

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 26, 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 September 26, 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	Al Potratz
George Jondro	Jason Turner

Bob Neely excused.

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Rob Abb, Legal Counsel
Michael Holycross, Investment Consultant
Thomas Kenny, Seizert Capital
Devin Sullivan, Intercontinental

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 Morgan to approve the agenda as amended, changing item 8-7 to \$501.24. Supported by Trustee Jondro.

All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Jondro to approve the minutes of the August 22, 2016 regular meeting and waive the reading of the minutes. Supported by Trustee Turner.

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All in favor. Motion carried.

6. Citizens Time

No citizens wish to address the board.

7. Consent Agenda

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

1. Retirements
 - a. Christine Kull, General County (deferred) September 7
 - b. Michele Buberniak, Library System September 12
2. Financial Reports
 - a. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended August 31, 2016.
 - b. Boyd Watterson GSA Fund for the period ended August 31, 2016.
 - c. Boyd Watterson statement of account for July 31, 2016.
 - d. Boyd Watterson statement of account for August 31, 2016.
 - e. Brandywine Global Investment Management Global Fixed Income August 2016.
 - f. Comerica Bank account statement for August 2016.
 - g. Corbin Pinehurst account statement for the period ended July 31, 2016.
 - h. Intercontinental account statement for the period ended June 30, 2016.
 - i. Mesirow Institutional account statement for the period ended July 31, 2016.
 - j. Morgan Stanley client statement for August 2016.
3. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for August 26, 2016.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for August 26, 2016.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice in the amount of \$10,227.96 from Comerica Commercial Card Service for monthly QuickBooks online fee, and MAPERS.
2. Invoice dated September 22, 2016 in the amount of \$875.00 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of August 1, 2016 – August 31, 2016.
3. Reimbursement in the amount of \$269.13 to Nancy Bellaire for expenses incurred for the 2016 MAPERS fall conference.
4. Reimbursement in the amount of \$288.48 to Sandy Calkins for expenses incurred for the 2016 MAPERS fall conference.
5. Reimbursement in the amount of \$371.80 to Michael Grodi for expenses incurred for the 2016 MAPERS fall conference.

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6. Reimbursement in the amount of \$157.16 to George Jondro for expenses incurred for the 2016 MAPERS fall conference.
7. Reimbursement in the amount of \$501.24 to Anne McCarthy for expenses incurred for the 2016 MAPERS fall conference.
8. Reimbursement in the amount of \$256.48 to James Morgan for expenses incurred for the 2016 MAPERS fall conference.
9. Reimbursement in the amount of \$221.21 to Bob Neely for expenses incurred for the 2016 MAPERS fall conference.

Roll call for approval of the bills as follows:

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

NAYS: None

ABSENT: Bob Neely excused.

All in favor. Motion carried.

8A. Refunds

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

- | | |
|-----------------------------------|-------------|
| 1. Sharon Flatt, General County | \$ 2,486.79 |
| 2. Robert Harmon, Road Commission | \$41,888.33 |
| Pershing FBO: Robert Harmon | \$37,763.89 |
| 3. Christine Kull, General County | \$18,270.62 |

All in favor. Motion carried.

8B. Retirement Payments

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

- | | |
|-----------------------------------|-------------|
| 1. Robert Harmon, Road Commission | \$ 2,327.66 |
| 2. Christine Kull, General County | \$ 2,147.36 |
| 3. Linda Rauch, Mental Health | \$ 351.36 |

All in favor. Motion carried.

9. Communications

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

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Application for Service Retirement

1. David LaMontaine, Sheriff's Office
2. Jennifer Poupard, General County
3. Michael Thatcher, Road Commission

Application for Deferred Retirement

4. Christine Kull, General County
5. Linda Rauch, Mental Health

Disclosure Forms

6. Mesirow Financial
7. Morgan Stanley Graystone Consulting
8. Wisdom Tree Asset Management

9. Communication dated August 25, 2016 from Holly Scherer, Monroe Public Schools regarding Alex Parrish's employment verification for the reciprocal retirement act.

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.

Application for Service Retirement

1. David LaMontaine, Sheriff's Office
2. Jennifer Poupard, General County
3. Michael Thatcher, Road Commission

Application for Deferred Retirement

4. Christine Kull, General County
5. Linda Rauch, Mental Health

Service Retirement

6. Robert Harmon, Road Commission

Deferred Retirement

7. Christine Kull, General County
8. Linda Rauch, Mental Health

All in favor. Motion carried.

11. Presentations

1. Thomas Kenny, Seizert Capital

Mr. Kenny provided an overview of the economy and the current market conditions. He reviewed the portfolio and discussed the best and worst performers in the portfolio. Chairman Grodi questioned the impact on Charles Schmidt's departure. Mr. Kenny stated the firm misses Mr. Schmidt, but the process is bigger than one person. Trustee Morgan questioned the fees, because they are not on the Morgan Stanley platform. Mr. Michaud stated the fee is lower than most. Mr. Holycross stated the average is between 65 and 80 basis points.

2. Devin Sullivan, Intercontinental

Mr. Sullivan reviewed the firm's history, fund summary, and debt summary. He stated quarterly liquidity is available. He discussed the lease expiration schedule, average portfolio occupancy, fund performance, and sector diversification. He concluded discussing recent and pending acquisitions.

12. Consultant's Report

Mr. Holycross reviewed the valuation report for the month ending August 31, 2016. The fund is valued at \$189,494,871.66 down \$317,681.22 from the previous month. The current asset allocation includes 56% in equities, 25% in fixed income, 2% in cash, 8% in alternative investments, and 9% in real estate. The Total Fund was up .50% for the month and up 5.51% year to date.

Mr. Holycross stated the cash account is getting low and cash needs to be raised to pay bills. He recommends transferring \$3.5 million from Boyd Watterson and \$500,000.00 from Brandywine Global.

Motion by Trustee Morgan to accept Mr. Holycross's recommendation and transfer \$3.5 million from Boyd Watterson to the cash account, and \$500,000.00 from Brandywine Global to the cash account. Supported by Trustee Jondro.

All in favor. Motion carried.

Mr. Holycross stated he will place the Investment Manger Fee Schedule in the quarterly report going forward. He also reminded the Board that Seizert Smid and Winslow are on watch.

Trustee Turner asked if Mr. Holycross recommended any changes. Mr. Holycross replied that there are no changes to recommend at this time.

Trustee McCarthy would like a comparison on how comparable funds are ranking.

13. Old Business

1. County Travel Policy 307.1

This issue is in the process of being reviewed.

14. New Business

1. Summary Annual Report to Members

Motion by Trustee Hudson to accept, place on file, and post to the retirement website. Supported by Trustee Turner.

All in Favor. Motion carried.

15. Attorney's Report

1. Quinn EDRO

Mr. Abb's recommendation is to adopt the resolution and place on file.

Motion by Trustee Hudson to accept Mr. Abb's recommendation and adopt the resolution and place on file. Supported by Trustee Bellaire.

All in favor. Motion carried.

16. Trustee Comments

Trustee Bellaire discussed the MAPERS Conference. She missed actuary hour being part of the sessions. She attended the last session, which discussed the MAPERS survey, she felt it was interesting information.

Trustee Jondro discussed the MAPERS Conference. He enjoyed all of the sessions at this conference. He felt the EDRO information was valuable and liked that the last session included comparable systems in the survey.

Trustee Turner discussed the MAPERS Conference. He stated he has a new respect for the Retirement Specialist. There is a lot that goes into administering the plan, from providing information to employers, employees, other systems as well as updating policies, and having actuary's and audit's every year. He stated Chairman Grodi did a great job presenting and with his role with MAPERS. He stated he is proud to be part of Monroe.

Trustee McCarthy discussed the MAPERS Conference. She found the negative return session most fascinating.

Trustee Morgan discussed the MAPERS Conference. He found the pension fundamentals session to be very informative. He felt Chairman Grodi did a good job presenting on website requirements.

Trustee Potratz discussed the MAPERS Conference. He stated Chairman Grodi did an excellent job presenting. He congratulated the MAPERS organization for being so organized.

Chairman Grodi thanked the Trustees for the support during his presentation. The next MAPERS Conference will include a session on portfolio monitoring. He stated he was not able to attend the NCPERS Annual Conference, so he is requesting permission to attend a NCPERS Public Safety Conference in October and receive reimbursement for expenses.

Motion by Trustee McCarthy to approve Chairman Grodi's attendance for the NCPERS Public Safety Conference and reimburse for conference expenses. Supported by Trustee Hudson.

All in favor. Motion carried.

17. Administrative Calendar

Chairman Grodi stated the next meeting is October 24, 2016 at 5:00 P.M.

18. Adjourn

Motion by Trustee Turner to adjourn. Supported by Trustee Jondro.

All in favor. Motion carried.

Meeting adjourned at 7:16 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System

George Jondro, Vice Chairman
Monroe County Employees Retirement System