

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, April 25, 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 April 25, 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	James Morgan @ 5:03
Michael Grodi	Bob Neely
Joseph Hudson	Al Potratz
George Jondro	Jason Turner
Anne McCarthy	

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Michael Bosanac, Retirement Secretary
Thomas Michaud, Legal Counsel
Michael Cho, Investment Consultant
Michael Holycross, Investment Consultant
Marcus Anderson, Delaware
Carl Rice, Delaware via telephone
Pamela Bale, 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 Jondro to approve the agenda as amended, adding item 14-3, Investment Committee recommendation. Supported by Trustee Turner.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
April 25, 2016 – Page 2**

Roll call for approval to amend the agenda as follows:

AYES: Nancy Bellaire	Anne McCarthy
Michael Grodi	Bob Neely
Joseph Hudson	Al Potratz
George Jondro	Jason Turner

NAYS: None

ABSENT: James Morgan excused.

All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee McCarthy to approve the minutes of the March 28, 2016 regular meeting and waive the reading of the minutes. Supported by Trustee Potratz.

All in favor. Motion carried.

6. Citizens Time

No citizens wish to address the board.

7. Consent Agenda

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

1. Retirements
 - a. John Ciacelli, Sheriff's Office April 5
 - b. Linda Stotz, General County April 30
2. Financial Reports
 - a. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended March 31, 2016.
 - b. Boyd Watterson GSA Fund for the period ended March 31, 2016.
 - c. Brandywine Global Investment Management Global Fixed Income March 2016.
 - d. Comerica Bank account statement for March 2016.
 - e. Morgan Stanley client statement for March 2016.
 - f. Corbin Pinehurst account statement for the period ended February 29, 2016.
 - g. Mesirow Institutional account statement for the period ended February 29, 2016.
 - h. Seizert Capital Partners Quarterly Report for the period ended March 31, 2016.
3. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for February 26, 2016.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for February 26, 2016.
 - c. Robbins Geller Rudman & Dowd settlement report for March 25, 2016.
 - d. Robbins Geller Rudman & Dowd portfolio monitoring report for March 25, 2016.
 - e. Robbins Geller Rudman & Dowd first quarter international portfolio monitoring report.

All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
April 25, 2016 – Page 3**

8. Approval of Bills

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

1. Invoice #43826 dated March 18, 2016 in the amount of \$16,270.00 from Boyd Watterson Asset Management for investment services rendered for the period of December 1, 2015 – February 29, 2016.
2. Invoice #2270645 dated April 15, 2016 in the amount of \$6,000.00 from Buck Consultants for the first installment for basic actuarial services.
3. Invoice #420655 in the amount of \$5,268.99 from Comerica Bank for custodial services rendered for the period of January 1, 2016 – March 31, 2016.
4. Invoice dated April 12, 2016 in the amount of \$26,634.00 from Seizert Capital for investment services rendered for the period of January 1, 2016 – March 31, 2016.
5. Invoice #13434 dated April 15, 2016 in the amount of \$16,343.00 from Union Services for fiduciary liability insurance renewal through April 15, 2017.
6. Invoice dated April 20, 2016 in the amount of \$507.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of March 1, 2016 – March 31, 2016.
7. Reimbursement in the amount of \$504.20 to George Jondro for flight expenses incurred for NCPERS annual conference.
8. Reimbursement in the amount of \$504.20 to James Morgan for flight expenses incurred for NCPERS annual conference.

Roll call for approval of the bills as follows:

AYES: Nancy Bellaire	James Morgan
Michael Grodi	Bob Neely
Joseph Hudson	Al Potratz
George Jondro	Jason Turner
Anne McCarthy	

NAYS: None

All in favor. Motion carried.

8A. Refunds

Motion by Trustee Morgan to approve the following retirement refunds. Supported by Trustee McCarthy.

- | | |
|------------------------------------|-------------|
| 1. Jodi Brooks, General County | \$ 1,165.16 |
| 2. Micheal James, General County | \$14,713.92 |
| 3. Jason Schreiber, General County | \$ 1,772.10 |
| 4. Bruce Weeks, Road Commission | \$11,492.72 |
| Merrill Lynch FBO: Bruce Weeks | \$22,505.15 |

All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
April 25, 2016 – Page 4

8B. Retirement Payments

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

- | | |
|--------------------------------------|-------------|
| 1. Micheal James, General County | \$ 8,673.22 |
| *February \$147.00, March \$4,263.11 | |
| 2. Michael Keegan, Mental Health | \$ 1,802.52 |
| *March \$387.94, April \$707.29 | |

All in favor. Motion carried.

9. Communications

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

Application for Service Retirement

1. Rosa Amato, General County
2. Debra Daniels, Mental Health
3. Michael Hewitt, Road Commission

Application for Deferred Retirement

4. Mark Braunlich, General County
5. Michael Keegan, Mental Health

Application for Deferred Retirement

6. Timothy Lusch, General County
7. Communication dated March 25, 2016 from Intercontinental regarding 4th quarter distribution.

All in favor. Motion carried.

10. Resolutions

Motion by Trustee Potratz to accept and place on file the following retirement resolutions. Supported by Trustee Turner.

Service Retirement

1. Micheal James, General County

Application for Service Retirement

2. Rosa Amato, General County
3. Debra Daniels, Mental Health
4. Michael Hewitt, Road Commission

Deferred Retirement

5. Michael Keegan, Mental Health

Application for Deferred Retirement

6. Mark Braunlich, General County
7. Michael Keegan, Mental Health

All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
April 25, 2016 – Page 5**

11. Presentations – Marcus Anderson and Carl Rice (via telephone), Delaware Investments

Mr. Anderson discussed the performance summary. The fund was up 1.67% for the 1st quarter of 2016. He stated Consumers Staples did well. The largest allocation was in Healthcare. The fund was underweight in Consumer Discretionary and Information Technology.

He stated the firm is committed to value investing. There have been no changes to the process, but Shawn Lytle was promoted as the new President and Anthony Lombardi has left the team.

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending March 31, 2016. The fund is valued at \$181,849,238.07 up \$5,756,966.03 from the previous month. The current asset allocation includes 61% in equities, 24% in fixed income, 3% in cash, 8% in alternative investments, and 4% in real estate. The Total Fund was up 3.92% for the month and down .45% year to date.

Mr. Cho recommends placing Seizert Smid on watch until the end of the 3rd quarter 2016, replacing Templeton with Cambiar International Equity, and placing a \$35.00 a share floor on Wisdomtree.

Motion by Trustee Neely to accept Mr. Cho's recommendation and place Seizert Smid on watch until the end of the 3rd quarter 2016. Supported by Trustee McCarthy.

All in favor. Motion carried.

Motion by Trustee McCarthy to accept Mr. Cho's recommendation and replace Templeton with Cambiar International Equity. Supported by Trustee Jondro.

All in favor. Motion carried.

Motion by Trustee Hudson to accept Mr. Cho's recommendation and place a \$35.00 a share floor on Wisdomtree. Supported by Trustee Morgan.

All in favor. Motion carried.

Trustee Hudson asked Mr. Cho if he felt Japan would recover.

Mr. Cho believes they will start recovering this year.

13. Old Business

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

This issue is in the process of being reviewed.

2. Request for Proposal Investment Consultant

The Committee is meeting April 27 to discuss.

14. New Business

1. MAPERS Delegates

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
April 25, 2016 – Page 6**

Motion by Trustee Jondro to appoint Trustee Hudson and Trustee Bellaire as the MAPERS delegates. Supported by Trustee McCarthy.

All in favor. Motion carried.

2. Disability Re-examinations

Motion by Trustee Jondro to follow the disability retirement procedure and schedule the disability re-examinations. Supported by Trustee McCarthy.

All in favor. Motion carried.

3. Investment Committee Recommendation

Trustee Jondro stated the Investment Policy Committee has met and discussed several options. The committee recommends placing a collar on Wisdomtree, replacing Templeton, and placing Seizert Smid on watch. The committee discussed all the funds in the portfolio, paying closer attention to the funds they felt needed the most attention. The committee would like to see higher returns. The committee is concerned with Japan and the slow recovery. The committee intends to meet quarterly to discuss the portfolio.

Mr. Holycross stated Morgan Stanley believes Japan and Europe will be the best performers this year.

Trustee Turner is concerned with placing a floor on funds.

Mr. Bosanac asked if the committee discussed index funds.

Mr. Cho stated the committee did not discuss index funds.

Trustee Hudson stated over time no money manager will outperform an index fund.

Mr. Cho disagreed using Boyd Watterson as an example, as they have outperformed the benchmark over time.

15. Attorney's Report

Mr. Michaud discussed the Bruce Weeks ruling. The Judge ordered payment to Mr. Weeks. The paperwork to process the distribution has been received. The issue is resolved.

16. Trustee Comments

Trustee Hudson questioned why the Monroe County Retiree Health Care Board is outperforming the Retirement System. He also questioned the reaction time for the Retirement System.

Trustee Neely and Mr. Bosanac stated the Retiree Health Care Board is more aggressive and reacts quicker to investment recommendations.

Trustee McCarthy thanked the Investment Policy Committee for the updates. She is concerned with a recent matter involving the Monroe County Retiree Healthcare Board. The board is not allowed to attend any training. This concerns her because the board has a fiduciary responsibility.

Trustee Morgan is also concerned with the slow reaction time from the Retirement Board. He would like the Retirement Board to receive recommendation updates from the Investment Consultant a week prior to the meeting.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
April 25, 2016 – Page 7

Chairman Grodi welcomed Trustee Neely. He thanked the Investment Policy Committee for the information.

17. Administrative Calendar

Chairman Grodi stated the next meeting is May 9, 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 6:22 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System