

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, October 24, 2016

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:06 PM on October 24, 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:

George Jondro	Bob Neely arrived at 5:10 P.M.
Anne McCarthy	Al Potratz
James Morgan	Jason Turner

Nancy Bellaire, Michael Grodi, and Joseph Hudson excused.

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Michael Bosanac arrived at 5:25 P.M.
Thomas Michaud, Legal Counsel
Michael Cho, Investment Consultant
Michael Serchan, Anchor Capital
Christopher Jacques and Bradley Krom, Wisdom Tree

A quorum being present, the Board proceeded to transact business.

3. Pledge of Allegiance

Vice Chairman Jondro led the Pledge of Allegiance.

4. Approval of Agenda

Motion by Trustee McCarthy to approve the agenda as submitted. Supported by Trustee Turner.

All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Morgan to approve the minutes of the September 26, 2016 regular meeting and waive the reading of the minutes. Supported by Trustee McCarthy.

All in favor. Motion carried.

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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 Turner.

1. Retirements
 - a. Michael Thatcher, Road Commission October 2
 - b. Robert Fleeman, Sheriff's Office October 16
2. Financial Reports
 - a. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended September 30, 2016.
 - b. Boyd Watterson GSA Fund for the period ended September 30, 2016.
 - c. Boyd Watterson statement of account for September 30, 2016.
 - d. Brandywine Global Investment Management Global Fixed Income September 2016.
 - e. Comerica Bank account statement for September 2016.
 - f. Corbin Pinehurst account statement for the period ended August 31, 2016.
 - g. Mesirow Institutional account statement for the period ended August 31, 2016.
 - h. Morgan Stanley client statement for September 2016.
 - i. Seizert Capital Partners quarterly report for the period ended September 30, 2016.
3. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for September 30, 2016.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for September 30, 2016.
 - c. Robbins Geller Rudman & Dowd third quarter international portfolio monitoring report.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice #44850 dated September 29, 2016 in the amount of \$22,223.00 from Boyd Watterson Asset Management for investment services rendered for the period of June 1, 2016 – August 31, 2016.
2. Invoice in the amount of \$442.46 from Comerica Commercial Card Service for monthly QuickBooks online fee, and MAPERS.
3. Invoice dated August 30, 2016 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Jacqueline McGhee.
4. Invoice #6003 dated September 26, 2016 in the amount of \$250.00 from NCPERS for 2017 membership renewal.
5. Invoice in the amount of \$130,810.44 from Morgan Stanley for management fees for the period of July 1, 2016 – September 30, 2016.
6. Invoice dated October 11, 2016 in the amount of \$27,936.00 from Seizert Capital for investment services rendered for the period of July 1, 2016 – September 30, 2016.

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All in favor. Motion carried.

Open session at 6:25 P.M.

Motion by Trustee McCarthy to direct the Medical Director to submit a supplemental report and complete the certification form. Supported by Trustee Neely.

All in favor. Motion carried.

Motion by Trustee McCarthy to receive and file the following communications, except item 9-2. Supported by Trustee Turner.

1. **Application for Service Retirement**
Judith Bodine, General County

2. **Medical Report**
Jacqueline McGhee, General County

3. **Certificate of Attendance**
Nancy Bellaire, MAPERS
4. Sandy Calkins, MAPERS
5. Michael Grodi, MAPERS
6. George Jondro, MAPERS
7. Anne McCarthy, MAPERS
8. James Morgan, MAPERS
9. Bob Neely, MAPERS
10. Al Potratz, MAPERS
11. Jason Turner, MAPERS

12. Monroe County Road Commission Post-Retirement Supplemental Benefits (13th Check)
Distribution Program Policy, Policy No. 2016-04 update.

13. Communication dated September 8, 2016 from Michael Bosanac, Administrator/Chief Financial
Officer for the County of Monroe regarding Board of Commissioners approval of Post-Retirement
Supplemental Pension Benefit Payment of \$50,000.00 aggregate amount for 2016.

14. MAPERS Membership Survey.

All in favor. Motion carried.

10. Resolutions

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

1. **Application for Service Retirement**
Judith Bodine, General County

2. **Service Retirement**
Michele Buberniak, Library

3. **Deferred Retirement**
Laurie Breitner, Library

All in favor. Motion carried.

11. Presentations

1. Christopher Jacques and Bradley Krom, Wisdom Tree

Mr. Krom reviewed the firm's history, investment philosophy, and dividends. He stated reinvestment of dividends has been responsible for more than 96% of the U.S. stock market's return. He discussed Wisdom Tree's valuation and rebalancing discipline, stating the rebalancing process helps manage the valuation risk and consistently shifts weight toward firms that have exhibited greater rates of dividend growth. Year to date the fund is down 14.62%.

Trustee Morgan is concerned with the large loss. He questioned how long before the initial investment is recuperated. Mr. Jacques stated the fund is positioned to rebound over the next 12-18 months.

2. Michael Serchan, Anchor Capital

Mr. Serchan provided an overview of the economy and the current market conditions. He also reviewed the portfolio and discussed the investment process, portfolio characteristics and sector breakdown. Year to date the fund is up 9.15%.

Trustee Neely questioned the high cash balance. Mr. Serchan stated the firm is seeking opportunities. They prefer to have a zero cash balance and they are looking every day to find names to buy that are values.

Trustee Morgan is concerned that Anchor has not met the benchmark in many of the periods. Mr. Serchan stated that is correct as Anchor protects on the downside.

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending September 30, 2016. The fund is valued at \$189,558,118.87 down \$4,262.83 from the previous month. The current asset allocation includes 59% in equities, 24% in fixed income, 3% in cash, 6% in alternative investments, and 8% in real estate. The Total Fund was up .53% for the month and up 6.06% year to date.

Mr. Cho recommends keeping Winslow until March 2017. Trustee McCarthy would like to see similar funds to make sure the system has the best fund available.

Mr. Cho discussed Hamilton Lane Private Market Opportunity. They require a three-year commitment, a 14-year partnership term, and 1% manager fee. It is not recommended by Mr. Cho to pursue this opportunity at this time.

13. Old Business

1. County Travel Policy 307.1

This issue is in the process of being reviewed.

14. New Business

1. Opinion of Examining Physician MCERS Form: REX-9

Motion by Trustee McCarthy to accept and place on file. Supported by Trustee Morgan.

All in Favor. Motion carried.

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15. Attorney's Report

No formal report.

16. Trustee Comments

Trustee Turner stated he is proud of the Retirement Board. The Board has been more proactive and are making good decisions.

Trustee Neely discussed the MAPERS Conference. He felt overall the conference provided valuable education, and good networking ability. He stated the Retiree Health Care Board will proceed with the Investment Consultant Request for Proposal.

17. Administrative Calendar

Vice Chairman Jondro stated the next meeting is November 28, 2016 at 5:00 P.M.

18. Adjourn

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

All in favor. Motion carried.

Meeting adjourned at 7:06 P.M.

Respectfully Submitted,

George Jondro, Vice Chairman
Monroe County Employees Retirement System