

# Monroe County Employees Retirement System

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



## 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 May 11, 2015 at the Mary K. Daume Library Service Center at 840 South Roessler Street, Monroe, Michigan.

Roll call as follows:

### PRESENT

Nancy Bellaire @ 5:53  
James Davies  
Michael Grodi  
Joseph Hudson

George Jondro  
Anne McCarthy  
James Morgan

### ABSENT

Al Potratz (excused)  
Jason Turner (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Michael Bosanac @ 6:08, Retirement Secretary, Michael Cho, Investment Consultant, and Thomas Michaud, Legal Counsel

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

Chairman Grodi led the Pledge of Allegiance.

Motion by Vice Chairman Jondro to approve the agenda as submitted. Supported by Trustee Hudson. All in favor. Motion carried.

Motion by Vice Chairman Jondro to approve the minutes of the April 27, 2015 regular meeting and waive the reading of the minutes. Supported by Trustee Morgan. All in favor. Motion carried.

**Citizens Time** – None

Motion by Trustee Davies to approve the consent agenda as listed below. Supported by Trustee McCarthy. All in favor. Motion carried.

### Retirements

- |   |        |
|---|--------|
| 1. Joseph Costello, Jr., General County | May 2  |
| 2. Ilya Davidovich, Mental Health       | May 22 |

### Financial Reports

1. Seizert Capital Partners SMID Performance Summary as of March 31, 2015.
2. Seizert Capital Partners Large Cap Value Performance Summary as of March 31, 2015.

### Invoices

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

1. Invoice dated April 30, 2015 in the amount of \$1,952.16 from Comerica Commercial Card Service for MAPERS Spring Educational Seminar and Trustee name plates.

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2. Invoice #5615 dated April 29, 2015 in the amount of \$14,076.97 from Monroe County Library System for services rendered to the Retirement Board for January – March 2015.
3. Invoice dated April 20, 2015 in the amount of \$157,127.68 from Morgan Stanley for management fees for the period of October 1, 2014 – December 31, 2014.
4. Invoice #1242780 dated April 28, 2015 in the amount of \$7,750.00 from Plante Moran for progress billing for the audit of fiscal year ended December 31, 2014.
5. Invoice dated April 21, 2015 in the amount of \$28,447.00 from Seizert Capital Partners for investment services rendered for the period of January 1, 2015 – March 31, 2015.
6. Invoice dated April 24, 2015 in the amount of \$1,312.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of March 1, 2015 – March 31, 2015.

Roll call for approval of the bills as follows:

**AYES**

James Davies  
Michael Grodi  
Joseph Hudson

**NAYS**

George Jondro  
Anne McCarthy  
James Morgan

**ABSENT**

Nancy Bellaire (excused)  
Al Potratz (excused)  
Jason Turner (excused)

All in favor. Motion carried.

**Retirement Refunds**

Motion by Vice Chairman Jondro to approve the following retirement refunds. Supported by Trustee Davies. All in favor. Motion carried.

- |                                    |             |
|------------------------------------|-------------|
| 1. Damon Cecil, Sheriff's Office   | \$21,648.95 |
| Edward Jones FBO: Damon Cecil      | \$31,848.40 |
| 2. Kenneth Dobbs, Sheriff's Office | \$43,988.79 |
| 3. Daniel Frebes, Sheriff's Office | \$63,706.02 |
| 4. Timothy Garbo, Sheriff's Office | \$35,118.28 |
| Primerica FBO: Timothy Garbo       | \$30,133.30 |

**Retirement Payments**

Motion by Vice Chairman Jondro to approve the following retirement payments. Supported by Trustee Davies. All in favor. Motion carried.

- |                                    |             |
|------------------------------------|-------------|
| 1. Damon Cecil, Sheriff's Office   | \$ 4,943.66 |
| *April \$1,494.61                  |             |
| 2. Kenneth Dobbs, Sheriff's Office | \$ 5,446.91 |
| *April \$2,304.50                  |             |
| 3. Daniel Frebes, Sheriff's Office | \$ 7,318.89 |
| *April \$3,176.07                  |             |
| 4. Timothy Garbo, Sheriff's Office | \$ 6,693.47 |
| *April \$2,023.58                  |             |

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**Communications – Board Action**

Motion by Trustee Davies to accept and place on file the following applications for purchase of military service time. Supported by Trustee McCarthy. All in favor. Motion carried.

1. Sarenda Davison, Sheriff's Office
2. John Longenbarger, Sheriff's Office

Motion by Trustee Davies to accept and place on file the following communication from Boyd Watterson. Supported by Trustee McCarthy. All in favor. Motion carried.

3. Communication dated April 24, 2015 from Boyd Watterson regarding first quarter 2015 distribution.

Motion by Trustee Davies to accept and place on file the following communication from Gabriel Roeder Smith & Company. Supported by Trustee McCarthy. All in favor. Motion carried.

4. Communication dated May 1, 2015 from Gabriel Roeder Smith & Company regarding the transition plan for actuarial services.
5. Software Services Agreement between the Monroe County Employees Retirement System and Gabriel Roeder Smith & Company.

**Proposed Resolutions**

Motion by Trustee Davies to accept and place on file the following service retirement resolutions. Supported by Trustee Morgan. All in favor. Motion carried.

1. Damon Cecil, Sheriff's Office
2. Kenneth Dobbs, Sheriff's Office
3. Daniel Frebes, Sheriff's Office
4. Timothy Garbo, Sheriff's Office

Motion by Trustee Davies to accept and place on file the following purchase of military service credit resolutions. Supported by Trustee Morgan. All in favor. Motion carried.

5. Ronald Benore, Jr., General County
6. Kenneth Dobbs, Sheriff's Office
7. Daniel Frebes, Sheriff's Office

**Presentations – Frank Sposato, Lazard**

Mr. Sposato discussed the assets under management, equity portfolio management, investment philosophy and investment performance. The fund was down 1.50% year to date.

**Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending April 30, 2015. The fund is valued at \$194,224,028.21 up \$1,174,031.80 from the previous month. The current asset allocation includes 61% in equities, 25% in fixed income, 2% in cash, 6% in alternative investments, and 6% in real estate. The Total Fund was up .95% for the month and up 3.17% year to date.

Mr. Cho recommends transferring \$2,000,000.00 from Boyd Watterson Fixed Income to the Cash Account.

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Motion by Vice Chairman Jondro to transfer \$2,000,000.00 from Boyd Watterson Fixed Income to the Cash Account. Supported by Trustee Davies. All in favor. Motion carried.

Mr. Cho reviewed the Investment Manager Performance Report for the first quarter 2015. The fund is valued at \$193,259,193. The current asset allocation includes 57.7% in equities, 25.0% in fixed income, 2.9% in cash, 8.7% in alternative investments, and 5.7% in real estate. The Total Fund was up .2.20% for the current quarter and up 2.20% year to date.

**Old Business**

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

This policy will be placed on the next Administrative Policy Committee meeting.

2. Investment Policy Statement Review

This Investment Policy Committee is reviewing the policy.

3. Buck Consulting Experience Study recommendation

Buck Consulting will submit a proposal with scope of services and cost details.

**New Business**

1. Service Provider Disclosure Policy

Motion by Trustee McCarthy to send out policy to service providers. Supported by Trustee Hudson. All in favor. Motion carried.

2. Certification of Earnings for Disability Retirants

Motion by Trustee McCarthy to send out certification of earnings to disability retirees. Supported by Trustee Hudson. All in favor. Motion carried.

**Attorney's Report**

No formal report.

**Trustee Comments**

Trustee Hudson had the opportunity to attend the NCPERS annual conference. He stated it was extremely interesting. One item discussed was the length of the investment consultant and money manager reports. He would like to request a full report and an executive report that is no more than 10 pages.

Trustee Davies also had the opportunity to attend the NCPERS annual conference. He discussed the difference between alpha and beta. He stated very few money managers are calculating the alpha and beta. He would like to see that calculation going forward.

Trustee Davies also stated he was approached by a current County Commissioner. The Commissioner addressed closing the amortization period and stated the Retirement Board is trying to "screw the County" by closing the amortization period. Trustee Davies stated it was an actuary recommendation and it is being reviewed. He just wanted to inform the Retirement Board of the confrontation.

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Trustee Jondro also attended the NCPERS annual conference. Something new this year was the new trustee and experienced trustee split. He was able to attend the experienced trustee session and stated it was a good educational experience.

Trustee McCarthy addressed retirement buy-outs. According to Buck Consulting, employers should pay back the buy-out within 5 years. She would like to have this reviewed.

Chairman Grodi stated the next meeting is June 22, 2015 at 5:00 P.M. at the Mary K. Daume Library Service Center.

Motion by Trustee McCarthy to adjourn. Supported by Vice Chairman Jondro. All in favor. Motion carried. Meeting adjourned at 7:09 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System  
Board of Trustees