

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, August 22, 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 August 22, 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
Felecia Ryans, Comerica Bank
Ray Urban, Winslow Capital

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 amended, removing item 15-1, closed session. Supported by Trustee McCarthy.

All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Turner to approve the minutes of the July 25, 2016 regular meeting, and August 16, 2016 special meeting and waive the reading of the minutes. Supported by Trustee Morgan.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
August 22, 2016 – Page 2

All in favor. Motion carried.

6. Citizens Time

No citizens wish to address the board.

7. Consent Agenda

Motion by Trustee Jondro to approve the consent agenda as listed below. Supported by Trustee Hudson.

1. Retirements
 - a. Laurie Breitner, Library System (deferred) August 3
 - b. Susan Lewis, General County (deferred) August 7
2. Financial Reports
 - a. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended July 31, 2016.
 - b. Boyd Watterson GSA Fund for the period ended July 31, 2016.
 - c. Brandywine Global Investment Management Global Fixed Income July 2016.
 - d. Comerica Bank account statement for July 2016.
 - e. Corbin Pinehurst account statement for the period ended June 30, 2016.
 - f. Mesirrow Institutional account statement for the period ended June 30, 2016.
 - g. Morgan Stanley client statement for July 2016.
3. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for July 29, 2016.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for July 29, 2016.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice #2285410 dated August 5, 2016 in the amount of \$6,000.00 from Buck Consultants for the third installment for basic actuarial services.
2. Invoice #2286065 dated August 11, 2016 in the amount of \$6,000.00 from Buck Consultants for the fourth installment for basic actuarial services.
3. Invoice in the amount of \$113.11 from Comerica Commercial Card Service for monthly QuickBooks online fee, and notary service renewal.
4. Invoice #5779 dated August 11, 2016 in the amount of \$15,070.31 from Monroe County Library System for retirement services through June 30, 2016.
5. Invoice #17080516 in the amount of \$126,535.31 from Morgan Stanley for management fees for the period of April 1, 2016 – June 30, 2016.
6. Invoice dated August 19, 2016 in the amount of \$980.00 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of July 1, 2016 – July 31, 2016.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
August 22, 2016 – Page 3

Roll call for approval of the bills 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.

8A. Refunds

Motion by Trustee Morgan to approve the following retirement refunds. Supported by Trustee McCarthy.

1. Rosa Amato, General County	\$ 2,351.73
2. State Farm FBO: Michael Dushane, Sheriff's Office	\$ 804.81
3. Michael Hewitt, Road Commission	\$38,859.89
NFS as Custodian FBO: Michael Hewitt	\$38,103.51

All in favor. Motion carried.

8B. Retirement Payments

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

1. Rosa Amato, General County	\$ 1,462.02
*July \$896.04	
2. Debra Barron, Mental Health	\$ 210.79
*June \$210.79, July \$210.79	
3. Michael Hewitt, Road Commission	\$ 2,556.96
*June \$1,534.14, July \$2,556.96	
4. John Hohman, General County	\$ 1,977.46
*July \$318.95	
5. Susan Lewis, General County	\$ 424.04
6. Denise Ondrejka, Mental Health	\$ 1,108.70
*July \$894.00	
7. Kenneth Wassus, General County	\$ 867.33
*July \$643.54	

All in favor. Motion carried.

9. Communications

Motion by Trustee Jondro to receive and file the following communications. Supported by Trustee Turner.

Application for Service Retirement
1. Robert Fleeman, Sheriff's Office

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
August 22, 2016 – Page 4

Application for Deferred Retirement

2. Laurie Breitner, Library System
3. John Hohman, General County
4. Kenneth Wassus, General County

Application for Deferred Service Status

5. Kevin Bron, General County

Disclosure Forms

6. Corbin Capital
7. Delaware
8. Franklin Templeton
9. Lazard Asset Management
10. Winslow Capital Management

11. Communication dated July 25, 2016 from Boyd Watterson regarding 2nd quarter distribution.
12. Communication dated July 29, 2016 from Michelle Murray, Washtenaw County regarding Theresa DeRose's employment verification for the reciprocal retirement act.

All in favor. Motion carried.

10. Resolutions

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

Application for Service Retirement

1. Robert Fleeman, Sheriff's Office

Application for Deferred Retirement

2. Laurie Breitner, Library System
3. John Hohman, General County
4. Kenneth Wassus, General County

Service Retirement

5. Rosa Amato, General County
6. Michael Hewitt, Road Commission

Deferred Retirement

7. Debra Barron, Mental Health
8. John Hohman, General County
9. Susan Lewis, General County
10. Denise Ondrejka, Mental Health
11. Kenneth Wassus, General County

All in favor. Motion carried.

11. Presentations

1. Felecia Ryans, Comerica Bank

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
August 22, 2016 – Page 5

Ms. Ryans stated Comerica Bank handles the Retirement System's benefit payment services. Effective July 1, 2016, there is a new system in place. Retirees have been confused by the new deposit advice as it looks more like a physical paper check. The new system provides multiple levels of approval. The enhanced system now offers deceased audit services at the State level as well as through Social Security Administration. Pension registers are online only. Retirees will receive two 1099R forms this year only. Comerica will send a letter with retiree checks in November and December.

Trustee Jondro asked why the July pension payment was not deposited into accounts on July 29, 2016, the last business date of the month as our plan is set up to receive payment on the last business day of the month.

Ms. Ryans stated there was a problem with the new system. The payment file was placed with August 1, 2016 payments. She assured the Retirement Board it will not happen again. Comerica will cover any overdraft fees due to the mistake.

Ms. Ryans also stated there has been a change with the Corporate Credit Card procedure. It can no longer be placed in inner-office mail. Therefore, the normal two-day notice will not be enough time to process the invoice.

2. Ray Urban, Winslow Capital

Mr. Urban presented the Board with the manager's investment performance, fundamentals, and active management strategy. Mr. Urban reviewed the historical returns. Trustee Morgan inquired about specific numbers pertaining to the Retirement System and Mr. Urban responded that Morgan Stanley handles that.

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending July 31, 2016. The fund is valued at \$189,848,997.07 up \$6,825,115.10 from the previous month. The current asset allocation includes 56% in equities, 23% in fixed income, 6% in cash, 8% in alternative investments, and 7% in real estate. The Total Fund was up 2.71% for the month and up 4.74% year to date.

Mr. Cho reviewed the second quarter performance report. He discussed the investment perspectives and then he discussed the total fund performance. The fund is valued at \$183,432,084. The current asset allocation includes 59.8% in equity, 24.2% in fixed income, 6.0% in alternative investments, 7.6% in real estate and 2.4% in cash. The total fund was up 2.22% year to date.

13. Old Business

1. County Travel Policy 307.1

This issue is in the process of being reviewed.

2. Request for Proposal Investment Consultant

Chairman Grodi stated the RFP will be postponed until February 2017 and the RFP will only include the Retirement System. Trustee Neely will draft a letter to place Morgan Stanley on watch.

14. New Business

1. Verification of Retirant and Beneficiary Data

Motion by Trustee McCarthy to send out the notification. Supported by Trustee Hudson.

All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
August 22, 2016 – Page 6

2. MAPERS Delegates

Motion by Trustee Jondro to appoint Trustee Neely and Trustee Morgan as MAPERS Delegates. Supported by Trustee Bellaire.

All in Favor. Motion carried.

15. Attorney's Report

No formal report.

16. Trustee Comments

Trustee Jondro informed the Retirement Board that a flyer was sent out in Frenchtown Township that states information on the flyer was received from the Retirement System as a source. The information did not come from the Retirement Office.

Chairman Grodi stated Trustee Potratz is recovering, but plans to attend the MAPERS conference. He wished safe travels to the Board members.

17. Administrative Calendar

Chairman Grodi stated the next meeting is September 26, 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 6:45 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System

George Jondro, Vice Chairman
Monroe County Employees Retirement System