Skrobola. Unanimously approved.
- G. The Board confirmed the next meeting date of Friday, May 10, 2024, at 9:00 a.m. in the Community Room.
- 12) **MOTION #FH-2024-16:** Without objection, Vice-Chairperson Gould adjourned the meeting at 12:20 p.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.