

# 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 25, 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 July 25, 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:

Nancy Bellaire	Anne McCarthy
Michael Grodi	James Morgan
Joseph Hudson	Bob Neely
George Jondro	Jason Turner

Al Potratz excused.

##### ALSO PRESENT:

Sandy Calkins, Retirement Specialist  
Michael Bosanac, Retirement Secretary  
Thomas Michaud and Rob Abb, Legal Counsel  
Michael Cho and Michael Holycross, Investment Consultants  
Robert Kerns, Federated

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 submitted. Supported by Trustee McCarthy.

All in favor. Motion carried.

#### 5. Approval of Minutes

Motion by Trustee Neely to approve the minutes of the June 27, 2016 regular meeting and waive the reading of the minutes. Supported by Trustee Morgan.

All in favor. Motion carried.

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**6. Citizens Time**

No citizens wish to address the board.

**7. Consent Agenda**

Motion by Trustee Morgan to approve the consent agenda as listed below. Supported by Trustee Bellaire.

1. Retirements
  - a. Denise Ondrejka, Mental Health (deferred) July 9
  - b. Rosa Amato, General County July 13
  - c. Robert Harmon, Road Commission July 31
  
2. Financial Reports
  - a. Boyd Watterson client statement for the period ended June 30, 2016.
  - b. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended June 30, 2016.
  - c. Boyd Watterson GSA Fund for the period ended June 30, 2016.
  - d. Brandywine Global Investment Management Global Fixed Income June 2016.
  - e. Comerica Bank account statement for June 2016.
  - f. Corbin Pinehurst account statement for the period ended May 31, 2016.
  - g. Mesirow Institutional account statement for the period ended May 31, 2016.
  - h. Morgan Stanley client statement for June 2016.
  - i. Seizert Capital Partners quarterly report for the period ended June 30, 2016.
  
3. Communication
  - a. Robbins Geller Rudman & Dowd settlement report for June 24, 2016.
  - b. Robbins Geller Rudman & Dowd portfolio monitoring report for June 24, 2016.
  - c. Robbins Geller Rudman & Dowd second quarter international portfolio monitoring report.

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 #422970 in the amount of \$5,110.87 from Comerica Bank for custodial services rendered for the period of April 1, 2016 – June 30, 2016.
2. Invoice in the amount of \$10.00 from Comerica Commercial Card Service for monthly QuickBooks online fee.
3. Invoice dated June 17, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Johnna Althouse.
4. Invoice dated June 24, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Sherie Chudnicki.
5. Invoice dated June 29, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on David Diekman.
6. Invoice dated July 13, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Martha Falkenberg.

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7. Invoice dated July 6, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Denise Fashbaugh.
8. Invoice dated June 29, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Christine Krug.
9. Invoice dated June 17, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Linda Martin.
10. Invoice dated June 17, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Polly Minke.
11. Invoice dated June 7, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Gail Rigdon.
12. Invoice dated June 29, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Trudy Robinson.
13. Invoice dated June 17, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Shelly Romanowski.
14. Invoice dated June 24, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Teresa Schotte.
15. Invoice dated July 13, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Gregory Tafelski.
16. Invoice dated June 30, 2016 in the amount of \$1,000.00 from Diane Klisz-Karle, Ph.D. for an independent psychological evaluation performed on Keith Turner.
17. Invoice dated July 1, 2016 in the amount of \$2,600.00 from Diane Klisz-Karle, Ph.D. for an independent neuropsychological evaluation performed on Ronald Whited.
18. Invoice #423421 dated July 7, 2016 in the amount of \$17,080.00 from Gabriel, Roeder, Smith & Company for annual maintenance and web hosting fee for 2016.
19. Invoice #5740 dated June 23, 2016 in the amount of \$1,400.00 from Monroe County Library System for filing cabinets for the retirement specialist.
20. Invoice dated July 11, 2016 in the amount of \$25,440.00 from Seizert Capital for investment services rendered for the period of April 1, 2016 – June 30, 2016.
21. Invoice dated July 22, 2016 in the amount of \$1,557.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of June 1, 2016 – June 30, 2016.
22. Reimbursement in the amount of \$194.52 to George Jondro for expenses incurred for the MAPERS spring conference.
23. Reimbursement in the amount of \$136.71 to George Jondro for expenses incurred for the NCPERS annual conference.



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15. Shelly Romanowski, Sheriff's Office
16. Teresa Schotte, General County
17. Gregory Tafelski, Sheriff's Office
18. Keith Turner, General County
19. Ronald Whited, Sheriff's Office

**Disclosure Forms**

20. Anchor Capital Advisors
  21. Buck Consultants
  22. Comerica Bank
  23. Steven Dovitz, M.D.
  24. Renaissance Investment Management
  25. VanOverbeke, Michaud & Timmony
26. Communication dated June 10, 2016 from Comerica Bank regarding custodial services update.

**Application for Disability Retirement**

27. Jacqueline McGhee, General County

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. Debra Daniels, Mental Health

**Application for Service Retirement**

2. Michele Buberniak, Library

**Application for Deferred Retirement**

3. Debra Barron, Mental Health
4. Susan Lewis, General County
5. Denise Ondrejka, Mental Health

**Disability Retirant Re-examination**

6. Johnna Althouse, General County
7. Sherie Chudnicki, Mental Health
8. David Diekman, County Agency
9. Martha Falkenberg, General County
10. Denise Fashbaugh, Central Dispatch
11. Christine Krug, Mental Health
12. Linda Martin, Mental Health
13. Polly Minke, General County
14. Gail Rigdon, General County
15. Trudy Robinson, Library
16. Shelly Romanowski, Sheriff's Office
17. Teresa Schotte, General County
18. Gregory Tafelski, Sheriff's Office
19. Keith Turner, General County
20. Ronald Whited, Sheriff's Office

**Application for Disability Retirement**

21. Jacqueline McGhee, General County

All in favor. Motion carried.

**11. Presentations**

1. Robert Kern, Federated

Mr. Kern discussed the organizational changes at Federated. Walter Bean retired and Daniel Peris is now the lead portfolio manager. Mr. Peris has worked alongside Mr. Bean for several years. Morgan Stanley is confident with the transition.

The Board was presented with the manager's performance history, composite characteristics, fundamentals, and active management strategy. Mr. Kern discussed the REIT allocation and second quarter performance. The fund is currently up 6.78%.

**12. Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending June 30, 2016. The fund is valued at \$183,024,095.94 down \$908,095.66 from the previous month. The current asset allocation includes 60% in equities, 24% in fixed income, 2% in cash, 6% in alternative investments, and 8% in real estate. The Total Fund was up .09% for the month and up 1.98% year to date.

Mr. Cho discussed an application to change structure form from Boyd Watterson. Legal Counsel is reviewing the document. Mr. Cho updated the Board on Wisdom Tree. The fund is down 10.68% for the month and down 21.72% year to date. He recommends staying with Wisdom Tree for now and he will review with the Board in September. He also reviewed the Tortoise MLP. The fund currently has a 7.83% annualized return.

Mr. Cho stated the Board needs to raise \$3,000,000.00 for the cash account.

Mr. Bosanac stated the County wired \$2,900,000.00 for the July through December employer contribution.

Mr. Cho stated that will suffice.

**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

The Retirement Board is reviewing the presented document.

**14. New Business**

1. Update policies; Code of Conduct/Education/Travel/Due Diligence Policy, Computer Use Policy

Update section 4.5 of the Computer Use Policy, it is understood that a Retirement System Computing System will be fully depreciated after three (3) years of use.

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Motion by Trustee Bellaire to adopt the changes to section 4.5 effective July 25, 2016. Supported by Trustee McCarthy.

All in Favor. Motion carried.

Update Code of Conduct/Education/Travel/Due Diligence Policy, change travel allowance budget shall be established at \$30,000 to the amounts provided for in Section 13(6) of Act 314, change the total meal expense shall not exceed \$45.00 per day, including gratuity to representatives may receive a per diem amount based upon the rates established by the Internal Revenue Service for business travel.

Motion by Trustee Jondro to adopt the changes as presented effective July 25, 2016. Supported by Trustee McCarthy.

All in Favor. Motion carried.

2. Actuarial Valuation Report – Final

Motion by Trustee McCarthy to accept final report, place on file, and process the reserve transfers as required. Supported by Trustee Jondro.

All in Favor. Motion carried.

**15. Attorney's Report**

1. Closed Session – Discuss medical reports

Motion by Trustee Turner to go into closed session at 6:23 P.M. Supported by Trustee McCarthy.

Roll call for approval of closed session as follows:

AYES: Nancy Bellaire	Anne McCarthy
Michael Grodi	James Morgan
Joseph Hudson	Bob Neely
George Jondro	Jason Turner

NAYS: None

ABSENT: Al Potratz excused.

All in favor. Motion carried.

Motion by Trustee McCarthy to go into open session at 6:46 P.M. Supported by Trustee Turner.

All in favor. Motion carried.

**16. Trustee Comments**

Trustee Jondro would like a representative from Comerica Bank to come in and discuss the recent changes.

Chairman Grodi discussed the recent audit request. He explained that the Retirement System has not yet received the detailed employer contributions report from the County.

Trustee Turner will look into the matter.

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Chairman Grodi also stated he would like the Retirement System to begin receiving quarterly reports for part time retiree's hours. Chairman Grodi stated he was able to perform a due diligence visit to Intercontinental while he was attending a conference. Everything seemed to be in order.

**17. Administrative Calendar**

Chairman Grodi stated the next meeting is August 22, 2016 at 5:00 P.M.

**18. Adjourn**

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

All in favor. Motion carried.

Meeting adjourned at 7:00 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System