

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, May 9, 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 May 9, 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:

Michael Grodi	James Morgan
Joseph Hudson	Bob Neely
George Jondro	Jason Turner @ 5:10
Anne McCarthy	

Nancy Bellaire and Al Potratz excused.

ALSO PRESENT:

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

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, removing item 11-1, Frank Sposato, Lazard.
Supported by Trustee McCarthy.

All in favor. Motion carried.

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5. Approval of Minutes

Motion by Trustee Morgan to approve the minutes of the April 25, 2016 regular meeting and waive the reading of the minutes. Supported by Trustee Jondro.

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. Mark Braunlich, General County (deferred) May 24
2. Financial Reports
 - a. Boyd Watterson client statement for the period ended March 31, 2016.
 - b. Brandywine information copy of investment services for the period ended March 31, 2016.
 - c. Intercontinental account statement for the period ended December 31, 2015.
 - d. Mesirow Institutional account statement for the period ended March 31, 2016.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice in the amount of \$6,381.71 from Comerica Commercial Card Service for NCPERS, MAPERS and a new trustee name plate.
2. Invoice #5720 dated April 28, 2016 in the amount of \$15,225.31 from Monroe County Library System for retirement services through March 31, 2016.
3. Invoice in the amount of \$151,470.84 from Morgan Stanley for management fees for the period of January 1, 2016 – March 31, 2016.
4. Invoice #1327233 in the amount of \$9,750.00 from Plante Moran for professional services rendered.

Roll call for approval of the bills as follows:

AYES: Michael Grodi	Anne McCarthy
Joseph Hudson	James Morgan
George Jondro	Bob Neely

NAYS: None

ABSENT: Nancy Bellaire, Al Potratz, and Jason Turner, excused.

All in favor. Motion carried.

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8A. Refunds

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

- | | |
|--|-------------|
| 1. Bradley Bentley, Sheriff's Office | \$21,926.45 |
| Edward D. Jones FBO: Bradley Bentley | \$33,303.05 |
| 2. Darlene Klingenberg, General County | \$ 223.13 |

All in favor. Motion carried.

8B. Retirement Payments

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

- | | |
|---|-------------|
| 1. Bradley Bentley, Sheriff's Office | \$10,891.80 |
| *Jan \$961.08, Feb \$2,482.68, March \$2,482.68, April \$2,482.68 | |

All in favor. Motion carried.

9. Communications

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

- Application for Deferred Service Status**
1. Chester Baughan, Road Commission
 2. Tracy Gomez, Mental Health
 3. Communication dated April 22, 2016 from Boyd Watterson regarding 1st quarter distribution.

All in favor. Motion carried.

10. Resolutions

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

- Service Retirement**
1. Bradley Bentley, Sheriff's Office

All in favor. Motion carried.

11. Presentations

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending April 30, 2016. The fund is valued at \$183,709,780.21 up \$324,070.56 from the previous month. The current asset allocation includes 61% in equities, 24% in fixed income, 2% in cash, 9% in alternative investments, and 4% in real estate. The Total Fund was up .76% for the month and up 1.07% year to date.

Mr. Cho recommends transferring \$1,000,000.00 from Federated to the cash account, \$1,000,000.00 from Seizert Smid to the cash account, and \$1,000,000.00 from Riverbridge to the cash account.

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Motion by Trustee Jondro to accept Mr. Cho's recommendation and transfer \$1,000,000.00 from Federated to the cash account, \$1,000,000.00 from Seizert Smid to the cash account, and \$1,000,000.00 from Riverbridge to the cash account. Supported by Trustee McCarthy.

All in favor. Motion carried.

Mr. Cho informed the Board of Trustees that Chuck Schmidt will be leaving Seizert to pursue other opportunities. Morgan Stanley is reviewing the situation.

Mr. Cho reviewed the first quarter performance report. He discussed the investment perspectives and then he discussed the total fund performance. The fund is valued at \$183,542,274.00. The current asset allocation includes 60.3% in equity, 23.2% in fixed income, 5.9% in alternative investments, 7.4% in real estate and 3.1% in cash. The total fund was up .31% year to date.

Trustee McCarthy questioned if there is a better fund than Winslow due to the underperformance. She wants the Board of Trustees to be presented with the best funds available.

Mr. Cho stated Winslow is a good fund and he recommends leaving it alone at this time.

Motion by Trustee McCarthy to place Winslow on watch. Supported by Trustee Turner.

All in favor. Motion carried.

Trustee Turner stated he would like to see Mr. Cho make better fund recommendations.

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

Motion by Trustee McCarthy to send out the request for proposals once the details are finalized. Supported by Trustee Hudson.

All in favor. Motion carried.

The Administrative Policy Committee will meet and finalize the details.

14. New Business

1. Service Provider Disclosure Policy

Motion by Trustee McCarthy to send out the request according to policy. Supported by Trustee Turner.

All in favor. Motion carried.

2. Certification of Earnings for Disability Retirants

Motion by Trustee Morgan to send out the request according to policy. Supported by Trustee Jondro.

All in favor. Motion carried.

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3. Code of Conduct/Education/Travel/Due Diligence Policy

Motion by Trustee McCarthy to follow the IRS meal rate by city for meal reimbursement and incorporate the new change into the Code of Conduct/Education/Travel/Due Diligence Policy. Supported by Trustee Jondro.

All in favor. Motion carried.

15. Attorney's Report

1. EDRO, Gregory Abood vs. Shannon Abood

Mr. Michaud stated the Abood EDRO does not comply. His office is sending a letter to both parties informing them.

Motion by Trustee McCarthy to accept communication and place on file. Supported by Trustee Turner.

All in favor. Motion carried.

2. EDRO, Bradley Bentley vs. Margaret Bentley

Mr. Michaud stated the EDRO is in order and acceptable to administer the benefits as the order provides.

Motion by Trustee McCarthy to accept communication and administer the benefits as the order provides. Supported by Trustee Turner.

All in favor. Motion carried.

3. House Bill No. 5438

Mr. Michaud stated this bill limits final average compensation to base wage only. The policy is being monitored as there are legal issues, for example collective bargaining agreements.

16. Trustee Comments

Trustee McCarthy thought it was a great meeting.

Trustee Turner appreciates the different points of view.

17. Administrative Calendar

Chairman Grodi stated the next meeting is June 27, 2016 at 5:00 P.M.

18. Adjourn

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

All in favor. Motion carried.

Meeting adjourned at 6:35 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System