

MACOMB TOWNSHIP ACT 345 FIRE RETIREMENT SYSTEM BOARD
MEETING HELD ON THURSDAY, SEPTEMBER 13, 2018 AT 10:00 A.M.

LOCATION: MACOMB TOWNSHIP MEETING CHAMBERS
54111 BROUGHTON, MACOMB, MI 48042

PRESENT: ADAM MUNRO, CHAIRMAN
KAREN GOODHUE, MACOMB TOWNSHIP TREASURER
DAVID NOWAK, SECRETARY
RICHARD P. MAIERLE, MEMBER

ABSENT: PETER PROVENZANO, MEMBER

Also in Attendance:

Mr. Thomas Michaud, Attorney, VanOverbeke, Michaud and
Timmony, P.C.
Edward A. Carey, Jr., Elections Manager, Macomb Twp.
Stacy Smith, Finance Director, Macomb Township
Roger W. Cardamone, Deputy Clerk, Macomb Township

1. CALL MEETING TO ORDER

Chairman, MUNRO called the meeting to order at 10:00 a.m.

2. Pledge of Allegiance.

Everyone in attendance stood and recited the Pledge of Allegiance.

3. Roll Call

Chairman MUNRO called the roll and all members were present except
PETER PROVENZANO, who was absent and excused.

4. Approval of Agenda

**MOTION by GOODHUE, supported BY MAIERLE to approve the
agenda as presented. The motion was adopted unanimously by a
voice vote.**

MOTION carried.

5. Approval of June 14, 2018 minutes.

**MOTION by MAIERLE seconded by GOODHUE to approve the
minutes of June 14, 2018 as presented. The motion was adopted
unanimously by a voice vote.**

MOTION carried.

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6. Treasurer's Report

Ms. GOODHUE reported that as of September 12, 2018 the Fire Pension account at First State Bank has a balance of \$ 50,248.90.

7. Morgan Stanley Report

No report from Morgan Stanley.

7a. Quarterly Report

MOTION by MAIERLE, supported by NOWAK to receive and file the Morgan Stanley Quarterly Report. The motion was adopted unanimously by a voice vote.

MOTION carried.

8. Old Business

There was no Old Business.

9. New Business.

9a. Legislative Update PA 202 Uniform Assumptions 8-21-2018.

Mr. Michaud presented board with detailed information regarding PA 202 which established uniform actuarial assumptions that include, but are not limited to, investment returns, salary increase rates, mortality tables, discount rates, and health care inflation.

MOTION by MAIERLE, supported by NOWAK to direct Stacey Smith, Finance Director, to work with Rodwan Consulting to prepare reports in compliance with PA 202 of 2017. The motion was adopted unanimously by a voice vote.

MOTION carried.

9b. Attorney – increase in hourly rate

Mr. Michaud provided justification for the fee increase, noting their rates have not increased since 2008.

MOTION by NOWAK, supported by MAIERLE approve the hourly rate increase with VanOverbeke, Michaud & Timmony, P.C from \$175.00

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to \$180.00 per hour for non-litigation legal services and \$190.00 to \$195.00 per hour for litigation legal services. The motion was adopted unanimously by a voice vote.

MOTION carried.

MOTION by GOODHUE, supported by MAIERLE approve the revised legal representation agreement with VanOverbeke, Michaud & Timmony, P.C. to reflect the hourly rate increase from \$175.00 to \$180.00 per hour for non-litigation legal services and \$190.00 to \$195.00 per hour for litigation legal services. The motion was adopted unanimously by a voice vote.

MOTION carried.

9c. Discussion of RFP's

Mr. Nowak and Mr. Michaud presented background on the RFI process and information on the two firms that submitted proposals for consulting services.

Mike Holycross, Senior Consultant for AndCo Consulting made a presentation to the board detailing the firm's client list, key personnel, mission, and past performance for clients. A proposed investment program was highlighted which Mr. Holycross believes will provide the Macomb Township Act 345 Fire Department Retirement System with a sound portfolio with significantly reduced fund management fees.

John Pelon, Institutional Business Director for Advance Capital Management followed with a detailed presentation of his firm's history and how they can help build the assets of the Macomb Township Act 345 Fire Department Retirement System. Advance Capital Management currently does not provide consulting services for any public retirement systems but has a number of clients in the private and non-profit sector. A proposed transition plan and timeline was also presented.

Following the presentations by Mr. Holycross and Mr. Pelon, the board discussed the pros and cons of each firm and asked Mr. Michaud several questions. Mr. Michaud informed the board that although the consulting fee charged by AndCo Consulting was higher, it is his belief the investment program presented by AndCo will yield greatly reduced management fees that will more than off-set the higher consulting fee.

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MOTION by MAIERLE, supported by GOODHUE to hire AndCo Consulting to provide investment consulting services based on the proposed management fee savings as presented by AndCo Consulting. The motion was adopted unanimously by a voice vote.

MOTION carried.

10. Receive and File
 - a. Fifth Third Investment Statement June 2018
 - b. Fifth Third Investment Statement July 2018
 - c. Fifth Third Investment Statement Jan. – Dec. 2017
 - d. Morgan Stanley – Fee & Revenue Report Jan. – Dec. 2017

Received and Filed only.

11. Public Comments.

None

12. Board Comments

Secretary NOWAK informed the board that he will distribute agenda materials via Dropbox (file sharing/hosting service).

13. Next Scheduled Meeting Date: Thursday, October 10, 2018, 10:00 AM in Conference Room “B” 2nd Floor, Macomb Township Hall, 54111 Broughton Rd., Macomb, MI 48042.

The third quarter meeting date is moved from Thursday, December 13, 2018 to **FRIDAY, DECEMBER 14, 2018 AT 10:00 A.M.** due to a scheduling conflict.

14. Adjournment

MOTION by MAIERLE, supported by GOODHUE adjourn the meeting at 12:03 PM. The motion was adopted unanimously by a voice vote.

MOTION carried

Meeting adjourned.
Respectfully submitted,

Adam Munro, Chairman

David Nowak, Secretary

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