

# 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, September 25, 2017

#### 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 September 25, 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	Anne McCarthy
Michael Grodi	James Morgan
George Jondro	Bob Neely
Jeff Koras	Jason Turner

##### ABSENT:

Henry Lievens, excused

##### ALSO PRESENT:

Joey Becker, Retirement Specialist  
Michael Bosanac, Retirement Secretary  
Thomas Michaud, Legal Counsel  
Michael Cho, Investment Consultant

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

#### 5. Approval of Minutes

Motion by Trustee Morgan to approve the minutes of the August 28, 2017 regular meeting, and September 11, 2017 special meeting and waive the reading of the minutes. Supported by Trustee Koras. All in favor. Motion carried.

#### 6. Citizens Time

No citizens wish to address the board.

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**7. Consent Agenda**

Motion by Vice Chairman Jondro to approve the consent agenda as listed below. Supported by Trustee McCarthy.

1. Retirements
  - a. Matthew Bruck, Library September 15
2. Financial Reports
  - a. Boyd Watterson client statement for the period ended August 31, 2017.
  - b. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended August 31, 2017.
  - c. Boyd Watterson GSA Fund for the period ended August 31, 2017.
  - d. Brandywine Global Investment Management Global Fixed Income August 2017.
  - e. Comerica Bank account statement for August 2017.
  - f. Corbin Pinehurst account statement for the period ended July 31, 2017.
  - g. Morgan Stanley client statement for August 2017.
3. Communication
  - a. Robbins Geller Rudman & Dowd settlement report for August 25, 2017.
  - b. Robbins Geller Rudman & Dowd portfolio monitoring report for August 25, 2017.

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 #46875 dated September 12, 2017 in the amount of \$18,847 from Boyd Watterson Asset Management for investment services rendered for the period of June 1, 2017 – August 31, 2017.
2. Invoice in the amount of \$934.36 from Comerica Commercial Card Service for monthly QuickBooks online fee, postage, MAPERS registration – Becker, MAPERS registration – Bellaire, and MAPERS registration - Turner.
3. Invoice #2342817 dated August 31, 2017 in the amount of \$25,000.00 from Conduent HR Consulting for basic actuarial services including the December 31, 2016 annual actuarial valuation.
4. Invoice dated September 5, 2017 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Kurt Potratz.
5. Invoice #0100464 in the amount of \$115,877.11 from Morgan Stanley for management fees for the period of April 1, 2017 – June 30, 2017.
6. Invoice dated September 22, 2017 in the amount of \$3,290.00 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of August 1, 2017 – August 31, 2017.
7. Reimbursement in the amount of \$331.84 to Joey Becker for expenses incurred for the MAPERS Fall conference.
8. Reimbursement in the amount of \$359.61 to Nancy Bellaire for expenses incurred for the MAPERS Fall conference.

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9. Reimbursement in the amount of \$327.96 to Michael Grodi for flight expense for the NCPERS Accredited Fiduciary Program.
10. Reimbursement in the amount of \$307.31 to Michael Grodi for expenses incurred for the MAPERS Fall conference.
11. Reimbursement in the amount of \$311.37 to Anne McCarthy for expenses incurred for the MAPERS Fall conference.

Roll call for approval of the bills as follows:

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

NAYS: None

ABSENT: Henry Lievens, absent

All in favor. Motion carried.

**8A. Retirement Payments**

Motion by Vice Chairman Jondro to approve the following retirement payments. Supported by Trustee Turner. All in favor. Motion carried.

1. Ellen Graves, Mental Health \$ 2,927.71  
\*July \$377.80, August \$2,927.71

**9. Communications**

Motion by Vice Chairman Jondro to receive and file the following communications. Supported by Trustee Turner. All in favor. Motion carried.

1. **Application for Service Retirement**  
Timothy Carr, Library System
2. **Medical Reports**  
Kurt Potratz, Sheriff's Office
3. Communication dated September 18, 2017 from Intercontinental regarding personnel changes.
4. Communication dated September 13, 2017 from Comerica regarding reinstatement as custodian.
5. Communication dated September 14, 2017 from Boyd Watterson regarding impact of hurricanes Harvey and Irma.

**10. Resolutions**

Motion by Trustee Turner to accept and place on file the following retirement resolutions. Supported by Trustee Koras. All in favor. Motion carried.

1. **Service Retirement**  
Ellen Graves, Mental Health

2. **Disability Retirement**  
Kurt Potratz, Sheriff's Office

3. **Application for Service Retirement**  
Timothy Carr, Library System

#### **11. Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending August 31, 2017. The fund is valued at \$201,953,694.92 down \$1,081,591.66 from the previous month. The current asset allocation includes 59% in equities, 20% in fixed income, 4% in cash, 8% in alternative investments, and 9% in real estate. The total fund was up 0.05% for the month and up 8.73% year to date.

Mr. Cho recommended transferring one million of the proceeds from Riverbridge to the cash account at Comerica.

Motion by Vice Chairman Jondro to accept Mr. Cho's recommendation to transfer one million of the proceeds from Riverbridge to the cash account at Comerica. Supported by Trustee McCarthy. All in favor. Motion carried.

#### **12. Old Business**

1. Letter of Understanding dated May 2, 2017 regarding an agreement between the County of Monroe, the Monroe County Sheriff, and the Command Officers Association of Michigan.

Mr. Michaud reviewed the letter from Conduent providing supplemental actuarial analysis regarding changes to the provisions of Section 8.4 of the Monroe County Employees Retirement System. Conduent found no impact on the actuarial valuation as of December 31, 2016 or the corresponding contribution recommendations. Conduent found the increases to actuarial liabilities and long term funding requirements to be negligible.

2. Letter of Understanding dated May 2, 2017 regarding an agreement between the County of Monroe, the Monroe County Sheriff, and the Police Officers Association of Michigan.

Mr. Michaud reviewed the letter from Conduent providing supplemental actuarial analysis regarding changes to the provisions of Section 8.4 of the Monroe County Employees Retirement System. Conduent found no impact on the actuarial valuation as of December 31, 2016 or the corresponding contribution recommendations. Conduent found the increases to actuarial liabilities and long term funding requirements to be negligible.

Trustee McCarthy questioned how retirees can be covered under collective bargaining. Mr. Michaud stated the letters of understanding amend the ordinance, allowing the retirees to be covered.

Trustee McCarthy stated her concerns with regards to a conversation she had with a retiree who was told that everything was ok before the impact study had been completed by Conduent. She feels the retirees were put in a position where they could have been harmed, but were being assured they were fine.

Chairman Grodi stated that this situation should never have happened, and the Retirement Board needs to be included.

Trustee Neely complimented Chairman Grodi for accepting the invitation to meet with Mr. Bosanac to take care of the situation sooner, rather than later.

Trustee McCarthy questioned if the impact study was completed for the nurses. Trustee Turner stated that it still has not been settled yet.

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3. Service Provider Disclosures

Mr. Cho stated he is still trying to have the disclosures returned to him.

**13. New Business**

1. Request for Information for Legal Services

Motion by Trustee McCarthy to send out the Legal Services Request for Information. Supported by Trustee Koras. All in favor. Motion carried.

**14. Attorney's Report**

1. Rebecca Ann Broman v. William Robert Broman Jr., DRO

Motion by Trustee McCarthy to accept and place on file. Supported by Trustee Morgan. All in favor. Motion carried.

2. Response to Powers Chapman regarding David Taylor Deferred Retirement Benefits

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

**15. Trustee Comments**

Trustee Morgan questioned when they would be receiving the new Chromebooks. Trustee Bellaire stated the Chromebooks are in the process of being registered and set up. She will let everyone know when they are ready.

Trustee McCarthy stated that MAPERS was not a bad conference. She dislikes Shanty Creek, but felt it wasn't too bad this time. Mr. VanOverbeke's presentation was very informative.

Trustee Turner stated he attended MAPERS and thought Elliott Eisenberg was very informative and entertaining. The emerging markets class was also interesting. He enjoyed himself.

Trustee Neely stated it was a great conference. Shanty Creek did a good job, and compliments to the MAPERS Board.

Vice Chairman Jondro stated he was glad everyone who attended was well educated, and he was sorry he wasn't able to attend. He also thanked Mr. Cho for all his years of service.

Trustee Bellaire stated that she also enjoyed Elliott Eisenberg. She found the session that focused on Michigan statistics very interesting.

Chairman Grodi stated that MAPERS was great. The emerging markets and private equity space is unique and interesting, something we should look into. Elliott Eisenberg was hysterical and intelligent. He really enjoyed him. He thanked Mr. Michaud and staff for all their hard work. He stated most of the contracts are finalized, and the rest should be completed soon. He thanked Mr. Cho on behalf of the Board for all of his time and devotion to the Board.

**16. Administrative Calendar**

Chairman Grodi stated the next meeting is October 23, 2017 at 5:00 P.M.

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**17. Adjourn**

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

Meeting adjourned at 5:48 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System

George Jondro, Vice Chairman  
Monroe County Employees Retirement System