

# 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 29, 2015 at the Mary K. Daume Library Service Center at 840 South Roessler Street, Monroe, Michigan.

Roll call as follows:

### PRESENT

James Davies  
Michael Grodi @ 5:15  
Joseph Hudson  
George Jondro @ 5:40

Anne McCarthy  
James Morgan  
Al Potratz

### ABSENT

Nancy Bellaire (excused)  
Jason Turner (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.

Trustee McCarthy led the Pledge of Allegiance.

Motion by Trustee Davies to approve the agenda as amended, adding item 9-2A, Application for Purchase of Military Service Time – Steve Moreau. Supported by Trustee Potratz.

Roll call for approval of the amended agenda as follows:

### AYES

James Davies  
Joseph Hudso  
Anne McCarthy

### NAYS

James Morgan  
Al Potratz

### ABSENT

Nancy Bellaire (excused)  
Michael Grodi (excused)  
George Jondro (excused)  
Jason Turner (excused)

All in favor. Motion carried.

Motion by Trustee Davies to approve the minutes of the May 11, 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 Potratz to approve the consent agenda as listed below. Supported by Trustee Davies. All in favor. Motion carried.

### Retirements

1. Susan Cassada, Sheriff's Office

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**Financial Reports**

1. Boyd Watterson statement of account as of April 30, 2015.
2. Boyd Watterson statement of account as of May 31, 2015.
3. Brandywine Global Investment Management Global Fixed Income for April 2015.
4. Brandywine Global Investment Management Global Fixed Income for May 2015.

**Communication**

1. Robbins Geller Rudman & Dowd Settlement Report for April 24, 2015.
2. Robbins Geller Rudman & Dowd Portfolio Monitoring Report for April 24, 2015.
3. Robbins Geller Rudman & Dowd Settlement Report for May 29, 2015.
4. Robbins Geller Rudman & Dowd Portfolio Monitoring Report for May 29, 2015.

**Invoices**

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

1. Invoice dated May 29, 2015 in the amount of \$8,534.97 from Comerica Commercial Card Service for NCPERS and MAPERS Educational Seminars.
2. Invoice #414741 dated June 12, 2015 in the amount of \$19,171.00 from Gabriel Roeder Smith & Company for software maintenance.
3. Invoice #8321 dated June 24, 2015 in the amount of \$2,773.75 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of April 1, 2015 – May 31, 2015.
4. Reimbursement in the amount of \$206.29 to Nancy Bellaire for expenses incurred for the 2015 MAPERS spring conference.
5. Reimbursement in the amount of \$192.29 to James Davies for expenses incurred for the 2015 NCPERS annual conference.
6. Reimbursement in the amount of \$226.99 to James Davies for expenses incurred for the 2015 MAPERS spring conference.
7. Reimbursement in the amount of \$220.27 to Michael Grodi for expenses incurred for the 2015 MAPERS spring conference.
8. Reimbursement in the amount of \$541.90 to Joseph Hudson for expenses incurred for the 2015 NCPERS annual conference.
9. Reimbursement in the amount of \$48.54 to Joseph Hudson for expenses incurred for the 2015 MAPERS spring conference.
10. Reimbursement in the amount of \$221.67 to George Jondro for expenses incurred for the 2015 NCPERS annual conference.
11. Reimbursement in the amount of \$195.20 to George Jondro for expenses incurred for the 2015 MAPERS spring conference.
12. Reimbursement in the amount of \$195.94 to Anne McCarthy for expenses incurred for the 2015 MAPERS spring conference.

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13. Reimbursement in the amount of \$143.67 to James Morgan for expenses incurred for the 2015 NCPERS annual conference.

Roll call for approval of the bills as follows:

AYES	NAYS	ABSENT
James Davies	James Morgan	Nancy Bellaire (excused)
Joseph Hudson	Al Potratz	Michael Grodi (excused)
Anne McCarthy		George Jondro (excused)
		Jason Turner (excused)

All in favor. Motion carried.

**Retirement Refunds**

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

1. Laurie Smith, Sheriff's Office (deferred) \$21,661.26

**Retirement Payments**

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

1. Joseph Costello, Jr., General County \$ 9,505.52  
\*May \$4,674.90
2. Laurie Smith, Sheriff's Office \$ 1,370.08  
\*March \$120.90, April \$624.59

**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 Morgan. All in favor. Motion carried.

1. Vincent Badalamente, Sheriff's Office
2. Michael Preadmore, Sheriff's Office
- 2A. Steve Moreau, Sheriff's Office

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

3. Nancy Bellaire, MAPERS
4. James Davies, MAPERS
5. Joseph Hudson, MAPERS
6. George Jondro, MAPERS
7. Anne McCarthy, MAPERS
8. Jason Turner, MAPERS

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

9. Boyd Watterson Asset Management
10. Brandywine Global Investment Management

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11. Buck Consultants
12. Comerica Bank
13. Corbin Capital Partners
14. Steven Dovitz, M.D.
15. Federated Investment Counseling
16. Franklin Templeton Portfolio Advisors
17. Lazard Asset Management
18. Morgan Stanley – Graystone Consulting
19. Plante Morgan
20. Renaissance Investment Management
21. Riverbridge Partners
22. Seizert Capital Partners
23. Vanoverbeke, Michaud & Timmony

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

24. Communication dated May 21, 2015 from Intercontinental regarding first quarter 2015 distribution.

Motion by Trustee Davies to accept and place on file the following communication from Seizert Capital Partners. Supported by Trustee Morgan. All in favor. Motion carried.

25. Communication dated May 20, 2015 from Seizert Capital Partners regarding personnel changes.

**Proposed Resolutions**

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

1. Joseph Costello, Jr., General County

Motion by Trustee Davies to accept and place on file the following deferred retirement resolution. Supported by Trustee Potratz. All in favor. Motion carried.

2. Laurie Smith, Sheriff's Office

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

3. Chad Cupp, Sheriff's Office

**Presentations** – Beth Bialy and Spencer Tawa, Plante Morgan, Financial Audit/Statement

Ms. Bialy presented the Monroe County Employees Retirement System Financial Report with Supplemental Information for years ended December 31, 2014 and 2013.

She discussed the report letter, management's discussion and analysis, statement of fiduciary net position, statement of changes in fiduciary net position, notes to financial statements, schedule of changes in the system net pension liability and related ratios, schedule of contributions, and schedule of investment returns.

Ms. Bialy also reviewed internal control related matters identified in the audit, required communications with those charged with Governance, other recommendations and related information, and legislative and informational items.

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Motion by Trustee Davies to accept and place on file the Monroe County Employees Retirement System Financial Report with Supplemental Information for years ended December 31, 2014 and 2013. Supported by Trustee Hudson. All in favor. Motion carried.

**Presentations** – MP Hayden and Rob Zellner, Corbin Capital Partners

Mr. Zellner discussed Corbin at a glance; the company was established in 1984, has \$5 billion in assets under management, and has 40 employees. He then discussed the investment performance. The fund was up 3.72% year to date.

**Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending May 31, 2015. The fund is valued at \$194,017,537.42 down \$328,301.75 from the previous month. The current asset allocation includes 61% in equities, 24% in fixed income, 3% in cash, 6% in alternative investments, and 6% in real estate. The Total Fund was up .35% for the month and up 3.58% 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. Actuarial Services Agreement – Buck Consultants

Motion by Trustee Morgan to accept the actuarial services agreement and place on file. Supported by Trustee Davies. All in favor. Motion carried.

2. Verification of Retirant and Beneficiary Data

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

3. 2012 13<sup>th</sup> check correction

Motion by Trustee Davies to use the 13<sup>th</sup> check detailed listing from 2012 and divide the \$7,926.88 repayment amount evenly among eligible retirees. Supported by Trustee McCarthy. All in favor. Motion carried.

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**Attorney's Report**

1. FOIA Policy and Procedures

Mr. Michaud stated the new FOIA law takes effect July 1. The FOIA policy needs to be on the Retirement Systems website. He also stated a FOIA Coordinator needs to be assigned.

Motion by Trustee McCarthy to accept, place on file and post the FOIA policy to the Retirement Systems website and assign the Retirement Specialist as the FOIA Coordinator. Supported by Trustee Hudson. All in favor. Motion carried.

2. Monthly Retirement Service Credit

Mr. Michaud stated the ordinance states employees receive service credit after 10 calendar days. There is no mention of hours. As written a day is a day.

Motion by Trustee McCarthy to forward the discussion to the Administrative Policy Committee to review in detail. Supported by Trustee Davies. All in favor. Motion carried.

3. Amended Eligible Domestic Relations Order – Quinn; Celeste vs. Brian

Mr. Michaud stated the EDRO is acceptable as written.

Motion by Trustee Davies to adopt the order as presented. Supported by Trustee McCarthy. All in favor. Motion carried.

**Trustee Comments**

Trustee Davies congratulated Vice Chairman Jondro for his work on the investment policy statement. He stated Vice Chairman worked really hard revising the policy. He also stated he will not be moving after all and will be seeking reappointment to the Retirement Board. Trustee Davies addressed the MAPERS Spring Conference stating it was an informative conference and Soaring Eagle Resort is a nice venue for the conference.

Trustee Hudson discussed the MAPERS Spring Conference. He stated two things that were of interest to him were the shift from manufacturing to service and the change in the amount of debt for public and private sectors.

Vice Chairman Jondro discussed the MAPERS Spring Conference. He stated there was a change in the presentation style. He preferred the new lay-out. He attended the legal session presented by Michael VanOverbeke and he stated there is always something new to learn in that session.

Trustee Potratz attended the MAPERS Spring Conference as well. He stated the sessions were good and overall it was a good conference.

Trustee McCarthy stated the MAPERS conferences are getting better. They are providing more information.

Chairman Grodi stated it is his first year as MAPERS Vice President. He is getting adjusted and learning a lot. He thanked the Trustees for the kind words and support regarding his family. He stated going forward MAPERS will no longer be providing printed conference materials. If you would like printed materials see the Retirement Specialist and she will print them for you.

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Chairman Grodi stated the next meeting is July 27, 2015 at 5:00 P.M. at the Mary K. Daume Library Service Center.

Motion by Trustee McCarthy to adjourn. Supported by Trustee Davies. All in favor. Motion carried. Meeting adjourned at 6:30 P.M.

Respectfully Submitted,

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