

Monroe County Employees Retirement System

840 South Roessler Street, Monroe, MI 48161-1557 (734) 241-1174



MINUTES

Monroe County Employees Retirement System Board of Trustees Monday, February 22, 2016

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:00 PM on February 22, 2016 at the Mary K. Daume Library Service Center at 840 South Roessler Street, Monroe, Michigan 48161.

2. Roll Call

Roll call as follows:

PRESENT:

Nancy Bellaire	Anne McCarthy
Michael Grodi	James Morgan
George Jondro	Al Potratz

Joseph Hudson, Robert Neely, and Jason Turner excused.

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Michael Bosanac, Retirement Secretary
Michael Cho, Investment Consultant
Thomas Michaud, Legal Counsel
Michael Brown, Citizen

A quorum being present, the Board proceeded to transact business.

3. Pledge of Allegiance

Chairman Grodi led the Pledge of Allegiance.

4. Approval of Agenda

Motion by Trustee McCarthy to approve the agenda as amended, moving item 11-1 Cassidy Burns, Riverbridge presentation to citizen's time. Supported by Trustee Jondro.

All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee McCarthy to approve the minutes of the January 25, 2016 regular meeting and February 8, 2016 special meeting and waive the reading of the minutes. Supported by Trustee Bellaire.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
February 22, 2016 – Page 2

All in favor. Motion carried.

6. Presentations

1. Cassidy Burns, Riverbridge

Ms. Burns discussed the firm overview. Riverbridge was founded in 1987 and seeks to buy differentiated, well-managed growth companies. She then reviewed the company philosophy, strategy, and investment criteria.

Ms. Burns reviewed the performance summary. Year to date, Riverbridge was up .29%. She discussed the portfolio characteristics, portfolio holdings, top 10 holdings, and sector weightings.

Riverbridge is highly confident about the relative positioning of the portfolio and they will continue to find compelling companies with predictable earnings growth.

7. Citizens Time

No comments.

8. Consent Agenda

Motion by Trustee Jondro to approve the consent agenda as listed below. Supported by Trustee Morgan.

1. Retirements
 - a. Micheal James, General County February 29
2. Financial Reports
 - a. Boyd Watterson GSA Fund for the period ended January 31, 2016.
 - b. Boyd Watterson client statement for the period ended December 31, 2015.
 - c. Brandywine Global Investment Management Global Fixed Income Fourth Quarter 2015.
 - d. Brandywine Global Investment Management Global Fixed Income January 2016.
 - e. Comerica Bank account statement for January 2016.
 - f. Morgan Stanley client statement for January 2016.
 - g. Seizert Capital Partners Fourth Quarter Report 2015.
 - h. Mesirow Institutional account statement for the period ended December 31, 2015.

All in favor. Motion carried.

9. Approval of Bills

Motion by Trustee Bellaire to approve payment for the following invoices, subject to house audit. Supported by Trustee Jondro.

1. Invoice #418017 in the amount of \$5,046.55 from Comerica Bank for custodial services rendered for the period of October 1, 2015 – December 31, 2015.
2. Invoice #1215-576-08 dated January 22, 2016 in the amount of \$115.00 from County of Monroe Printing for election ballots.
3. Invoice dated January 12, 2016 in the amount of \$26,340 from Seizert Capital Partners for investment services rendered for the period of October 1, 2015 – December 31, 2015.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
February 22, 2016 – Page 3

Roll call for approval of the bills as follows:

AYES: Nancy Bellaire Anne McCarthy
 Michael Grodi James Morgan
 George Jondro Al Potratz

NAYS: None

ABSENT: Joseph Hudson, Robert Neely, and Jason Turner excused

All in favor. Motion carried.

9A. Refunds

Motion by Trustee Jondro to approve the following refunds. Supported by Trustee McCarthy.

- | | |
|--------------------------------------|-------------|
| 1. Bradd Crary, Sheriff's Office | \$25,901.03 |
| 2. Valerie Stefanski, General County | \$ 57.54 |

All in favor. Motion carried.

9B. Retirement Payments

Motion by Trustee Jondro to approve the following retirement payments. Supported by Trustee McCarthy.

- | | |
|--|-------------|
| 1. Bradd Crary, Sheriff's Office | \$ 2,777.71 |
| *January \$511.70 | |
| 2. Denise Erving, General County | \$ 2,406.46 |
| *December \$38.20, January \$1,184.13 | |
| 3. Alan Frank, General County | \$ 664.28 |
| *January \$332.14 | |
| 4. Janet Hoffman, Library | \$ 3,807.66 |
| *December \$60.44, January \$1,873.61 | |
| 5. Carl Katafiasz, Library | \$ 3,520.86 |
| *December \$1,068.12, January \$1,226.37 | |
| 6. Patricia Norton, General County | \$ 417.27 |
| *January \$36.81 | |
| 7. Deborah Toro, General County | \$ 7,004.61 |
| *December \$2,334.87, January \$2,334.87 | |

All in favor. Motion carried.

10. Communications

Motion by Trustee McCarthy to receive and file the following communications. Supported by Trustee Bellaire.

- Application for Deferred Retirement**
Patricia Norton, General County
- Application for Purchase of Military Service Time**
Randall Rosenberger, Sheriff's Office

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
February 22, 2016 – Page 4**

3. Communication dated January 22, 2016 from Boyd Watterson regarding 4th Quarter 2015 distribution.
4. Communication dated February 1, 2016 from Buck Consultants regarding changes.
5. Communication dated January 28, 2016 to Comerica Bank regarding Joanne Aichler.

All in favor. Motion carried.

11. Resolutions

Motion by Trustee Jondro to accept and place on file the following retirement resolutions. Supported by Trustee Morgan.

Service Retirement

1. Denise Erving, General County
2. Alan Frank, General County
3. Janet Hoffman, Library
4. Deborah Toro, General County

Disability Retirement

5. Bradd Cray, Sheriff's Office

Application for Deferred Retirement

6. Patricia Norton, General County

Deferred Retirement

7. Carl Katafiasz, Library
8. Patricia Norton, General County

Purchase of Military Service Credit

9. Randall Rosenberger, Sheriff's Office

All in favor. Motion carried.

12. Consultant's Report

Mr. Cho reviewed the fourth quarter performance report. He discussed the investment perspectives and then he discussed the total fund performance. The fund is valued at \$182,847,554.00. The current asset allocation includes 61.5% in equity, 23.2% in fixed income, 6.2% in alternative investments, 6.6% in real estate and 2.5% in cash. The total fund was down .14% year to date.

Next, Mr. Cho reviewed the valuation report for the month ending January 31, 2016. The fund is valued at \$178,694,063.06 down \$4,017,168.21 from the previous month. The current asset allocation includes 62% in equities, 25% in fixed income, 3% in cash, 6% in alternative investments, and 4% in real estate. The Total Fund was down 3.39% for the month and down 3.39% year to date.

Mr. Cho advised the Retirement Board that Delaware's senior portfolio manager has left the company. Morgan Stanley is aware of the action, but has not issued a full opinion yet. Once they do he will inform the board.

Mr. Cho recommends transferring five (5) million dollars from Brandywine to Boyd Watterson fixed income and two (2) million dollars from Winslow to Intercontinental.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
February 22, 2016 – Page 5**

Motion by Trustee Morgan to accept Mr. Cho's recommendation and transfer five (5) million dollars from Brandywine to Boyd Watterson fixed income and two (2) million dollars from Winslow to Intercontinental. Supported by Trustee Bellaire.

All in favor. Motion carried.

Mr. Cho presented the Retirement Board with a cost comparison. Morgan Stanley is proposing a .18% reduction in manager fees. The proposed agreement from Morgan Stanley has been forward to Mr. Michaud's office for review.

Trustee McCarthy would like the Investment Policy Committee to review any and all changes prior to meetings going forward.

Motion by Trustee Jondro to accept the proposed .18% reduction in manager fees as presented. Supported by Trustee Bellaire.

All in favor. Motion carried.

13. Old Business

1. Code of Conduct/Education/Travel/Due Diligence Policy and County Travel Policy 307.1

Trustee Grodi advised that this issue is in the process of being reviewed.

2. Citizen-at-Large recommendation

Robert Neely has been appointed by the Monroe County Board of Commissioners as the Citizen-at-Large representative.

Motion by Trustee Morgan to accept the appointment of Robert Neely. Supported by Trustee McCarthy.

All in favor. Motion carried.

3. Fiduciary Liability Insurance

The renewal application has been completed and Union Services is working on the quote.

14. New Business

1. Committee Appointments

Administrative Policy Committee Members:

Michael Grodi, Chairman
Joseph Hudson
Anne McCarthy
Al Potratz

Investment Policy Committee Members:

George Jondro, Chairman
Nancy Bellaire
James Morgan
Jason Turner

Motion by Trustee McCarthy to accept the committee appointments. Supported by Trustee Bellaire.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
February 22, 2016 – Page 6

All in favor. Motion carried.

2. Request for Proposal Investment Consultant

Michael Brown, Chairman of the Monroe County Retiree Health Care Board would like to pool resources and work collectively to issue a request for proposal for the Retiree Health Care Board and the Retirement Board. The benefit would be a possible reduction in management fees for all accounts.

Mr. Michaud stated it is a common practice to group plans together for proposals.

Trustee McCarthy approves the joint effort.

Chairman Grodi agreed to the process. He will work with Mr. Brown and the Library Retiree Health Care Board Chairman to draft a proposal.

15. Attorney's Report

Mr. Michaud discussed the normal retirement age and in-service distributions. He addressed retirees returning to the workforce. There are guidelines in place in regards to public safety employees. The IRS issued regulations which are intended to provide guidance to the allowance of pre-retirement benefit payments to participants who continued working.

16. Trustee Comments

17. Administrative Calendar

Chairman Grodi stated the next meeting is March 28, 2016 at 5:00 P.M.

18. Adjourn

Motion by Trustee McCarthy to adjourn. Supported by Trustee Morgan.

All in favor. Motion carried.

Meeting adjourned at 6:48 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System