

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

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was held on October 24, 2011 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

PRESENT: Nancy Colpaert, James Davies, Michael Grodi, Joseph Hudson, Anne McCarthy (left at 5:25), James Morgan and William Myers (arrived at 5:20)

ABSENT: Henry Lievens and William Sisk (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Royce Maniko, Retirement Secretary, Michael Cho and Michael Holycross, Investment Consultants and Thomas Michaud, Legal Counsel

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

Motion by Anne McCarthy, supported by James Davies to approve the minutes of the September 26, 2011 regular meeting. Motion carried.

Motion by James Davies, supported by Michael Grodi to approve the agenda as submitted. Motion carried.

Citizens Time – None

Presentations – Lisa George, NWQ & Tradewinds will reschedule.

Motion by James Davies, supported by Michael Grodi to approve the consent agenda as listed below.

A. Retirements

Anne Smith, Library	September 30
David Scott, Board of Commissioners (deferred)	October 2
Larry Pickens, Health Department (deferred)	October 18

B. Financial Reports – On File with Retirement Specialist

1. Boyd Watterson Asset Management Client Statement for the period ended September 30, 2011.

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2. Comerica Bank Securities Lending Statement for August 2011.
3. Morgan Stanley Smith Barney Client Statement for Anchor Capital Advisors, Eagle Global Advisors, Lazard Asset Management, NWQ LCV and International and Renaissance Investment Management for the period ended September 30, 2011.
4. Renaissance Investment Management International Equity Portfolio for the Third Quarter 2011.
5. Winslow Capital Portfolio Summary for the period ended September 30, 2011.

C. Communication

1. Communication dated September 30, 2011 from Morgan Stanley Smith Barney regarding brochure supplements about individuals providing investment advice.
2. Robbins Geller Rudman & Dowd Portfolio Monitoring Report for the quarter ended June 30, 2011.
3. Robbins Geller Rudman & Dowd Settlement Report for October 2011.

Motion Carried.

Invoices

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

1. Invoice dated September 30, 2011 in the amount of \$3,177.92 from Comerica Commercial Card Service for the 2011 MAPERS educational seminar.
2. Invoice #2015 dated September 22, 2011 in the amount of \$506.19 from County of Monroe Finance Department for August 2011 Postage and Federal Express charges.
3. Invoice #2056 dated October 18, 2011 in the amount of \$35.86 from County of Monroe Finance Department for September 2011 Postage and Federal Express charges.
4. Invoice #2031 dated October 6, 2011 in the amount of \$19,359.47 from the County of Monroe Finance Department for charges for services rendered to the Retirement Board for July – September 2011.
5. Invoice #0811-576-21 dated September 21, 2011 in the amount of \$98.01 from the County of Monroe Printing Department for envelopes.

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6. Invoice dated September 21, 2011 in the amount of \$550.00 from Steven Dovitz, M.D. for the independent medical evaluation of Brian Murray.

Motion carried.

Refunds

Motion by James Davies, supported by Anne McCarthy to approve the following refunds:

- | | |
|--|--------------|
| 1. Larry Pickens, Health Department (deferred) | \$ 2,917.90 |
| (Franklin Templeton FBO: Larry Pickens) | \$ 11,735.25 |

Motion carried.

Retirement Payments

Motion by James Davies, supported by Anne McCarthy to approve the following retirement payments:

- | | |
|---|-------------|
| 1. Larry Pickens, Health Department (deferred) | \$ 1,618.54 |
| **October \$730.94 | |
| 2. David Scott, Board of Commissioners (deferred) | \$ 303.36 |
| **October 293.70 | |

Motion carried.

Communications

Motion by Anne McCarthy, supported by Michael Grodi to accept and place on file the following Applications for Service Retirement:

1. Emilia Rempe, Library
2. Lois White, Library

Motion carried.

Motion by Anne McCarthy, supported by Michael Grodi to accept and place on file the following Applications for Deferred Retirement:

3. Phyllis Kinkead, Mental Health
4. Larry Pickens, Health Department
5. David Scott, Board of Commissioners

Motion carried.

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Motion by Michael Grodi, supported by Anne McCarthy to accept the following Application for Disability Retirement, place on file and refer applicant to Steven Dovitz, M.D.

6. Shelly Romanowski, Sheriff's Office

Motion carried.

7. Medical report dated September 21, 2011 from Steven Dovitz, M.D. regarding an independent medical evaluation of Brian Murray.

Motion by Anne McCarthy, supported by Michael Grodi to accept and place on file. Motion carried.

Proposed Resolutions

Motion by Michael Grodi, supported by Anne McCarthy to accept and place on file the following Applications for Service Retirement resolutions:

1. Emilia Rempe, Library
2. Lois White, Library

Motion carried.

Motion by Michael Grodi, supported by Anne McCarthy to accept and place on file the following Applications for Deferred Retirement resolutions:

3. Phyllis Kinkead, Mental Health
4. Larry Pickens, Health Department
5. David Scott, Board of Commissioners

Motion carried.

Motion by Michael Grodi, supported by Anne McCarthy to accept and place on file the following Deferred Retirement resolutions:

6. Larry Pickens, Health Department
7. David Scott, Board of Commissioners

Motion carried.

Motion by Michael Grodi, supported by Anne McCarthy to accept and place on file the following Disability Retirant Re-examination resolution:

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8. Brian Murray, Sheriff's Office

Motion carried.

Attorney Report

Mr. Michaud discussed Sharyn Newkirk's Judgment of Divorce. Based on his review of the Consent Judgment of Divorce, the Board should consider Ms. Newkirk's election of Mr. Milliman void as of the date the Board received notice of the Judgment of Divorce. Further that as of that date there is no beneficiary designated under the Option C. In the event Ms. Newkirk dies before the expiration of the period certain and before she has designated a new beneficiary, such payments would be made to her estate.

Motion by Michael Grodi, supported by Anne McCarthy to accept the recommendation of Legal Counsel regarding Ms. Newkirk. Motion carried.

Mr. Michaud stated the Legislative Update on Public Act 152 is for informational purposes only. It is a hot topic right now in legislation. He also discussed the legislation regarding taxation at the state level for public pensions. Once legislation settles language, the Retirement System will need to send out a letter.

Next, Mr. Michaud discussed the Drain Commission Bonds that were referred to him from September's meeting. The bonds do fall in general obligations of 314. Royce Maniko stated Mr. Stefanski, the Monroe County Drain Commissioner stated they are not bonds, they are notes. Mr. Michaud recommended Morgan Stanley Smith Barney review the portfolio and make a recommendation as to whether or not the bonds/notes are beneficial to the portfolio.

Mr. Michaud addressed Public Act 314. He stated there have been no updates to the act because the employee in charge had resigned his position.

Finally, Mr. Michaud addressed the Kushner Report. The ordinance was last updated in 2000, but the Retirement Board has adopted the necessary updates for IRC codes.

Joseph Hudson asked if it would be appropriate to have Mr. Michaud issue a statement to the Board of Commissioners regarding the ordinance facts and possibly appear at a Board of Commissioners meeting.

Motion by Joseph Hudson, supported by Michael Grodi to have Mr. Michaud issue a statement and appear at a Board of Commissioners meeting to discuss the facts of the Retirement Ordinance. Motion carried.

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Consultant Report

Mr. Cho reviewed the valuation report for the month ending September 30, 2011. The fund is valued at \$161,047,090.61 down \$11,097,868.03 from the previous month. The Total Fund was down 5.87%. The current asset allocation includes 46.65% in equity, 47.08% in fixed income, and 6.27% in cash.

Mr. Holycross thanked the Retirement Board for their vote of confidence. To say thank you Morgan Stanley Smith Barney would like to offer a fee concession for the 3rd and 4th quarters. The proposed scenario would be an annual fee rate of .10% instead of the .12% agreed upon.

Motion by Michael Grodi, supported by Joseph Hudson to accept the fee concession from Morgan Stanley Smith Barney. Motion carried.

Mr. Cho stated the cash fund is getting low and recommends transferring \$1,000,000.00 from Eagle Global Advisors, \$1,000,000.00 from Renaissance International, and \$1,000,000.00 from Templeton Portfolio.

Motion by James Morgan, supported by Michael Grodi to transfer \$1,000,000.00 from Eagle Global Advisors, \$1,000,000.00 from Renaissance International, and \$1,000,000.00 from Templeton Portfolio. Motion carried.

Michael Grodi asked if action needs to be taken regarding Diamond Hill and Alpine. Mr. Cho stated it will be addressed at the next board meeting.

Motion by Michael Grodi, supported by Joseph Hudson to accept the Investment Consultants monthly report. Motion carried.

Old Business

- Audit Retirement Files

Mr. Michaud is working on sending out a Request for Proposal.

New Business

- Recording Retirement Board Meeting

Motion by James Davies, supported by Joseph Hudson to proceed with recording the Retirement Board meetings starting with the November 28, 2011 meeting. Motion carried.

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Motion by James Davies, supported by Joseph Hudson to retain recordings indefinitely. Michael Grodi and Nancy Colpaert Opposed. Motion fails. Recording retention will be placed under old business.

Trustee Comments

Michael Grodi would like the Retirement Specialist agreement to be placed on the November 28, 2011 meeting agenda. Chairman Colpaert stated she needs to schedule a meeting with Human Resources.

Motion by James Morgan, supported by Joseph Hudson to adjourn. Motion carried. Meeting adjourned at 6:00 P.M.

Respectfully Submitted,

Nancy Colpaert, Chairman
Monroe County Employees Retirement System
Board of Trustees