MINUTES
WASHTENAW COUNTY EMPLOYEES' RETIREMENT COMMISSION
Remote Meeting
Participate via Zoom: https://us06web.zoom.us/j/81099943659?
Participate via phone: 1-312-626-6799, then enter Webinar ID 810 9994 3659
August 24, 2021 - 8:30 am

ORDER OF BUSINESS	**Page**	**Action Needed**

Meeting Called to Order
Scott Miller called the meeting to order at 8:34am

Roll Call
Monica Boote called the roll

WCERS Members Present: Greg Dill, Nancy Heine, Justin Hodge, Corey Mason, Scott Miller

WCERS Member Absent:
Tina Gavalier, Sue Shink

Others Present: Roberta Allen , AWARE Representative, Monica Boote, Chyanne Duncan, Dayna Spencer, Human Resources; Aaron Castle, VanOverbeke, Michaud & Timmony; Timothy Brice, Amy Cole; Graystone Consulting; Catherine McClary'; Treasurer, Larry Langer, Cavanaugh McDonald

Public Participation
None

Approval of Minutes

- **A.** April 27, 2021- Regular Meeting **5-9**
- **B.** May 25, 2021 – RFP Special Meeting **10-11**
- **C.** June 22, 2021 – Actuarial Valuation Meeting **12-14**

Approval of Consent and Regular Agenda
N. Heine seconded by C. Mason to approve the Consent and Regular Agenda with modifications to the service retirement application employee groups. All in favor, motion carried.

CONSENT AGENDA

A. Communications

1. Washtenaw County Finance, Contributions/Distributions as of 07.31.2021 **15**
2. Brandywine, Monthly Commentary July 2021 **16-17**
3. JP Morgan, Personnel Update Communication **18-19**
4. JP Morgan SPF, 2Q21 Snapshot **20-22**
5. JP Morgan SSPF, 2Q21 Snapshot **23-25**
6. JP Morgan SPF, Monthly Flash Report July 2021 **26-31**
7. JP Morgan SSPF, Monthly Flash Report July 2021 **32-37**
8. Robbins Geller Redman & Dowd, 2Q21 Litigation Report *(Confidential)*
9. Robbins Geller Rudman & Dowd, Settlement Report June 2021 *(Confidential)*

B. Communications on File

1. Brandywine, April 2021 – July 2021 Reporting
2. Brandywine, 2Q21 Reporting
3. JP Morgan, SPF, April 2021 – July 2021 Monthly Reporting
4. JP Morgan, SSPF, April 2021 – July 2021 Monthly Reporting
5. JP Morgan, SPF, 2Q21 Reporting
6. JP Morgan, SSPF, 2Q21 Reporting
7. Manning & Napier, 2Q20 Performance Report
8. McMorgan, 1Q21 Reports
9. Morgan Stanley, July 2021 Client Statement

10. Robbins Geller Rudman & Dowd, Settlement Report October 2020 - May 2021
11. Robbins Geller Rudman & Dowd, 4Q20 – 1Q21 Litigation Report

C. Invoices Pending Ratification **38-55**

Vendor	Description of Services	Amount Due	Invoice
Brandywine	Investment Management Services 2Q21	$6,839.30	P8437197
Buck	Maintenance Charge for March 2021	$833.34	05020311WCERS
Buck	Maintenance Charge for April 2021	$833.33	05020998WCERS
Buck	Maintenance Charge for May 2021	$833.34	05021999WCERS
Buck	Maintenance Charge for June 2021	$833.33	05023253WCERS
Buck	Maintenance Charge for July 2021	$833.34	WCERS
JP Morgan SPF & SSPF	Investment Management Fees 1Q21	$99,757.90	20210331-16974-A
Loomis Sayles	Summary of Fees 2Q21	$16,676.93	217576
Manning & Napier	Investment Services Fees 2Q21	$49,574.21	20210630-313-958-A
VMT	1Q21 Summary Statement	$2,349.50	110962

D. Service Retirement Application

Name	Department	Employee Group	Retirement Date	Type	Eligibility
Kelly Belknap	Finance	Non-Union	08/01/2021	Service	Rule of 75 Minimum age 55
Denise Bernbeck	Env. Health	2733A	07/31/2021	Service	Rule of 75, minimum age 55
Cynthia Bostwick	Trial Court FOC	CTNU	08/01/2021	Service	Rule of 75 Minimum age 55
Debra Chisholm	I-DD Services	3052	07/31/2021	Service	Rule of 75 Minimum age 55
Mark Coulter	Sherriff	Sherriff Non-Union	07/03/2021	Service	Age 60 with 8 years
Rani Dronamraju	CMH	3052	07/31/2021	Service	Rule of 75 Minimum age 55
Kimberly Gebhard	Environmental Health	2733A	09/01/2021	Service	Rule of 75 Minimum age 55
Michael Gebhard	Information Technology	2733A	08/01/2021	Service	Rule of 75, minimum age 55
Jonette Gibson	Finance	Non-Union	11/01/2021	Service	Rule of 75 Minimum age 50
Melvin Jack	Children's Services	2733JD	09/01/2021	Service	Rule of 75 Minimum age 55
Mark Mitchell	CMH	2733A	07/01/2021	Service	Rule of 75 Minimum age 55
Wendy Price-Vanburen	CMH	2733A	07/31/2021	Service	Rule of 75 minimum age 55
Debra Shad	Water Resources	Non-Union	08/01/2021	Service	Rule of 75 minimum age 50
Billy Weaver	Parks and Recreation	3052	08/01/2021	Service	Rule of 75 minimum age 50

D. Service Retirement Finals
None

F. Intent to Purchase Prior Public / Military Service

1. **Prior Public**
   None
2. **Prior Military**
   Edward Holley

G. Final Purchase Approval Resolutions – Prior Public / Military Service

1. **Prior Public**
   None
2. **Prior Military**
   Edward Holley

H. Application for Refund of Contributions & Termination of Membership Pending Ratification

Name	Termination Date	Vested	Approximate Distribution Amount
Mirada Jenkins-Carter	02.15.2020	No	$44,727.28
Charles Dettling	06.15.2020	No	$3,328.53
Marcia Hinkley	03.09.2021	No	$36,129.39
Alan Francis Pickett	04.30.2010	No	$47,076.27
David Price	12.05.2020	No	$24,315.40
Tracey Smith	09.27.2020	Yes	$162,774.03
Debra Sturgill	04.17.2021	No	$97,255.16

I. Application for Deferred Retirement Benefit
None

J. Pension Benefit Changes

1. **Bain, Karen**
   Date of Death: June 10,2021
   Pension Election: Straight Life
   Payment to Beneficiary: N/A
   Death Benefit Beneficiary: Kai'Melia Boone-Bain
   Death Benefit Beneficiary: K'Savion Lewis
   Death Benefit Amount: $7,500.00

2. **Brown, Walter (Beneficiary Death)**
   Beneficiary Date of Death: July 19, 2021
   Pension Election: Option 2-100 % Reverts to Straight Life

3. **Mickleson, Nels (Beneficiary Death)**
   Beneficiary Date of Death: June 15, 2018
   Pension Election: Option 2-100% Reverts to Straight Life

4. **Smith, Eugene**
   Date of Death: May 3, 2021
   Pension Election: Straight Life
   Payment to Beneficiary: N/A
   Death Benefit Beneficiary: Gail Smith
   Death Benefit Amount: $2,000.00

K. EDRO / DRO

None

REGULAR AGENDA

Investment Consultant's Report – Amy Cole and Tim Brice **I/M/R**

A. Market Update

Mr. Brice discussed the On the Market piece, titled "Something has to Give"

According to Mr. Brice, the National Bureau of Economic Research declared thethe Covid-19 recession was over May 2020, just two months after it started. By year end looking at the 10-year US Treasurer we expect to see the 10-year treasurer up about to about 1.8%. However, the board will need to watch out for what may happen going into the 4th quarter and year end.

B. Performance Update

Ms. Cole will discuss the 2nd quarter performance report as of July and August.

The total fund is Up 9.23% with 7 million going out, but 27to 28 million of appreciation.

They are seeing high returns out of the equity portfolio and showing a good recovery from the bond market.

Real estate has responded as well, moving up over 7.5%. Ms. Cole further discussed there has been a lot of recovery from retail and industrials facilities , however there's a shortage of opportunities to buy a single-family residential homes so families are staying in apartments which is why properties are able to raise the rent, and multifamily apartment complexes are doing so well.

C. Investment Performance

Ms. Cole continued on to discuss the investment performance and bringing us forward through July. The portfolio overall is up about 10% with equity exposure benefiting the most, 68% in US and International equites over the last year, 19% fixed income , 11% real estate, and 2% in cash.

Mr. Brice brought our attention to the Asset Allocation/Rebalance, he again reviewed the numbers seen above. Explaining further what we find in the portfolio. Mr. Brice will be monitoring the fixed income, and where we are going in terms of the minimum, as well as the cash flow, he would like to make sure the portfolio has some coverage in terms of payments of benefits, again he would like to encourage the board hat the portfolio is doing very well.

D. Future of Energy

Mr. Brice discussed some thoughts of Investing in decarbonization.

E. Energy and Fossil Fuel Exposure

Mr. Brice discussed an update of where your energy exposure is, and will continue to bring this piece to the board for review.

Legal Advisor's Report – Tom Michaud

Mr. Michaud was not in this week; Aaron Castle has no report for the board. **I/M**

Other Advisor's Comments

Unfinished Business **I/M**

A. Actuarial Valuation Resolution **56**

Mr. Langer spent some time reflecting on last month actuarial valuation and asks that the board votes on an Alternate Funding Scenario.

Left side is the June report reflecting the Baseline scenario, the right side is the August report reflecting the alternative funding scenario.

Mr. Langer explained, under the alternative funding scenario, the fiscal year 2022 employer contribution is equal to the baseline contribution plus $2,497,849 for pension and $ 832,610 for VEBA. Due to this increase in the employer contribution, the amortization periods decreased from 18 years to 13 years for Pension and from 17 years to 9 years for VEBA. Employer contributions after the fiscal year 2022 are then based in the new amortization periods on a closed basis. For pension, this results in full funding projected to occur in 2031 instead of 2040, 20 years after WCERS was closed to new entrants.

B. Actuarial Valuation Resolution Revised **57**

C. Mason seconded by J. Hodge to approve the Actuarial Evaluation Resolution referencing the August scenario. All in favor, motion passed

WASHTENAW COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: 08.24.2021

RE: Approval of Actuarial Valuation as of December 31, 2020

WHEREAS, the Board of Trustees is in receipt of the December 31, 2020 Actuarial Valuation dated August 2021, which has been submitted by the actuary to the Board for consideration and approval, and

WHEREAS, the Board has the legal and fiduciary obligation to assure that employer contributions are in accordance with Article 9 Section 24 of the State of Michigan Constitution, and

WHEREAS, Section 14 of the Retirement System provisions requires the Board to certify to the governing body the amount to be contributed by the employer, and

WHEREAS, the Board has the duty (1) to approve the annual Actuarial Valuation and (2) to certify to the employer-county the amount of employer contribution required for the fiscal year beginning January 1, 2022, therefore be it

RESOLVED, that the Board hereby approves the December 31, 2020 Actuarial Valuation, dated August 2021, as submitted by the actuary, and further

RESOLVED, that the Board hereby certifies to the employer-county the amount of employer contribution required for the fiscal year beginning January 1, 2022, and further

RESOLVED, that a copy of this resolution and the December 31, 2020 Actuarial Report, dated August 2021, be forwarded to the employer-county.

New Business
None

Retirement Administrator's Report – Monica Boote **I/M/R**
N. Heine requested information regarding a submission for an appeal for disability retirement.
C. Mason requested information regarding MAPERS attendance

Report of the Chair
S.Miller would like to recognize K.Belknap and wish her well on her future endeavors.
R. Allen, asked about using a room on Zeeb road for a retiree meeting, G. Dill referred her to administration for any questions or concerns.

Issues, Concerns and Trustee Comments **I/R**

Adjournment
G. Dill seconded by Mason to adjourn at 9:18am. All in favor, motion carried,

I/M

Upcoming Board Meeting

- Regular Meeting, October 26, 2021 at 8:30