

**Monroe County Employees Retirement
System Board of Trustees
MINUTES**

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was held on January 23, 2012 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

PRESENT: Nancy Bellaire, James Davies, Michael Grodi, Joseph Hudson, George Jondro, Henry Lievens, Anne McCarthy, James Morgan and William Sisk (left at 6:00)

ABSENT: None

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Royce Maniko, Retirement Secretary, Michael Cho and Michael Holycross, Investment Consultants and Thomas Michaud, Legal Counsel

With a quorum being present, Vice Chairman Morgan called the meeting to order at 5:00 P.M.

Vice Chairman Morgan requested a moment of silence for Kenneth Colpaert and all the decreased retirees. He then turned the meeting over to Royce Maniko for the Chairman election.

Mr. Maniko opened the meeting up to nominations for the Chairman. Motion by Joseph Hudson, supported by Anne McCarthy to nominate George Jondro as Chairman. Mr. Maniko asked if there were any other nominations. Motion by Henry Lievens, supported by William Sisk to nominate Michael Grodi as Chairman. Mr. Maniko then asked three times if there were any more nominations. Seeing none a motion was made by William Sisk, supported by James Davies to close nominations and cast a vote. Motion carried.

Motion by William Sisk, supported by Michael Grodi to cast an open ballot instead of a secret ballot. Motion carried. James Davies voted no.

James Davies, Joseph Hudson, George Jondro, Anne McCarthy and James Morgan voted for George Jondro as Chairman.

Michael Grodi, Henry Lievens and William Sisk voted for Michael Grodi as Chairman.

Nancy Bellaire abstained from voting.

Motion by William Sisk, supported by Henry Lievens to cast a unanimous ballot for George Jondro as Chairman. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 2

Mr. Maniko turned the meeting over to the new Chairman for the Vice Chairman election. Chairman Jondro opened the meeting up to nominations for the Vice Chairman. Motion by Joseph Hudson, supported by Anne McCarthy to nominate James Morgan as Vice Chairman. Chairman Jondro then asked three times if there were any more nominations. Seeing none a motion was made by Joseph Hudson, supported by Anne McCarthy to close nominations and cast a unanimous ballot for James Morgan. Motion carried.

Motion by William Sisk, supported by Michael Grodi to approve the minutes of the December 12, 2011 regular meeting. Motion carried.

Motion by James Davies, supported by Anne McCarthy to approve the agenda as submitted. Motion carried.

Citizens Time – Brad Bentley, POAM Deputy Sheriff's Union President

This is regarding a Deputy Sheriff, Joseph Lambert who was injured in the line of duty. Mr. Lambert was off work for approximately two months due to the injury. While he was off, he was paid worker's compensation, but it was not included in his final average compensation. Worker's Compensation is paid by a third party and therefore, is not paid by the County payroll system and is not included in his wages. He had submitted a letter to the Retirement Board and is requesting the Retirement Board review his situation and consider including his base pay in his final average compensation while he was off on worker's compensation.

Motion by Henry Lievens, supported by Michael Grodi to submit Mr. Lambert's letter to Legal Counsel to make a determination as to whether his worker's compensation wages can be included in his final average compensation. Motion carried.

Vice Chairman Morgan presented Nancy Colpaert with a framed resolution as appreciation for her dedication and service to the Retirement Board.

Presentations – Brian Gevry, Boyd Watterson Asset Management

Mr. Gevry discussed the Investment Policy. He stated the Investment Objective is to make investments which balance the risk of loss and the opportunity for gain with the purpose of the Retirement System. Mr. Gevry also reviewed the performance summary. Boyd Watterson was slightly under the benchmark YTD at 5.5% vs. the benchmark at 5.8%.

Mr. Gevry stated the current outlook calls for a prolonged period of slow economic growth, unemployment will remain high for some time, and housing foreclosures are expected to rise significantly during the next few years. He remains confident with the current selections and feels Boyd Watterson had the capabilities to weather the storm.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 3

Vice Chairman Morgan requested a moment of silence for all those retirees who passed away in 2011:

Grace Luckscheiter, Health	March 6
John Kryston, Finance	March 13
David Little, Road Commission	March 17
Phyllis Good, Mental Health	April 3
Theresa Haynes, Buildings & Grounds	May 6
William Penrod, County Agency	May 7
Charlotte Reaume, Sheriff's Office	May 16
Dick Wells, Sheriff's Office	May 31
Eunice Miller, Veterans Bureau	June 4
Richard Petticrew, Board of Commissioners	June 12
Sandra Vereb, Treasurer	July 4
Sallee Townsend, Sheriff's Office	July 21
Lisa Dubois, Mental Health	August 16
Beth Cousino, Register of Deeds	September 3
Carolyn Pitcher, Central Dispatch	November 6
Hubert Feller, Buildings & Grounds	November 13
Mary Jane Frank, Finance	December 15
John Bogucki, Sheriff's Office	December 22
James Barron, Sheriff's Office	December 28
Kenneth Colpaert, Employment & Training	December 30

A. Retirements

Kenneth Swinkey, Prosecuting Attorney	December 31
John Marunick, Prosecuting Attorney	January 1

B. Financial Reports – On File with Retirement Specialist

1. Boyd Watterson Asset Management Client Statement for the period ended November 30, 2011.
2. Boyd Watterson Asset Management Client Statement for the period ended December 31, 2011.
3. Comerica Bank Collateral Investment Summary as of November 30, 2011.
4. Comerica Bank Collateral Investment Summary as of December 30, 2011.
5. Comerica Bank Securities Lending Statement for November 2011.
6. Lazard Portfolio Review for the period ended November 30, 2011.
7. Morgan Stanley Smith Barney Client Statement for Anchor Capital Advisors, Eagle Global Advisors, Lazard Asset Management, NWQ LCV and International and Renaissance Investment Management for the period ended November 30, 2011.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 4

8. Morgan Stanley Smith Barney Client Statement for Anchor Capital Advisors, Eagle Global Advisors, Lazard Asset Management, NWQ LCV and International and Renaissance Investment Management for the period ended December 31, 2011.
9. Winslow Capital Portfolio Summary for the period ended November 30, 2011.
10. Winslow Capital Portfolio Summary for the period ended December 31, 2011.

C. Communication

1. Robbins Geller Rudman & Dowd Settlement Report for January 2012.

Motion Carried.

Invoices

Motion by William Sisk, supported by James Morgan to approve for payment the following invoices, subject to house audit:

1. Invoice #31678 dated December 12, 2011 in the amount of \$38,483.00 from Boyd Watterson Asset Management for investment services rendered for the period of September 1, 2011 - November 30, 2011.
2. Invoice #2081 dated December 28, 2011 in the amount of \$25.01 from County of Monroe Finance Department for November 2011 Postage and Federal Express charges.
3. Invoice #1111-576-01 dated December 15, 2011 in the amount of \$143.05 from County of Monroe Printing for printing the Summary Annual Report.
4. Invoice dated December 2, 2011 in the amount of \$550.00 from Steven Dovitz, M.D. for an Independent Medical Evaluation performed on Shelly Romanowski.
5. Invoice #117373 dated January 9, 2012 in the amount of \$8,850.00 from Gabriel Roeder Smith & Company for 2012 Annual Maintenance Fee.
6. Invoice dated January 17, 2012 in the amount of \$41,803.77 from Morgan Stanley Smith Barney for Management Fees for the period of October 1, 2011 – December 31, 2011.
7. Invoice #3167260397 dated January 7, 2012 in the amount of \$31.49 from Staples for a CD/DVD Binder.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 5

8. Invoice dated January 16, 2012 in the amount of \$4,357.50 from Vanoverbeke, Michaud & Timmony for legal services rendered for the period of October 1, 2011 – December 31, 2011.

Motion carried.

Refunds - None

Retirement Payments

Motion by Michael Grodi, supported by Joseph Hudson to approve the following retirement payments:

1. Nancy Colpaert, Library	\$10,102.10
**December \$3,577.82	
2. Emilia Rempe, Library	\$ 3,857.14
**November \$296.70, December \$1,780.22	
3. Cathleen Shorter, Mental Health	\$ 935.57
**November \$71.95, December 431.81	
4. Bernadine Smith, Library	\$ 7,262.69
**November \$558.65, December \$3,352.02	
5. Daniel Stefanski, Drain Commission	\$ 2,160.03
6. Ronald Stevens, Buildings & Grounds	\$ 796.75
7. Lois White, Library	\$ 5,610.26
**December \$1,829.40	

Motion carried.

Communications

Motion by Michael Grodi, supported by Anne McCarthy to accept and place on file the following Applications for Service Retirement:

1. John Marunick, Prosecuting Attorney
2. Kenneth Swinkey, Prosecuting Attorney

Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 6

Motion by Michael Grodi, supported by Anne McCarthy to accept and place on file the following Applications for Deferred Service Status:

3. Vincent Castiglione, Sheriff's Office
4. Allen Newsome, Road Commission

Motion carried.

5. Communication dated December 20, 2011 from Vickie Koczman, Monroe County Board of Commissioners Deputy Clerk concerning issuance of 13th checks for 2011.

Motion by Michael Grodi, supported by Anne McCarthy to accept, place on file and issue 13th checks. Motion carried.

6. Communication dated December 20, 2011 from Gabriel Roeder Smith & Company regarding personnel changes.

Motion by Michael Grodi, supported by Anne McCarthy to accept communication and place on file. Motion carried.

7. Communication dated January 11, 2012 from Gabriel Roeder Smith & Company regarding the proposed fees for the December 31, 2011 Actuarial Valuation.

Motion by Michael Grodi, supported by Anne McCarthy to accept communication and place on file. Motion carried.

8. Communication dated December 6, 2011 from Morgan Stanley Smith Barney regarding the new fee schedule.

Motion by Michael Grodi, supported by Anne McCarthy to accept communication and place on file. Motion carried.

9. Medical report dated December 2, 2011 from Steven Dovitz, M.D. regarding independent medical evaluation of Shelly Romanowski.

Motion by Michael Grodi, supported by Anne McCarthy to accept communication and place on file. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 7

10. Communication dated December 13, 2011 from Joseph Lambert regarding final average compensation wages.

Motion by Henry Lievens, supported by Michael Grodi to submit Mr. Lambert's letter to Legal Counsel to make a determination as to whether his worker's compensation wages can be included in his final average compensation. Motion carried.

Proposed Resolutions

Motion by James Davies, supported by Joseph Hudson to accept and place on file the following Service Retirement resolutions:

1. Nancy Colpaert, Library
2. Emilia Rempe, Library
3. Cathleen Shorter, Mental Health
4. Bernadine Smith, Library
5. Daniel Stefanski, Drain Commission
6. Ronald Stevens, Buildings & Grounds
7. Lois White, Library

Motion carried.

Motion by James Davies, supported by Joseph Hudson to accept and place on file the following Application for Service Retirement resolutions:

8. John Marunick, Prosecuting Attorney
9. Kenneth Swinkey, Prosecuting Attorney

Motion carried.

Motion by James Davies, supported by Joseph Hudson to accept and place on file the following Purchase of Universal Service Credit resolutions:

10. Ronald Stevens, Buildings & Grounds
11. Kenneth Swinkey, Prosecuting Attorney

Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 8

Motion by James Davies, supported by Joseph Hudson to accept and place on file the following Purchase of Military Service Credit resolution:

12. David Davison, Sheriff's Office

Motion carried.

Attorney Report

A motion is needed to authorize the Chairman, Vice Chairman, Retirement Secretary and Retirement Specialist to sign on behalf of the Retirement Board.

Motion by William Sisk, supported by Henry Lievens to authorize the Chairman, Vice Chairman, Retirement Secretary and Retirement Specialist to sign on behalf of the Retirement Board. Motion carried.

Consultant Report

Mr. Cho reviewed the valuation report for the month ending December 31, 2011. The fund is valued at \$166,306,281.20 down \$1,311,343.41 from the previous month. The Total Fund was down .33%. The current asset allocation includes 44.46% in equity, 48.01% in fixed income, and 7.52% in cash.

Mr. Holycross discussed Alpine and Diamond Hill. The recommendation is to terminate Alpine and transfer the assets to Pacific Income and also terminate Diamond Hill and transfer the assets to Winslow Large Growth.

Motion by Michael Grodi, supported by James Morgan to accept the recommendation from Morgan Stanley Smith Barney and terminate Alpine and transfer the assets to Pacific Income and also terminate Diamond Hill and transfer the assets to Winslow Large Growth. Motion carried.

Mr. Cho addressed the Investment Policy Statement. There are changes to the policy, blue is additional new language and red lined is deleted language. Mr. Lievens suggested placing this under old business so that the new trustees are able to review it before a decision is made.

Motion by Henry Lievens, supported by Michael Grodi to place the Investment Policy Review under old business for the February 27, 2012 meeting. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 9

Old Business

- Morgan Stanley Smith Barney Contract

Henry Lievens suggested placing the Morgan Stanley Smith Barney contract as well as Auditing the Retirement Files under old business for the February meeting to allow the new Trustees time to review them before a decision is made.

Motion by Henry Lievens, supported by James Davies to place the Morgan Stanley Smith Barney contract under old business for the February 27, 2012 meeting. Motion carried. Michael Grodi voted no.

- Audit Retirement Files

Motion by Henry Lievens, supported by Anne McCarthy to place the Audit Retirement Files under old business for the February 27, 2012 meeting. Motion carried.

New Business

- Committee Appointments

Motion by Michael Grodi, supported by James Morgan to appoint Joseph Hudson, Henry Lievens, Nancy Bellaire, and George Jondro to the Administrative Policy Committee. Motion carried.

Motion by Henry Lievens, supported by Michael Grodi to appoint Anne McCarthy, James Morgan, Michael Grodi, and James Davies to the Investment Policy Committee. Motion carried.

Trustee Comments

Michael Grodi welcomed the new Trustees. He would like to make a motion to allow all Trustees, Retirement Secretary, and Retirement Specialist to attend the MAPERS & NCPERS Educational Seminars in May.

Motion by Michael Grodi, supported by Joseph Hudson to all Trustees, Retirement Secretary, and Retirement Specialist to attend the MAPERS & NCPERS Educational Seminars in May. Motion carried.

Anne McCarthy also welcomed the new Trustees. She stated last year was an interesting year. The Retirement Board had challenges. She feels the Retirement Board must stay strong and need to be pro-active.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 23, 2012 – Page 10

Joseph Hudson, James Davies and James Morgan welcomed the new Trustees.

Nancy Bellaire and George Jondro thanked the Retirement Board for the warm welcome. George stated he feels education is very important.

Motion by Anne McCarthy, supported by Joseph Hudson to adjourn. Motion carried. Meeting adjourned at 6:35 P.M.

Respectfully Submitted,

George Jondro, Chairman
Monroe County Employees Retirement System
Board of Trustees