

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, July 24, 2017

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:01 PM on July 24, 2017 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
George Jondro	Bob Neely
Jeff Koras	Jason Turner
Anne McCarthy	

ABSENT:

Michael Grodi, excused
Henry Lievens, excused

ALSO PRESENT:

Joey Becker, Retirement Specialist
Michael Bosanac, Retirement Secretary left at 7:20 p.m.
Thomas Michaud, Legal Counsel arrived at 5:03 p.m.
Michael Cho, Investment Consultant
Brian Brice, Investment Consultant
Tim Brice, Investment Consultant
Amer Hasan, Brandywine
Bayley Davis, Clearbridge
Timothy Bowen, Conduent

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

3. Pledge of Allegiance

Vice Chairman Jondro led the Pledge of Allegiance.

4. Approval of Agenda

Motion by Trustee Turner to approve the agenda as submitted. Supported by Trustee Neely. All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Morgan to approve the minutes of the June 26, 2017 regular meeting and waive the reading of the minutes. Supported by Trustee Turner. All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
July 24, 2017 – Page 2**

6. Citizens Time

No citizens wish to address the board.

7. Consent Agenda

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

1. Retirements

- | | |
|------------------------------------|---------|
| a. Douglas Arndt, Sheriff's Office | July 31 |
| b. Ellen Graves, Mental Health | July 28 |
| c. Ernest Greer, General County | July 18 |
| d. Janice Kirch, Library | July 17 |
| e. Lynne Spencer, Mental Health | July 2 |
| f. Janet Weingart, Mental Health | July 12 |

2. Financial Reports

- a. Boyd Watterson client statement for the period ended June 30, 2017.
- b. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended June 30, 2017.
- c. Boyd Watterson GSA Fund for the period ended June 30, 2017.
- d. Brandywine Global Investment Management Global Fixed Income June 2017.
- e. Comerica Bank account statement for June 2017.
- f. Corbin Pinehurst account statement for the period ended May 31, 2017.
- g. Morgan Stanley client statement for June 2017.
- h. Seizert Capital Partners Large Cap Value quarterly report for the period ended June 30, 2017.
- i. Seizert Capital Partners SMID quarterly report for the period ended June 30, 2017.

3. Communication

- a. Robbins Geller Rudman & Dowd settlement report for June 30, 2017.
- b. Robbins Geller Rudman & Dowd portfolio monitoring report for June 30, 2017.
- c. Robbins Geller Rudman & Dowd second quarter international portfolio monitoring report.
- d. Robbins Geller Rudman & Dowd second quarter repose report.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice in the amount of \$664.48 from Comerica Commercial Card Service for monthly QuickBooks online fee and MAPERS registration.
2. Invoice #5833 in the amount of \$17,291.48 from Monroe County Library System for retirement services rendered for April 1, 2017 – June 30, 2017.
3. Invoice dated June 20, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Cherie Chudnicki.
4. Invoice dated June 20, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Gail Rigdon.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
July 24, 2017 – Page 3**

5. Invoice dated June 20, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Trudy Robinson.
6. Invoice dated June 20, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Teresa Schotte.
7. Invoice dated June 27, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Bradd Crary.
8. Invoice dated June 27, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Christine Krug.
9. Invoice dated June 27, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Linda Martin.
10. Invoice dated June 27, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Polly Minke.
11. Invoice dated June 27, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Shelly Romanowski.
12. Invoice dated June 27, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Pamela Smith.
13. Invoice dated July 14, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Martha Falkenberg.
14. Invoice dated July 21, 2017 in the amount of \$2,467.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of June 1, 2017 – June 30, 2017.

Roll call for approval of the bills as follows:

AYES: Nancy Bellaire James Morgan
George Jondro Bob Neely
Jeff Koras Jason Turner
Anne McCarthy

NAYS: None

ABSENT: Michael Grodi, excused
Henry Lievens, excused

All in favor. Motion carried.

8A. Refunds

Motion by Trustee Turner to approve the following refunds. Supported by Trustee McCarthy.

- | | |
|--------------------------------------|--------------|
| 1. Sarah Daniels, General County | \$ 477.07 |
| 2. Mary Hosler, General County | \$ 1,554.59 |
| 3. Paula Ochs, General County | \$ 28,174.63 |
| 4. Matthew Pitcher, Sheriff's Office | \$ 5,197.18 |

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
July 24, 2017 – Page 4

All in favor. Motion carried.

8B. Retirement Payments

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

- | | |
|-------------------------------------|-------------|
| 1. Patricia Clinger, General County | \$ 1,207.06 |
| *June \$344.88, July \$862.18 | |
| 2. Paula Ochs, General County | \$ 5,544.61 |
| *June \$2,150.04, July \$3,394.57 | |
| 3. Lynne Spencer, Mental Health | \$ 781.50 |
| *July \$781.50, August \$807.28 | |

All in favor. Motion carried.

9. Communications

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

- Application for Service Retirement**
1. Ellen Graves, Mental Health
- Application for Deferred Retirement**
2. Harold Bilotta, Mental Health
3. Patricia Clinger, General County
4. Lynne Spencer, Mental Health
- Application for Disability Retirement**
5. Kurt Potratz, Sheriff's Office
- Application for Purchase of Military Service**
6. Cynthia Green, Library
- Application for Deferred Service Status**
7. Jennifer Engel, Mental Health
8. Sarah Halsey, General County
9. Andrew McCain, General County
- Medical Reports**
10. Sherie Chudnicki, Mental Health
11. Bradd Crary, Sheriff's Office
12. Martha Falkenberg, General County
13. Christine Krug, Mental Health
14. Linda Martin, Mental Health
15. Polly Minke, General County
16. Gail Rigdon, General County
17. Trudy Robinson, Library
18. Shelly Romanowski, Sheriff's Office
19. Teresa Schotte, General County
20. Pamela Smith, General County
- Disclosure Forms**
21. Boyd Watterson Asset Management
22. Brandywine Global Investment Management

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
July 24, 2017 – Page 5**

23. Comerica Bank
24. Corbin Capital Partners
25. Steven Dovitz, M.D.
26. Intercontinental Real Estate Corporation
27. Plante Moran PLLC
28. Riverbridge Partners
29. Seizert Capital Partners
30. Vanoverbeke, Michaud & Timmony, PC

10. Resolutions

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

Service Retirement

1. Paula Ochs, General County

Deferred Retirement

2. Patricia Clinger, General County
3. Lynne Spencer, Mental Health

Application for Service Retirement

4. Ellen Graves, Mental Health

Application for Deferred Retirement

5. Harold Bilotta, Mental Health
6. Patricia Clinger, General County
7. Lynne Spencer, Mental Health

Application for Disability Retirement

8. Kurt Potratz, Sheriff's Office

Application for Purchase of Military Service Time

9. Cynthia Green, Library

Disability Retirant Re-examination

10. Sherie Chudnicki, Mental Health
11. Bradd Crary, Sheriff's Office
12. Martha Falkenberg, General County
13. Christine Krug, Mental Health
14. Linda Martin, Mental Health
15. Polly Minke, General County
16. Gail Rigdon, General County
17. Trudy Robinson, Library
18. Shelly Romanowski, Sheriff's Office
19. Teresa Schotte, General County
20. Pamela Smith, General County

All in favor. Motion carried.

11. Presentations

1. Timothy Bowen - Conduent, Actuarial Report

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
July 24, 2017 – Page 6**

Mr. Bowen presented the results of the December 31, 2016 Actuarial Valuation. Mr. Bowen discussed census data, assumptions, assets, and plan provision. The total employer contributions amount decreased from \$9.6 million to \$9.3 million. The funded ratio increased from 73.1% to 73.8%. Overall, the plan is doing well.

Motion by Trustee Turner to accept and place on file the Monroe County Employees Retirement System 2016 Actuarial Valuation Report. Supported by Trustee Neely. All in favor. Motion carried.

2. Amer Hasan - Brandywine

Mr. Hasan reviewed the performance summary. Quarter to date, the fund is up 4.39%, and up 9.00% for 2017 with an annualized return of 5.54% since inception. He discussed strategy, investment criteria, and their management team.

3. Bayley Davis – Clearbridge

Mr. Davis reviewed the performance summary. Year to date, the fund is up 11.73% with an annualized 10 year return of 10.12%. He discussed performance attribution, top contributors and detractors.

Trustee McCarthy questioned why performance was not meeting the benchmark. Mr. Davis stated the plan is not invested as much in Apple, and slightly overweight in the energy. Trustee McCarthy questioned how Mr. Davis intended to improve returns. Mr. Davis stated there are not any specific changes being made at this time, however the account is reviewed daily.

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending June 30, 2017. The fund is valued at \$197,486,201.75, up \$431,401.49 from the previous month. The current asset allocation includes 61% in equities, 20% in fixed income, 4% in cash, 9% in real estate, and 6% in alternatives. The Total Fund was up 0.77% for the month and up 6.7% year to date.

Motion by Trustee McCarthy to accept and place on file the consultant's report. Supported by Trustee Morgan. All in favor. Motion carried.

13. Old Business

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

Trustee Neely stated the IRS allowance should be provided up front.

Trustee Bellaire stated the intent was to use the IRS allowance as a ceiling for expenses.

Trustee Bellaire stated the policy was amended to conference rate as opposed to lowest rate in regards to lodging for conferences.

Motion by Trustee Neely to accept amendment and place on file. Supported by Trustee Turner. All in favor. Motion carried.

2. Request for Proposal Investment Consultant

Vice Chairman Jondro discussed the process the Investment Committee used to determine the top three candidates. He also explained how the interview process would be conducted.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
July 24, 2017 – Page 7**

There was discussion regarding the interview process being conducted with the Monroe County Retiree Health Care Board, Monroe County Road Commission VEBA, and Monroe County Community Mental Health Authority Retiree Health Care Trust.

Motion by Trustee Neely to authorize interviewing three investment consultant candidates with the Monroe County Retiree Health Care Board, Monroe County Road Commission VEBA, and the Monroe County Community Mental Health Authority Retiree Health Care Trust present using a moderator, with a 60 minute time parameter, and the option for the Retirement Board to ask questions. Any discussion regarding which candidate should be chosen will be done separately by each board. Supported by Trustee Turner. All in favor. Motion carried.

14. New Business

Motion to adopt updated policies by Trustee McCarthy. Supported by Trustee Koras.

1. Deferred Retiree Policy
2. Deferred Retiree Application
3. Disability Policy
4. EDRO Policy
5. Election Policy

15. Attorney's Report

1. Communication from Powers Chapman on behalf of David Taylor

Mr. Michaud recommended the communication from Powers Chapman be referred to legal counsel to issue a response.

Motion by Trustee Turner to accept recommendation to refer to legal counsel to issue a response to Powers Chapman on behalf of David Taylor. Supported by Trustee McCarthy. All in favor. Motion carried.

2. Securities litigation

Motion by Trustee Turner to go into closed session at 7:43 P.M. Supported by Trustee Morgan.

Roll call for approval of closed session as follows:

AYES: Nancy Bellaire	James Morgan
George Jondro	Bob Neely
Jeff Koras	Jason Turner
Ann McCarthy	

NAYS: None

ABSENT: Michael Grodi and Henry Lievens excused.

All in favor. Motion carried.

Motion by Trustee McCarthy to go into open session at 7:57 P.M. Supported by Trustee Turner. All in favor. Motion carried.

Motion by Trustee Turner to authorize legal counsel to pursue legal action involving IDT Corporation. Supported by Trustee McCarthy. All in favor. Motion carried.

16. Trustee Comments

**Monroe County Employees
Retirement System Board of
Trustees – Minutes
July 24, 2017 – Page 8**

Trustee McCarthy stated it was a good meeting and she is glad to be back.

Vice Chairman Jondro stated it was a good meeting and apologized for it taking so long.

17. Administrative Calendar

Vice Chairman Jondro stated the next meeting is August 28, 2017 at 5:00 P.M.

18. Adjourn

Motion by Trustee McCarthy to adjourn. Supported by Trustee Neely. All in favor. Motion carried.

Meeting adjourned at 8:03 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System

George Jondro, Vice Chairman
Monroe County Employees Retirement System