

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 26, 2015

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 October 26, 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 |
| Michael Grodi | James Morgan |
| Joseph Hudson | Al Potratz |
| George Jondro | Jason Turner @ 5:22 |

James Davies (excused)

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Michael Bosanac, Retirement Secretary 5:07-5:25
Michael Cho, Investment Consultant
Michael Holycross, Investment Consultant
Thomas Michaud, Legal Counsel
Michael Serchen, Anchor Capital
Larry Langer, Buck Consultants

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 Potratz to approve the agenda as amended adding item 11-2, Buck Consultants, Larry Langer. Supported by Trustee Jondro.

All in favor. Motion carried.

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5. Approval of Minutes

Motion by Trustee Potratz to approve the minutes of the September 21, 2015 regular meeting and waive the reading of the minutes. Supported by Trustee Jondro.

All in favor. Motion carried.

6. Citizens Time

No citizens in attendance.

7. Consent Agenda

Motion by Trustee Jondro to approve the consent agenda as listed below. Supported by Trustee Bellaire.

1. Retirements
 1. Deborah Turner, Road Commission September 18
 2. Blair Dyer, Road Commission (deferred) September 23
 3. Anthony DeSilvis, General County October 30

2. Financial Reports
 - a. Boyd Watterson statement of account as of September 30, 2015.
 - b. Brandywine Global Investment Management Global Fixed Income September 2015.
 - c. Brandywine Global Investment Management Global Fixed Income Third Quarter 2015.
 - d. Seizert Capital Partners SMID Performance Summary as of September 30, 2015.
 - e. Seizert Capital Partners Large Cap Value Performance Summary as of September 30, 2015.
 - f. Comerica Account Statement for the period September 1, 2015 through September 30, 2015.

3. Communication
 1. Robbins Geller Rudman & Dowd Settlement Report for September 25, 2015.
 2. Robbins Geller Rudman & Dowd Portfolio Monitoring Report for September 25, 2015.
 3. Robbins Geller Rudman & Dowd International Portfolio Monitoring Report.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice dated September 29, 2015 in the amount of \$250.00 from NCPERS for 2016 membership renewal.

2. Invoice dated October 20, 2015 in the amount of \$275.00 from Comerica Commercial Card Service for MAPERS.

3. Invoice #415536 in the amount of \$5,070.36 from Comerica Bank for custodial services rendered for the period of July 1, 2015 – September 30, 2015.

4. Invoice #2248335 dated October 14, 2015 in the amount of \$16,750.00 from Buck Consultants, LLC for work to date on Five Year Experience Study and the second installment for Basic Actuarial Services including the December 31, 2014 annual actuarial valuation.

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All in favor. Motion carried.

9. Communications

Motion by Trustee Morgan to receive and file the following communications. Supported by Trustee Jondro.

Application for Service Retirement

1. Bradley Bentley, Sheriff's Office
2. Shirley Colosimo, General County
3. Anthony DeSilvis, General County

Application for Deferred Retirement

4. Blair Dyer, Road Commission

Certificate of Attendance

5. Nancy Bellaire, MAPERS
6. James Davies, MAPERS
7. Joseph Hudson, MAPERS
8. George Jondro, MAPERS
9. Anne McCarthy, MAPERS
10. James Morgan, MAPERS
11. Al Potratz, MAPERS
12. Communication dated October 19, 2015 from Boyd Watterson regarding a request for fund document changes.

All in favor. Motion carried.

10. Resolutions

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

Service Retirement

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

Application for Service Retirement

3. Bradley Bentley, Sheriff's Office
4. Shirley Colosimo, General County
5. Anthony DeSilvis, General County

Disability Retirement Application

6. Bradd Crary, Sheriff's Office

Application for Deferred Retirement

7. Blair Dyer, Road Commission

All in favor. Motion carried.

11. Presentations

1. Anchor Capital, Michael Serchen

Mr. Serchen provided an overview of the economy and the current market conditions. Mr. Serchen also reviewed the portfolio and discussed the investment process, portfolio characteristics and sector breakdown. Year to date the fund is down 3.24%.

2. Buck Consultants, Larry Langer

Mr. Langer presented the results of the December 31, 2014 Actuarial Valuation. Overall, the following events resulted in the funded status to be lower than anticipated: market value returns of 4.2% compared to 7.0% assumed, changes in assumptions resulting from the recent experience review, and transitioning actuaries. The funding policy was changed to use a 25-year closed amortization period. The total employer contributions amount decreased from \$9.1 million to \$8.9 million. Funded ratio fell from 76.6% to 74.3%.

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending September 30, 2015. The fund is valued at \$178,268,282.12 down \$5,136,008.82 from the previous month. The current asset allocation includes 61% in equities, 24% in fixed income, 2% in cash, 6% in alternative investments, and 7% in real estate. The Total Fund was down 2.46% for the month and down 3.61% year to date.

Mr. Cho recommended interviewing American Realty Advisors and Townsend Real Estate at the November 23, 2015 meeting for Intercontinental's investment portion.

13. Old Business

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

Trustee Grodi advised that this issue is in the process of being reviewed.

14. New Business

15. Attorney's Report

1. Bruce Weeks

Mr. Michaud discussed the hearing held in regards to Mr. Weeks. The Judge ordered that Mr. Weeks is entitled to interest. Once the documentation is received the Retirement Board can proceed.

16. Trustee Comments

Board members welcomed back the Retirement Specialist and discussed the MAPERS conference.

17. Administrative Calendar

November 23, 2015 Review of Investment Manager: Brandywine, Brian Giuliano
Investment Policy Review

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December 14, 2015

Trustee Election:
Michael Grodi, County
James Davies, Citizen at Large
Set Meeting Schedule and Calendar
Adopt Training Budget

18. Adjourn

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

All in favor. Motion carried.

Meeting adjourned at 6:30 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System