

# 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

### 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 24, 2015 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
James Davies	James Morgan
Michael Grodi	Al Potratz @ 5:20
Joseph Hudson	Jason Turner

ABSENT

George Jondro (excused)

ALSO PRESENT: Michael Cho, Investment Consultant, and Thomas Michaud, Legal Counsel

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 McCarthy to approve the agenda as submitted. Supported by Trustee Morgan.  
All in favor. Motion carried.

### 5. Approval of Minutes

Motion by Trustee Davies to approve the minutes of the July 27, 2015 regular meeting and waive the reading of the minutes. Supported by Trustee Turner.  
All in favor. Motion carried.

**6. Citizens Time**

No citizens in attendance.

**7. Consent Agenda**

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

1. Retirements

- a. Robert Breisacher, Sheriff's Office August 31

2. Financial Reports

- a. Boyd Watterson statement of account as of July 31, 2015.
- b. Brandywine Global Investment Management Global Fixed Income for July 2015.
- c. Seizert Capital Partners SMID Performance Summary as of June 30, 2015.
- d. Seizert Capital Partners Large Cap Value Performance Summary as of June 30, 2015.

3. Communication

- a. Robbins Geller Rudman & Dowd Settlement Report for July 31, 2015.

**8. Approval of Bills**

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

- 1. Invoice #2241207 dated August 13, 2015 in the amount of \$5,750.00 from Buck Consultants for first quarterly installment for Basic Actuarial Services including the December 31, 2014 annual actuarial valuation for Employees' Retirement System.
- 2. Invoice dated July 31, 2015 in the amount of \$2,085.95 from Comerica Commercial Card Service for MAPERS and printer cartridges.

3. Invoice dated July 16, 2015 in the amount of \$28,364.00 from Seizert Capital Partners for investment services rendered for the period of April 1, 2015 – June 30, 2015.
4. Invoice dated July 22, 2015 in the amount of \$159,039.03 from Morgan Stanley for management fees for accounts for the period April 1, 2015 –June 30, 2015.

Roll call for approval of the bills as follows:

AYES: James Davies    Nancy Bellaire    Jason Turner  
Michael Grodi    Anne McCarthy  
Joseph Hudson    James Morgan

NAYS: None

ABSENT: George Jondro (excused)  
Al Potratz (arrived 5:20)

All in favor. Motion carried.

## **9. Communications**

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

### **Application for Service Retirement**

1. Robert Breisacher, Sheriff's Office
2. Deborah Turner, Road Commission

### **Application for Deferred Service Status**

3. Steven Bouws, Road Commission
4. Ralph Schall, Central Dispatch
5. Christine Kull, General County

### **Disclosure Forms**

6. Mesirow Advanced Strategies, Inc.
7. Winslow Capital Management
8. Delaware Capital Management
9. Communication dated July 24, 2015 from Boyd Watterson regarding second quarter 2015 distribution.
10. Communication dated July 29, 2015 from Morgan Stanley regarding Investment Management Services Program reminder.
11. Communication dated August 7, 2015 from Morgan Stanley regarding confirmation of outgoing funds transfer.

## **10. Resolutions**

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

### **Service Retirement**

1. Robert Breisacher, Sheriff's Office
2. Deborah Turner, Road Commission

Trustee Potratz (arrives at 5:20)

## **11. Presentations**

1. Raymond Urban, Winslow Capital

Mr. Urban discussed the organizational changes at Winslow Capital, including Mr. Winslow's transition. The Board was presented with the manager's investment performance, fundamentals, active management strategy. Mr. Urban reviewed the historical returns. Trustee Turner inquired about recent market events and Mr. Urban responded that this was a buying opportunity. Mr. Cho discussed the portfolio's positioning in light of the current market conditions. The Board discussed China with Mr. Urban.

2. Peter Palandjian, Intercontinental

Mr. Palandjian reviewed Intercontinental's organizational structure and addressed questions relating to deficiencies in the education credentials of an Intercontinental finance officer. The Board discussed with Mr. Palandjian the events surrounding the discovery of this issue and the subsequent discussions with Morgan Stanley. Mr. Palandjian attested to Intercontinental's due diligence process and that no adverse financial or regulatory issues exist. Board was advised that a conference call was to be held August 25<sup>th</sup> with Intercontinental, Morgan Stanley and the Board's legal counsel.

Mr. Palandjian provided a review of the financial performance of Intercontinental.

## **12. Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending July 31, 2015. Trustee McCarthy inquired regarding Boyd Watterson performance.

## **13. Old Business**

1. Code of Conduct/Education/Travel/Due Diligence Policy and County Travel Policy 307.1

Currently under Administrative Policy Committee review.

2. Investment Policy Statement Review

Motion by Trustee Davies to approve the Investment Policy Statement as presented. Supported by Trustee Turner.  
All in favor. Motion carried.

3. Buck Consulting Experience Study recommendation

Currently under review.

4. Intercontinental Professional Staff

The Board directed Mr. Michaud to participate in the discussion and report back to the Board.

**14. New Business**

1. MAPERS Delegates

Motion by Trustee McCarthy to appoint Trustees Davies and Hudson as MAPERS delegates. Supported by Trustee Bellaire.

All in favor. Motion carried.

**15. Attorney's Report**

Mr. Michaud updated the Board on the Complaint Seeking Order of Superintending Control or, in the Alternative, Legal Relief Summons and Complaint regarding Bruce Weeks.

**16. Trustee Comments**

**17. Administrative Calendar**

September 21, 2015	Review of Investment Manager: Seizert, Chris Heatley MAPERS 2015 Fall Educational Seminar, September 27-29 Grand Traverse Resort & Spa, Acme, MI Actuarial Report – Buck Consulting Experience Study – Buck Consulting
October 26, 2015	Review of Investment Manager: Anchor Capital, Michael Serchen Summary Annual Report to Members
November 23, 2015	Review of Investment Manager: Brandywine, Brian Giuliano Investment Policy Review
December 14, 2015	<b>Trustee Election:</b> <b>Michael Grodi, County</b> <b>James Davies, Citizen at Large</b> Set Meeting Schedule and Calendar Adopt Training Budget

**18. Adjourn**

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

Meeting adjourned at 6:38 P.M.  
Respectfully Submitted,  
Michael Grodi, Chairman  
Monroe County Employees Retirement System