

**Monroe County Employees Retirement
System Board of Trustees
MINUTES**

Regular meeting of the Board of Trustees of the Monroe County Employees Retirement System held on September 28, 2009 at 5:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Nancy Colpaert, James Davies, John Fowler, George Jondro, Anne McCarthy, James Morgan, William Myers, William Sisk and David Thompson.

ABSENT: None

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Royce Maniko, Interim Secretary, Sam Galanis and Michael Cho, Consultants and Thomas Michaud, Legal Counsel

With a quorum being present, Chairman Thompson called the meeting to order at 5:00 P.M.

Motion by George Jondro, supported by Nancy Colpaert to approve the minutes of the August 24, 2009 regular meeting. All in favor, motion carried.

Motion by William Sisk, supported by John Fowler to approve the agenda as submitted. All in favor, motion carried.

Citizens Time – none

Presentations – Renaissance International and Large Growth
Joe Bruening, International Equity Portfolio Manager
Michael Schroer, Large Growth Portfolio Manager
Michael Fedorovich, Investment Manager Representative

Mr. Schroer introduced himself as the Large Growth Portfolio Manager and presented a brief history on the company. Renaissance had been in business since 1978. The company is based out of Cincinnati, OH and holds approximately \$5 Billion in assets. Of which approximately \$4 Billion is in Large Cap Growth. The company currently has 29 employees, 5 are equity owners.

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Mr. Schroer discussed the Large Cap Growth Strategy Characteristics and the past 3 Years Earnings Growth is up 19.9%, whereas the Russell 1000 is only at 12.9%. He also stated the valuation is cheaper than the Russell 1000 is.

Mr. Schroer reviewed the period from July 8, 2008 – December 31, 2008, and the Large Cap Growth Portfolio was down around 28%. The Russell 1000 was down around 30% and the S&P was down around 27%. Overall the stock was down around 17% since inception.

Mr. Bruening introduced himself as the Lead Portfolio Manager and informed the Retirement Board that there are currently 52 stocks in the portfolio. He stated that Renaissance will buy stocks anywhere in the world.

Mr. Bruening reviewed the period from November 14, 2008 – December 31, 2008, and the International Equity Portfolio was up 11.4%, up 33.1% since inception.

Chairman Thompson questioned why Russia, Iran and Iraq are not on the International list. Mr. Bruening stated that Renaissance invests in small markets and emerging markets. Iraq and Iran are frontier markets therefore they have no government control over the market.

Motion by James Morgan, supported by Anne McCarthy to approve consent agenda as listed below:

A. Retirements Kathleen Amonette, Extension September 1

B. Financial Reports – On File with Retirement Specialist

1. Comerica Bank Consolidated Statement, Cash Account Statement, Anchor Capital Advisors, Boyd Watterson Asset Management, Brandywine Asset Management Global, Eagle Global Advisors, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Renaissance Investment Company and International Equity, Smith Group Asset Management and Templeton Portfolio Advisors for period 08/01/09 through 08/31/09 and Securities Lending Statement for July 2009.
2. Boyd Watterson Asset Management Client Statement for period ending August 31, 2009.
3. Diamond Hill Capital Management Semi-Annual Report for period ending June 30, 2009.

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4. Morgan Stanley Smith Barney Vision Account for Anchor Capital Advisors, Eagle Global Advisors, NWQ LCV and International, Renaissance Investment Advisors and International, Smith Asset Management Group, and Templeton Portfolio Advisors for period ending August 31, 2009.
5. Pacific Income Advisers Portfolio Appraisal for period ending August 31, 2009.
6. Smith Group Asset Management Monthly Portfolio Summary for period ending August 31, 2009.

C. Communication

Invoices

Motion by William Sisk, supported by James Davies to approve for payment the following invoices, subject to house audit:

1. Invoice #25541 dated September 14, 2009 in the amount of \$41,181.00 from Body Watterson Asset Management for investment services rendered from June 1, 2009 through August 31, 2009
2. Invoice #80330609 dated August 18, 2009 in the amount of \$23,654.02 from Brandywine Global Investment Management for investment services rendered from April 1, 2009 through June 30, 2009.
3. Invoice dated August 31, 2009 in the amount of \$558.35 from Comerica Commercial Card Service for a hotel deposit and registration for the 2009 MAPERS Fall Educational Seminar.
4. Invoice #0008-576-37 dated September 9, 2009 in the amount of \$26.80 from County of Monroe Printing for Retirement Specialist Business Cards.
5. Invoice #1494 dated September 2, 2009 in the amount of \$35.78 from County of Monroe Finance Department for August 2009 postage.
6. Invoice dated August 19, 2009 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical examination performed on Scott Ferguson.
7. In Invoices dated August 25, 2009 in the amount of \$1,100.00 from Steven Dovitz, M.D. for two independent medical examinations performed on Denise Smith and Robert Vanisacker.

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8. Invoice #5-09 dated August 31, 2009 in the amount of \$2,583.50 from Debra Elmore for retirement specialist services rendered for August 2009.
9. Invoice #109326 dated September 3, 2009 in the amount of \$19,000.00 from Gabriel Roeder Smith & Company for the 5-year Experience Analysis.
10. Invoice #20090808001064 dated June 30, 2009 in the amount of \$12,103.41 from NWQ Investment Management for investment services rendered from April 1, 2009 through June 30, 2009.
11. Reimbursement in the amount of \$374.28 to Sandy Calkins for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.
12. Reimbursement in the amount of \$750.22 to Nancy Colpaert for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.
13. Reimbursement in the amount of \$414.83 to James Davies for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.
14. Reimbursement in the amount of \$445.51 to George Jondro for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.
15. Reimbursement in the amount of \$33.00 to Anne McCarthy for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.
16. Reimbursement in the amount of \$386.40 to William Sisk for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.
17. Reimbursement in the amount of \$366.40 to David Thompson for expenses incurred for 2009 MAPERS Fall Educational Seminar in Mackinac Island, Michigan.

All in favor, motion carried.

Refunds - None

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Retirement Payments

Motion by Nancy Colpaert, supported by John Fowler to pay the following retirement payments:

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|---|----------|
| 1. Kathleen Amonette, Extension | \$772.19 |
| 2. Nancy Rice, Library System
(Pro-rated for August) | \$421.39 |

Communications

1. Application for Deferred Retirement for Sandra Mell, Treasurer.

Motion by James Morgan, supported by George Jondro to accept, and place on file. All in favor, motion carried.

2. Application for Deferred Retirement for Maxine Pierce, Mental Health.

Motion by William Sisk, supported by James Davies to accept, and place on file. All in favor, motion carried.

3. Medical report dated June 30, 2009 from David DuPuy M.D. regarding re-examination of disability retiree David Webb.

Motion by James Morgan, supported by Anne McCarthy to accept, and place on file. All in favor, motion carried.

4. Medical report dated August 19, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Scott Ferguson.

Motion by James Davies, supported by William Myers to accept, and place on file. All in favor, motion carried.

5. Medical report dated August 25, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Denise Smith.

Motion by James Davies, supported by William Myers to accept, and place on file. All in favor, motion carried.

6. Medical report dated August 25, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Robert Vanisacker.

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Motion by James Davies, supported by William Myers to accept, and place on file. All in favor, motion carried.

7. Gabriel Roeder Smith & Co. Actuarial Valuation Report dated December 31, 2008

Motion by Nancy Colpaert, supported by George Jondro to accept, place on file, and notify employers of the contribution amounts. All in favor, motion carried.

Chairman Thompson requested that Sandy email a copy to all Employers.

Proposed Resolutions

Motion by Anne McCarthy, supported by James Morgan to accept and place on file the following resolutions:

1. Kathleen Amonette, Extension – Application for Service Retirement
2. Kathleen Amonette, Extension – Service Retirement
3. Scott Ferguson, Youth Center – Disability Retirant Re-exam
4. Sandra Mell, Treasurer – Application for Deferred Retirement
5. Maxine Pierce, Mental Health – Application for Deferred Retirement
6. Nancy Rice, Library System – Service Retirement
7. Denise Smith, Sheriff's Office – Disability Retirant Re-exam
8. Robert Vanisacker, Road Commission – Disability Retirant Re-exam
9. David Webb, Road Commission – Disability Retirant Re-exam

All in favor, motion carried.

Attorney Report

1. Aon Corporation Securities Litigation - Tom Michaud received the file and concurs.

Motion by James Morgan, supported by George Jondro to accept communication and place on file. All in favor, motion carried.

2. Pension Offset for Sheila Casey, Sheriff's Office – Tom Michaud received the file and advised the check be deposited into the cash account.

Motion by James Davies, supported by John Fowler to accept communication, deposit check and place on file. All in favor, motion carried.

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3. Deferred Retirement Benefits for Dudley McCracken, Mental Health – Tom Michaud received the file and concluded that Kathryn McCracken is not eligible to collect her husband's pension because he deceased before age 60. Mr. Michaud stated that Kathryn McCracken is entitled to receive any contributions and interest.

Motion by William Sisk, supported by James Davies to accept communication, pay any contributions and interest, and place on file. All in favor, motion carried.

Consultant Report

Mr. Galanis reviewed the valuation report for month ending August 31, 2009. The fund is valued at \$160,371,689.16 up \$2,852,083.64 from the previous month. Alpine was up 9.55% and NWQ up 5.33%. Both did well this month. Highbridge was down .99%, down 2.5% for the year.

Anne McCarthy questioned whether the Retirement Board should be concerned about being down 2.5% for the year. Mr. Galanis stated there is no need for concern at this point. Mr. Cho commented that it is just a market cycle.

Anne McCarthy also asked Mr. Galanis if there was an individual who looks at short-term trends. Mr. Galanis stated that this type individual is not necessary when dealing with retirement funds because retirement is a long-term event.

Old Business

- Disability Retiree Re-exams
 - David Funk, Sheriff's Office – appointment on October 6, 2009
 - David Webb, Road Commission – on agenda
 - Scott Ferguson, Youth Center – on agenda
 - Denise Smith, Sheriff's Office – on agenda
 - Robert Vanisacker, Road Commission – on agenda
 - Ronald Whited, Sheriff's Office – appointment on October 12, 2009
 - Legal contract – Chairman Thompson is working on the RFP.

New Business - None

Trustee Comments

James Davies would appreciate a printed copy of the agenda for the Retirement Board meetings.

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William Myers ACRE secretary, Jolinda Linn passed away on September 26, 2009. Chairman Thompson requested a moment of silence.

Chairman Thompson would like Sandy to maintain a file on all conference material. Mr. Thompson was elected to the MAPERS Board for another 4-year term, and wanted to remind everyone that December is an early meeting. The meeting is to be held on December 14, 2009.

Motion by James Morgan, supported by George Jondro to adjourn. All in favor, motion carried. Meeting adjourned at 6:00 P.M.

Respectfully Submitted,

David Thompson, Chairman
Monroe County Employees Retirement System
Board of Trustees