



Monroe County Employee's Retirement System

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Secretary: (734) 240-7016 • Retirement Specialist: (734) 240-7264
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Minutes of the Regular Meeting of the Board of Trustees of the Monroe County Employees Retirement System

Regular meeting of the Board of Trustees of the Monroe County Employees Retirement System held on October 24, 2005 at 5:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Clayton Charron, Robin Collingsworth, Nancy Colpaert, James Davies, George Jondro, Jim Morgan, Jerry Oley, William Sisk and David Thompson.

ABSENT: None

ALSO PRESENT: Debra Elmore, Retirement Specialist; Charles Londo, Secretary; Michael VanOverbeke, Legal Counsel, Sam Galanis and Michael Cho, Investment Consultant

With a quorum being present, Chairman Thompson called the meeting to order at 5:10 P.M.

Motion by William Sisk, supported by Jim Davies to approve minutes of the September 19, 2005 meeting as submitted. All in favor, motion carried.

Motion by Jim Davies, supported by George Jondro to approve agenda as submitted. All in favor, motion carried.

Citizens Time – none

Presentations - Cathy Nagy, Gabriel, Roeder, Smith & Co.

All groups now have employer contributions except for the Library. Road Commission and Central Dispatch are underfunded. The reason their contributions are so high is because they are underfunded and have a short amortization period. If the amortization period was longer, the employer contributions would be smaller.

The System is well funded as a whole but the excess funding should be used up in the next few years.

Motion by George Jondro, supported by Robin Collingsworth to accept the report and notify employers of the new contribution rates as suggested by the actuary on A-1. All in favor, motion carried.

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Motion by Jim Davies, supported by Nancy Colpaert to transfer amounts from the employer reserves to the retiree reserves to cover the unfunded amount for each division as recommended by the actuary on B-5. All in favor, motion carried.

Motion by Jim Morgan, supported by Jim Davies to have the actuary do projections on contribution rates over the next five years using different return assumptions. All in favor, motion carried.

A. Retirements - none

B. Financial Reports – On File with Retirement Specialist

1. Comerica Bank Custodial Consolidated Statement, Statement of Account for Cash account, Alliance Capital Management, Anchor Capital Advisors, Boyd Watterson Asset Management, LLC, Brandywine Asset Management Global, Brandywine Asset Management Large Cap, NWQ Investment Managers, NWQ Investment Management International Value Equity, Pacific Income Advisors and Templeton Portfolio Advisors for the period ending September 30, 2005 and Securities Lending Statement for August 2005.
2. Boyd Watterson Asset Management portfolio appraisal for period ending August 31, 2005.
3. Morgan Stanley Vision Account for Alliance Berstein Regent, Anchor Capital Advisors, Brandywine Large Cap Value, NWQ LCV, NWQ International and Templeton Private Client Group for period ending September 30, 2005.
4. NWQ Investment Management Co. investment portfolio for period ending September 30, 2005.

C. Communication

1. News Scan and Research Memo dated September 12, 2005 from Gabriel, Roeder, Smith & Co.
2. GRS Insight, September, 2005.

All in favor, motion carried.

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Invoices

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

1. Invoice dated August 19, 2005 in the amount of \$350.00 from Richard B. Atkins, M.D. for independent psychiatric evaluation of disability retiree Darlene Diekman.
2. Invoice dated August 19, 2005 in the amount of \$350.00 from Richard B. Atkins, M.D. for independent psychiatric evaluation of disability applicant Michelle Lamarre.
3. Invoice #18444 dated September 12, 2005 in the amount of \$37,328.00 from Boyd Watterson Asset Management for management investment fees for period 06/01/05 through 08/31/05.
4. Invoice #H52790231 dated September 21, 2005 in the amount of \$872.99 from Dell Marketing for scanner.
5. Invoice #95414 dated September 30, 2005 in the amount of \$4,750.00 from Gabriel, Roeder, Smith & Co. for regular actuarial services for 3rd quarter 2005 including the December 31, 2004 actuarial valuation.
6. Invoice #487 dated September 26, 2005 in the amount of \$18,374.82 from Monroe County Finance Department for services rendered to the Retirement Board by Debra Elmore for 3rd quarter 2005.
7. Invoice in the amount of \$100.00 from NCPERS for 2006 membership dues.
8. Reimbursement in the amount of \$278.88 for Clayton Charron for MAPERS 2005 Fall Conference.
9. Reimbursement in the amount of \$307.89 for Debra Elmore for MAPERS 2005 Fall Conference.
10. Reimbursement in the amount of \$331.64 for George Jondro for MAPERS 2005 Fall Conference.
11. Reimbursement in the amount of \$345.55 for William Sisk for MAPERS 2005 Fall Conference.

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12. Reimbursement in the amount of \$278.88 for David Thompson for MAPERS 2005 Fall Conference.
13. Reimbursement in the amount of \$306.86 for James Morgan for MAPERS 2005 Fall Conference.
14. Invoice dated September 30, 2005 in the amount of \$4,669.36 to Comerica Commercial Card Service for hotel expenses for trustees to attend MAPERS 2005 Fall Conference in Acme, Michigan.

Jim Morgan questioned Dr. Atkins' fees in Item #1 & 2. It was explained that Dr. Atkins is a psychiatrist and his fees are higher. All in favor, motion carried.

Refunds

Motion by Jerry Oley, supported by Clayton Charron to approve for payment the following refunds:

- | | | |
|----|---|-------------|
| 1. | Anthony J. Keane, Equalization | \$ 9,516.49 |
| 2. | Nationwide Retirement Solutions
(FBO Anthony J. Keane) | \$17,310.15 |

All in favor, motion carried.

Retirement Payments

Motion by Robin Collingsworth, supported by Jim Morgan to pay the following refund:

- | | | |
|----|---|------------|
| 1. | Anthony J. Keane, Equalization
(Sept – 1,778.20; Oct – 2,667.36) | \$4,445.56 |
|----|---|------------|

All in favor, motion carried.

- | | | |
|----|---|------------|
| 2. | Janet L. Kesler, County Health
(Sept – 686.42; Oct – 1,470.89) | \$2,157.31 |
|----|---|------------|

There was no actuarial study done for the MNA I union group. Public Act 728 of 2002 requires an actuarial evaluation done before granting any changes in pension benefits. Motion by Jim Davies, supported by George Jondro to pay Ms. Kelser the 2.25% multiplier which will result in being paid \$1,470.80 per month until such time as

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evaluation is done and presented to the Retirement Board. At that time, her multiplier will revert to the 2.50% as negotiated in the contract and all pay back due will be paid. All in favor, motion carried.

Motion by Robin Collingsworth, supported by William Sick to pay the following refund:

- | | | |
|----|---|------------|
| 3. | Edward Kotus, Drain Commission
(Sept – 1,122.00; Oct – 1,346.37) | \$2,468.37 |
|----|---|------------|

All in favor, motion carried.

Communications

1. Medical report dated August 17, 2005 from Richard B. Atkins, M.D. regarding disability retiree re-exam of Darlene Diekman.

Motion by Jim Davies, supported by Robin Collingsworth to accept and place on file. All in favor, motion carried.

2. Letter dated October 13, 2005 from Deborah Turner, Monroe County Road Commission concerning election of trustee.

Motion by Jerry Oley, supported by Robin Collingsworth to accept and place on file. All in favor, motion carried. The Board congratulated Mr. Morgan on his re-election as Trustee.

3. Letter dated September 20, 2005 from Robert Wines, Business Agent for POAM regarding buying service time for Ken Browne, Monroe County Sheriff's Office employee.

Motion by William Sisk, supported by Jim Morgan to accept, place on file and refer to legal counsel. All in favor, motion carried.

4. Application for disability retirement from Sheila Stiner, Sheriff's Office.

Motion by George Jondro, supported by Jim Davies to accept, place on file and refer to medical advisor for examination. All in favor, motion carried.

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Proposed Resolutions

Motion by Robin Collingsworth, supported by Clayton Charron to accept and place on file the following resolutions:

1. Jeff Foland, Buildings & Grounds – Application for Service Retirement
2. Harry Grenawitzke, Env. Health – Application for Deferred Retirement
3. Anthony J. Keane, Equalization – Service Retirement
4. Janet L. Kesler, County Health – Service Retirement
5. Edward Kotus, Drain Commission – Service Retirement
6. Darlene Diekman, JTPA – Disability Retirant Re-Examination

All in favor, motion carried.

Attorney Report

- Retirement Service Credit for part-time employees working 1000 hrs per year
Motion by Robin Collingsworth, supported by William Sisk to send resolution to the Board of Commission for adoption of proposed language and to change ordinance to reflect the new language. All in favor, motion carried. Monroe County Library, Mental Health and Road Commission will need to adopt their own language.
- Trustee Handbook – working to get it electronically
- Member Handbook – working to get it electronically
- Avon Products, Inc. Securities Litigation – the Retirement System had almost \$80,000.00 in loses. A motion was filed September 27 for lead plaintiff status along with a retirement system from Indiana. Legal will keep the board updated.
- Tom Michaud has a press release for the WorldCom recovery. As soon as the Retirement System has the money, Chairman Thompson will issue the press release.

Consultant's Report

Mr. Galanis reviewed the evaluation update for the period ending September 30, 2005. The Retirement System made \$2.1 million dollars for that period.

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Old Business

- Disability Re-examinations to be done:
 - Betty S. Crosely – notified October 13 that Ms. Crosely has moved to Oregon. Will have to find a doctor to do re-examination.
 - David Funk – waiting for doctor's report
 - Mark Winter – waiting for doctor's report
- Disability Applicant exams:
 - Michelle Lamarre, Sheriff's Office – sent letter and copy of doctor's report to her, waiting for answer from her to see if she would like a third opinion.
 - Roger Lambert – waiting for report from doctor
- Monroe County Library System Retiree Health Care Premiums paid in 2005 Motion by Robin Collingsworth, supported by William Sisk to send letter to Library Board requesting \$196,216.21 by December 31, 2005 for overpayment of Library retirees health insurance premiums by the Retirement System. All in favor, motion carried.

New Business - none

Trustee Comments

Nancy Colpaert would like the Retirement System to split the cost of the actuarial study done by Gabriel, Roeder, Smith & Co. to see what balance was left, if any, in the Retirement System for Library Retirees Health Care Insurance. Motion by Jim Davies, supported by William Sisk to pay \$1,140.00, half of the original invoice of \$2,280.00. This cost is to be deducted from the \$196,216.21 that the Library System owes to the Retirement System. All in favor, motion carried.

Clayton Charron asked how the microfilming of old agendas was going. Ms. Elmore informed the board that Apex Micrographic, Inc. has completed the first section. Have not received an invoice for that work. Hopefully an invoice will be ready for the November 28 meeting so the board can decide if they want to continue.

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Motion by Jim Morgan, supported by William Sisk to adjourn. All in favor,
motion carried. Meeting adjourned at 6:55 P.M.

Respectfully Submitted,

David Thompson

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

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: October 24, 2005

RE: Jeff R. Foland - Application for Service Retirement

WHEREAS, the Board of Trustees is in receipt of an application for retirement from the above named individual, and

WHEREAS, it appears, based on preliminary information provided, that said applicant meets the eligibility requirements of the Retirement System and any applicable collective bargaining agreement, therefore be it

RESOLVED, that said application for retirement is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary after audit by the Retirement Specialist of the employer, and further

RESOLVED, that the actuary prepare and submit a retirement estimate to the Retirement System as soon as possible, and further

RESOLVED, that following applicant's last date on the active payroll, a retirement data sheet be completed by the employer and submitted to the Retirement System's actuary, and further

RESOLVED, that upon receipt of the retirement calculation form from the actuary, the Retirement Specialist will contact the applicant and set up an appointment to review the calculations and option election form, and further

RESOLVED, that upon receipt of the completed election form by the applicant, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts subject to correctness of calculations and data.

Item 9-1

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: October 24, 2005

RE: Harry Grenawitzke - Application for Deferred Retirement

WHEREAS, the Board of Trustees is in receipt of an application for a deferred retirement from the above named individual, and

WHEREAS, it appears, based on preliminary information provided, that said applicant meets the eligibility requirements of the Retirement System for a deferred retirement, therefore be it

RESOLVED, that said application for deferred retirement is preliminarily approved subject to the adoption by the Board of a resolution approving the calculations of the actuary after audit by the Retirement Specialist of the employer, and further

RESOLVED, that upon receipt of the retirement calculation form from the actuary, the Retirement Specialist will contact the applicant and set up an appointment to review the calculations and option election form, and further

RESOLVED, that upon receipt of the completed election form by the applicant, the Board of Trustees will consider adoption of a resolution approving payments of the applicable benefit amounts subject to correctness of calculations and data.

Item 9-2

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: October 24, 2005

Re: Service Retirement of Anthony J. Keane

WHEREAS, Anthony J. Keane of the Monroe County Equalization Department has submitted his application for a service retirement to the Board of Trustees requesting an effective retirement date of September 11 2005, and

WHEREAS, Anthony J. Keane has been credited with 30 years of service credit, and

WHEREAS, the Board of Trustees has verified that the aforesaid participant meets all those requirements for a service retirement as established pursuant to the provisions of the Retirement System and applicable collective bargaining agreements, and

WHEREAS, the Board of Trustees has provided all necessary personal and financial data to the Board's actuary who has completed all necessary reports relating to participant and/or designated beneficiary, and

WHEREAS, Anthony J. Keane has reviewed the actuarial calculations and has elected an Option B form of retirement naming Gail A. Keane as option beneficiary, therefore be it

RESOLVED, that service retirement is hereby granted to Anthony J. Keane effective September 11, 2005, and further

RESOLVED, that benefits be paid consistent with the foregoing.

Item 9-3

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: October 24, 2005

Re: Service Retirement of Janet L. Kesler

WHEREAS, Janet L. Kesler of the Monroe County Health Department has submitted his application for a service retirement to the Board of Trustees requesting an effective retirement date of September 16, 2005, and

WHEREAS, Janet L. Kesler has been credited with 18 years and 11 months of service credit, and

WHEREAS, the Board of Trustees has verified that the aforesaid participant meets all those requirements for a service retirement as established pursuant to the provisions of the Retirement System and applicable collective bargaining agreements, and

WHEREAS, the Board of Trustees has provided all necessary personal and financial data to the Board's actuary who has completed all necessary reports relating to participant and/or designated beneficiary, and

WHEREAS, Janet L. Kesler has reviewed the actuarial calculations and has elected an Option C-5 form of retirement naming Kenneth J. Kesler as option beneficiary, therefore be it

RESOLVED, that service retirement is hereby granted to Janet L. Kesler effective September 16, 2005, and further

RESOLVED, that benefits be paid consistent with the foregoing.

Item 9-4

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: October 24, 2005

Re: Service Retirement of Edward Kotus

WHEREAS, Edward Kotus of the Monroe County Drain Commission has submitted his application for a service retirement to the Board of Trustees requesting an effective retirement date of September 6, 2005, and

WHEREAS, Edward Kotus has been credited with 24 years of service credit, and

WHEREAS, the Board of Trustees has verified that the aforesaid participant meets all those requirements for a service retirement as established pursuant to the provisions of the Retirement System and applicable collective bargaining agreements, and

WHEREAS, the Board of Trustees has provided all necessary personal and financial data to the Board's actuary who has completed all necessary reports relating to participant and/or designated beneficiary, and

WHEREAS, Edward Kotus has reviewed the actuarial calculations and has elected an Option A form of retirement naming Mary Ann Kotus as option beneficiary, therefore be it

RESOLVED, that service retirement is hereby granted to Edward Kotus effective September 6, 2005, and further

RESOLVED, that benefits be paid consistent with the foregoing.

Item 9-5

**MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM
RESOLUTION**

Adopted: October 24, 2005

Re: Darlene Diekman – Disability Retirant Re-examination

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, Darlene Diekman was granted a disability retirement on December 2, 1999, after a finding by the Board of Trustees that the requirements of the Retirement System had been met, and

WHEREAS, in accordance with Section 9.5 of the Retirement System, at least once each year during the first five (5) years following the retirement of a member with a disability pension and at least once in every three (3) year period thereafter, the Board of Trustees shall require a disability retirant, who has not satisfied the age and service eligibility conditions for normal retirement, to undergo a medical examination by or under the direction of the Board's physician, and

WHEREAS, the Board designated Richard B. Atkins, M.D. to conduct or direct the re-examination of Darlene Diekman, and

WHEREAS, the Board has discussed this matter, therefore be it

RESOLVED, that the Board of Trustees hereby acknowledges receipt of the Medical Report and Certification of its Medical Advisor, dated August 17, 2005, and concurs in the findings regarding the re-examination of Darlene Diekman, and further

RESOLVED, that Darlene Diekman's disability status shall be continued, and further

RESOLVED, that a copy of this resolution shall be forwarded to Darlene Diekman and the appropriate County representatives.

Item 9-6

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

RESOLUTION

Adopted: 10/24/05

Re: Retirement Ordinance Amendments

WHEREAS, the Board of Trustees is vested with the general administration, management and operation of the Retirement System, and

WHEREAS, issues have arisen with regard to the crediting of service credit for part-time employees working more than 1,000 hours per year, but less than full-time, which is generally considered to be 37.5 hours per week (1,950 hours or more per year), and

WHEREAS, the Board of Trustees is in receipt of an opinion from its legal counsel, dated July 25, 2005, which has presented the issues and alternatives with regard to crediting of service credit for part-time employees, and

WHEREAS, the Board of Trustees is of the opinion that it is in the best interest of the Plan members and beneficiaries that the County Board of Commissioners adopt an amendment to the Retirement Ordinance which provides greater clarification with regard to this issue, and

WHEREAS, the Board of Trustees has requested its legal counsel to draft proposed provisions to amend the Retirement Ordinance consistent with the Board's discussions, and

WHEREAS, the Board of Trustees is in receipt of the proposed amendments as drafted by its legal counsel, and

THEREFORE BE IT RESOLVED, that the Board of Trustees hereby directs that a copy of the proposed amendments and this resolution be forwarded to the County Board of Commissioners, and further

RESOLVED, that the Board of Trustees respectfully requests that the County Board of Commissioners give formal consideration to adoption of the proposed amendments to the Monroe County Employees Retirement System Ordinance.

PROPOSED AMENDMENTS TO THE
MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM ORDINANCE

Regarding Part-time Service Credit, amend the definition of "Compensation" in subsection (e) of Section 2.1, Article II titled "Definitions" to include the following highlighted provisions:

(e) "Compensation" means the salary or wages paid a member for personal services rendered the County while a member of the retirement system. Salary and wages shall include longevity pay; overtime pay; shift differentials; pay for periods of absence from work by reason of employer approved vacation, holiday, and sickness; deferred compensation amounts under Board of Trustees recognized deferred compensation programs. Compensation shall not include any remuneration or reimbursement not specifically stated to be included: such as allowances for clothing, equipment, cleaning and travel; reimbursement of expenses; bonuses; termination pay; severance pay; payments in consideration of unused vacation and sick leave; the value of any fringe benefit. *Notwithstanding the foregoing, compensation for part-time employees, as provided for in subsection 5.1(c) of this Ordinance, shall be equated to full-time compensation for the sole purpose of computing Final Average Compensation, by multiplying the part-time employee's actual compensation by the following fraction: the numerator shall be the full-time hours required for the part-time employee's position for the year and the denominator shall be the number of hours the part-time employee actually worked during the year or such other formula as may be adopted by the Monroe County Library System, the Monroe County Road Commission, or the Monroe County Community Mental Health Authority.*

Amend Section 5.1 of Article V titled "Credited Service; Requirements for" to include a new subsection (c) as follows:

- (a) Ten (10) or more days of service rendered in a calendar month shall be credited as a month of service for that calendar month. If a member renders less than ten (10) days of service in a calendar month he shall not receive service credit for that calendar month.
- (b) In no case shall more than twelve (12) months of service be credited any member for all service rendered by him in any calendar year.
- (c) *For a member who is a part-time employee, as defined herein, service credit in a calendar year shall be one year multiplied by the following fraction: the numerator shall be the number of hours worked during the year, and the denominator shall be the full-time hours required for the part-time employee's position for one year. For purposes of this subsection, "part-time employee" shall mean an employee who works at least one thousand (1,000) hours per year but less than one thousand nine hundred fifty (1,950) hours per year or such other number of hours representing full-time employment as adopted by the Monroe County Library System, the Monroe County Road Commission, or the Monroe County Community Mental Health Authority. For (a) Benefit Group General, (b) Benefit Group Management, (c) Benefit Group Non-Union, (d) Benefit Group Sheriff Deputy, and (e) Benefit Group Sheriff Common Officer, full-time employment shall be considered one thousand nine hundred fifty (1,950) hours per year (37.5 hours/week), unless otherwise provided in the member's applicable collective bargaining agreement.*