

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 June 23, 2014 at the Mary K. Daume Library Service Center at 840 South Roessler Street, Monroe, Michigan.

Roll call as follows:

PRESENT

Nancy Bellaire
James Davies
Michael Grodi
Joseph Hudson

George Jondro
Bobby Lambert – Excused at 6:53 P.M.
Anne McCarthy
James Morgan

ABSENT

Henry Lievens (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Michael Bosanac, 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 Trustee Jondro to approve the agenda as amended; adding Closed Session – Litigation under Attorney's Report and moving the Attorney's Report to the end of the agenda, adding item 14-A – Anne McCarthy under Certificate of Attendance. Supported by Trustee McCarthy. All in favor. Motion carried.

Motion by Trustee Davies to approve the minutes of the May 12, 2014 regular meeting and waive the reading of the minutes. Supported by Trustee McCarthy. All in favor. Motion carried.

Citizens Time - None

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

Retirements

1. Douglas Kuras, General County May 31

Financial Reports

1. Boyd Watterson Asset Management Client Statement for the period ended April 30, 2014.
2. Boyd Watterson Asset Management Client Statement for the period ended May 31, 2014.
3. U. S. Real Estate Investment Fund Quarterly Statement for the period ended March 31, 2014.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
June 23, 2014 – Page 2**

Communication

1. Robbins Geller Rudman & Dowd Litigation Report as of March 31, 2014.
2. Robbins Geller Rudman & Dowd Settlement Report as of April 25, 2014
3. Robbins Geller Rudman & Dowd International Portfolio Monitoring Report as of April 25, 2014.

Invoices

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

1. Invoice dated May 30, 2014 in the amount of \$1,043.83 from Comerica Commercial Card Service for NCPERS and MAPERS conference costs.
2. Invoice #3010034 in the amount of \$1,942.20 from DLA Piper for professional services through May 31, 2014.
3. Invoice #407536 in the amount of \$4,713.00 from Gabriel Roeder Smith & Company for regular actuarial services performed for the quarter from January 1, 2014 – March 31, 2014.
4. Invoice #5566 in the amount of \$14,253.97 from Monroe County Library System for services rendered to the Retirement Board for January – March 2014.
5. Invoice #3162 in the amount of \$800.00 from NCPERS for annual conference registration for Nancy Bellaire.
6. Invoice #RR221173 dated May 31, 2014 in the amount of \$3,500.00 from Rehmann Robson for progress billing #2 for the 2013 audit.
7. Invoice dated June 20, 2014 in the amount of \$630.00 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of May 1, 2014 – May 31, 2014.
8. Reimbursement in the amount of \$351.06 to Nancy Bellaire for expenses incurred for the 2014 NCPERS annual conference.
9. Reimbursement in the amount of \$196.00 to Nancy Bellaire for expenses incurred for the 2014 Spring MAPERS conference.
10. Reimbursement in the amount of \$198.80 to Michael Grodi for expenses incurred for the 2014 Spring MAPERS conference.
11. Reimbursement in the amount of \$196.00 to Anne McCarthy for expenses incurred for the 2014 Spring MAPERS conference.
12. Reimbursement in the amount of \$212.03 to James Morgan for expenses incurred for the 2014 Spring MAPERS conference.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
June 23, 2014 – Page 3**

Roll call for approval of the bills as follows:

AYES		NAYS	ABSENT
Nancy Bellaire	George Jondro		Henry Lievens (excused)
James Davies	Bobby Lambert		
Michael Grodi	Anne McCarthy		
Joseph Hudson	James Morgan		

All in favor. Motion carried.

Retirement Refunds

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

1. James Christensen, Central Dispatch	\$55,113.93
Bankers Life and Casualty (FBO: James Christensen)	\$31,598.07
2. Kirk McMullen, General County	\$ 2,815.85
Nationwide (FBO: Kirk McMullen)	\$11,558.02

Retirement Payments

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

1. James Christensen, Central Dispatch	\$ 7,424.82
**April \$121.72, May \$3,651.55	
2. Kirk McMullen, General County	\$ 5,728.90
**April \$1,636.80	

Communications – Board Action

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

1. Kathryn Gautz, General County
2. Gary Kujawa, Sheriff's Office
3. Douglas Kuras, General County
4. Carol O'Dell, General County
5. Deborah Zimmerman, General County

Motion by Trustee Davies to accept and place on file the following applications for disability retirement. Supported by Trustee Hudson. All in favor. Motion carried.

6. Martha Falkenberg, General County
7. Scott Goins, Central Dispatch

Motion by Trustee Davies to accept and place on file the following applications for deferred service status. Supported by Trustee Hudson. All in favor. Motion carried.

8. Amber Black, Mental Health
9. Brian McBroom, Sheriff's Office
10. Lavina Tigney, Mental Health

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
June 23, 2014 – Page 4**

Motion by Trustee Davies to accept and place on the file the following certificates of attendance. Supported by Trustee Hudson. All in favor. Motion carried.

11. Nancy Bellaire, MAPERS
12. Michael Grodi, MAPERS
13. Henry Lievens, MAPERS
14. James Morgan, MAPERS
- 14-a. Anne McCarthy, MAPERS

Motion by Trustee Davies to accept and place on file the following disclosure forms. Supported by Trustee Hudson. All in favor. Motion carried.

15. Boyd Watterson Asset Management
16. Brandywine Global Investment Management
17. Comerica Bank
18. Corbin Capital Partners
19. Steven Dovitz, M.D.
20. Federated Investment Counseling
21. Mesirov Advanced Strategies
22. Rehmann Robson, CPA's
23. Renaissance Investment Management

Motion by Trustee Davies to accept and place on file the following communications. Supported by Trustee Hudson. All in favor. Motion carried.

24. Communication dated June 9, 2014 from Boyd Watterson GSA Fund regarding first quarter distribution.
25. Communication dated May 19, 2014 from Intercontinental Real Estate Corporation regarding first quarter distribution.

Proposed Resolutions

Motion by Trustee Lambert to accept and place on file the following application for service retirement application resolutions. Supported by Trustee McCarthy. All in favor. Motion carried.

1. Kathryn Gautz, General County
2. Gary Kujawa, Sheriff's Office
3. Douglas Kuras, General County
4. Carol O'Dell, General County
5. Deborah Zimmerman, General County

Motion by Trustee Lambert to accept and place on file the following service retirement application resolutions. Supported by Trustee McCarthy. Motion carried.

6. James Christensen, Central Dispatch
7. Kirk McMullen, General County

Motion by Trustee Lambert to hold action for closed session discussion. Supported by Trustee McCarthy. All in favor. Motion carried.

8. Martha Falkenberg, General County
9. Scott Goins, Central Dispatch

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
June 23, 2014 – Page 5**

Presentations – MP Hayden and Matthew Glasofer, Corbin Capital

Mr. Glasofer began with Corbin's outlook and strategy focus. He then discussed portfolio guidelines and Corbin's investment philosophy.

Next, Mr. Glasofer reviewed the performance summary. For the month the fund is up 1.52% and year to date the fund is up 4.26%.

Finally, Mr. Glasofer discussed Corbin's strategy overview. He stated Corbin seeks to achieve substantial capital appreciation with limited volatility through an actively managed, multi-strategy portfolio of hedge fund investments.

Consultant's Report

Mr. Cho reviewed the valuation report for the month ending May 31, 2014. The fund is valued at \$191,960,650.88 up \$2,586,667.04 from the previous month. The current asset allocation includes 58% in equities, 33% in fixed income, 2% in cash, 3% in alternative investments, and 4% in real estate. The Total Fund was up 1.73% for the month and up 2.97% year to date.

Next, Mr. Cho reviewed the investment manager performance report for the first quarter 2014. In the first quarter, equity performance in the United States was mixed largely due to investor uncertainty and the strength and speed of global economic recovery, as well as seemingly frothy valuation metrics. Year to date the fund was up .91%. Trailing 3 years the fund was up 6.19%. Trailing 5 years the fund was up 10.53%. The asset allocation includes 33.3% in fixed income, 57.3% in equities, 2.8% in hedge funds, 2.1% in real estate and 4.4% in cash.

Mr. Cho would like to perform a search for NWQ's allocation. NWQ has been underperforming and they are currently on watch.

Trustee Lambert feels the search is premature. There is an investment policy and it should be followed. NWQ has not failed three consecutive quarters.

Trustee McCarthy feels it is the Board's fiduciary responsibility to perform a search for NWQ's allocation. NWQ has failed two consecutive quarters and the Board needs to be prepared if NWQ fails again next quarter.

Trustee Davies stated there is no downside to looking now and being prepared.

Motion by Trustee McCarthy to begin search for NWQ's allocation. Supported by Trustee Davies. All in favor. Motion carried.

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. Pension Evaluation

Asset Strategies is working on the evaluation.

3. Investment Policy Statement Review

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

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
June 23, 2014 – Page 6

4. Retirement Ordinance update

Chairman Grodi stated the intent was never to have the Retirement Board update the Retirement Ordinance, only to offer recommendations. The County Board of Commissioners are responsible for the update.

New Business

1. April Kipf

Ms. Kipf's annuity amount will need to be corrected to account for her full repayment in 2008.

2. Financial Audit/Statement

There will be a special meeting on June 26, 2014 at 4:00 P.M. at the Monroe County Board of Commissioners Chambers for Rehmann Robson to present the financial statements.

3. Verification of Retirant and Beneficiary Data

Motion by Trustee McCarthy to send out verification of retirant and beneficiary data form to all retirees. Supported by Trustee Jondro. All in favor. Motion carried.

Attorney's Report

Motion by Trustee Hudson to go into closed session to discuss pending litigation case and medical retirement applications. Supported by Trustee McCarthy.

Roll call to go into closed session as follows:

AYES		NAYS	ABSENT
Nancy Bellaire	George Jondro		Henry Lievens (excused)
James Davies	Bobby Lambert		
Michael Grodi	Anne McCarthy		
Joseph Hudson	James Morgan		

All in favor. Motion carried. Entered closed session at 6:11 P.M.

Motion by Trustee Hudson to go into open session. Supported by Trustee McCarthy. All in favor. Motion carried. Entered open session at 7:00 P.M.

Motion by Trustee Hudson to direct Legal Counsel to proceed with Autoliv litigation matter. Supported by Trustee Davies. All in favor. Motion carried.

Motion by Trustee Jondro to accept and place on file the following disability retirement application resolutions. Supported by Trustee McCarthy. All in favor. Motion carried.

8. Martha Falkenberg, General County

9. Scott Goins, Central Dispatch

Motion by Trustee McCarthy to request confidential medical information not be emailed or placed on share file, but instead provide hard copies at the Retirement Board meetings and the copies be returned to the Retirement Specialist after the meeting is adjourned. Supported by Trustee Morgan. All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
June 23, 2014 – Page 7**

Trustee McCarthy stated the Retirement Board had an extensive discussion regarding the confidentially agreement and the Trustees and Staff are completely aware of the process in place.

Trustee Comments

Trustee Morgan was able to attend the MAPERS Spring Conference and he was very interested in the new process. Tablets and smartphones are now able to download an app for the conference.

Trustee Davies would like tablet training. The training will be held on July 8, 2014 at 5:00 P.M. at the Mary K. Daume Library Service Center.

Trustee Bellaire was also able to attend the MAPERS Spring Conference and she stated it was a very informative training.

Trustee McCarthy also attended the MAPERS Spring Conference, although it is not her favorite venue. She felt this training was not as information as past conferences.

Chairman Grodi thought the turnout at MAPERS was good. He enjoyed meeting new Trustees and received positive feedback regarding the conference. The app creation was a very positive addition.

Chairman Grodi stated the next meeting is July 28, 2014 at the Mary K. Daume Library Service Center.

Motion by Trustee McCarthy to adjourn. Supported by Trustee Hudson. All in favor. Motion carried. Meeting adjourned at 7:15 P.M.

Respectfully Submitted,

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