

# 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, November 28, 2016

#### 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 November 28, 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:

Nancy Bellaire	Bob Neely
Michael Grodi	Al Potratz – arrived at 5:04 P.M.
Anne McCarthy	Jason Turner
James Morgan	

Joseph Hudson, and George Jondro excused.

##### ALSO PRESENT:

Sandy Calkins, Retirement Specialist  
Michael Bosanac, Retirement Secretary - arrived at 5:03 P.M.  
Thomas Michaud, Legal Counsel  
Michael Cho, Investment Consultant  
Michael Fedorovich, Renaissance  
Amer Hasan, Brandywine

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 Neely to approve the agenda as submitted. Supported by Trustee Morgan.

All in favor. Motion carried.

#### 5. Approval of Minutes

Motion by Trustee Morgan to approve the minutes of the October 24, 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 McCarthy to approve the consent agenda as listed below. Supported by Trustee Turner.

1. Retirements

- |   |             |
|---|-------------|
| a. Joy Langton, General County (deferred) | November 12 |
| b. David LaMontaine, Sheriff's Office     | November 14 |

2. Financial Reports

- a. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended October 31, 2016.
- b. Boyd Watterson GSA Fund for the period ended October 31, 2016.
- c. Boyd Watterson statement of account for October 31, 2016.
- d. Brandywine Global Investment Management Global Fixed Income October 2016.
- e. Comerica Bank account statement for October 2016.
- f. Corbin Pinehurst account statement for the period ended September 30, 2016.
- g. Mesirow Institutional account statement for the period ended September 30, 2016.
- h. Morgan Stanley client statement for October 2016.

3. Communication

- a. Robbins Geller Rudman & Dowd settlement report for October 28, 2016.
- b. Robbins Geller Rudman & Dowd portfolio monitoring report for October 28, 2016.

All in favor. Motion carried.

**8. Approval of Bills**

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

1. Invoice in the amount of \$1,490.41 from Comerica Commercial Card Service for monthly QuickBooks online fee, and NCPERS.
2. Invoice in the amount of \$5,235.85 from Comerica Bank for custodial services rendered for July 1, 2016 – September 30, 2016.
3. Invoice #5799 dated November 2, 2016 in the amount of \$15,426.40 from the Monroe County Library System for retirement services rendered for July 1, 2016 – September 30, 2016.
4. Invoice dated November 8, 2016 in the amount of \$100.00 from MAPERS for the 2017 membership renewal.
5. Reimbursement in the amount of \$802.69 to Michael Grodi for expenses incurred for the 2016 NCPERS public safety conference.

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Roll call for approval of the bills as follows:

AYES: Nancy Bellaire                    James Morgan  
         Michael Grodi                     Bob Neely  
         Anne McCarthy                    Jason Turner

NAYS: None

ABSENT: Joseph Hudson, George Jondro, and Al Potratz excused.

All in favor. Motion carried.

**8A. Refunds**

Motion by Trustee Morgan to approve the following retirement refunds. Supported by Trustee McCarthy.

- |  |             |
|--|-------------|
| 1. Robert Fleeman, Sheriff's Office          | \$32,249.82 |
| 2. Michael Thatcher, Road Commission         | \$28,016.24 |
| Symetra Life Insurance FBO: Michael Thatcher | \$14,555.74 |

All in favor. Motion carried.

**8B. Retirement Payments**

Motion by Trustee Morgan to approve the following retirement payments. Supported by Trustee McCarthy.

- |  |             |
|--|-------------|
| 1. Robert Fleeman, Sheriff's Office      | \$ 4,294.36 |
| *October \$1,461.92, November \$2,832.44 |             |
| 2. Michael Thatcher, Road Commission     | \$ 3,685.62 |
| *October \$1,812.60, November \$1,873.02 |             |

All in favor. Motion carried.

**9. Communications**

Motion by Trustee McCarthy to receive and file the following communications. Supported by Trustee Turner.

- Application for Deferred Retirement**  
1. Joy Langton, General County
- Application for Deferred Service Status**  
2. Julie Hindall, General County
3. Communication dated October 25, 2016 from Boyd Watterson regarding 3<sup>rd</sup> quarter 2016 distribution.
4. Communication dated November 9, 2016 from Nancy Bellaire, Monroe County Library System Director regarding issuance of 13<sup>th</sup> checks for 2016.

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.

**Application for Deferred Retirement**

1. Joy Langton, General County

**Service Retirement**

2. Robert Fleeman, Sheriff's Office
3. Michael Thatcher, Road Commission

All in favor. Motion carried.

**11. Presentations**

1. Michael Fedorovich, Renaissance

Mr. Fedorovich discussed Renaissance Investments outlook, positioning, perspectives, sector performance, and sector attribution. He then discussed the investment performance. The fund was up 6.80% quarter to date and up 3.30% year to date.

2. Amer Hasan, Brandywine

Mr. Hasan provided an overview of the economy and the current market conditions. He then discussed the performance summary, investment philosophy, portfolio positioning, and the team change. Year to date the fund is up 7.40%.

**12. Consultant's Report**

Mr. Cho reviewed the third quarter performance report. He discussed the investment perspectives, and then he discussed the total fund performance. The fund is valued at \$190,303,628. The current asset allocation includes 56.1% in equity, 24.4% in fixed income, 8.3% in alternative investments, 8.8% in real estate and 2.4% in cash. The total fund was up 6.38% year to date.

Mr. Cho reviewed the valuation report for the month ending October 31, 2016. The fund is valued at \$186,777,579.72 down \$2,781,416.06 from the previous month. The current asset allocation includes 56% in equities, 23% in fixed income, 4% in cash, 8% in alternative investments, and 9% in real estate. The Total Fund was up .85% for the month and up 5.17% year to date.

Mr. Cho will provide search results for Winslow, Anchor, and Federated at the next meeting.

Chairman Grodi asked if consolidating Mesirow with Corbin Capital would be a good move. Mr. Cho will provide a recommendation at the next board meeting.

**13. Old Business**

1. County Travel Policy 307.1

This issue is in the process of being reviewed.

**14. New Business**

1. Investment Policy Review

The Investment Policy Committee will meet with Mr. Cho and review the Investment Policy.

2. Trustee Election

Jeffrey Koras with the Monroe Community Mental Health Authority is declared the winner.

3. Communication dated October 28, 2016 from Robert Neely, Chairman of the Monroe County Retiree Health Care Trust Board regarding Request for Proposal – Professional Investment Consultant Services.

Trustee Neely would like the Retirement Board to participate in the County Retiree Health Care request for proposals. Chairman Grodi stated the Retirement Board made the decision in August to proceed in February 2017 with a separate request for proposals.

Motion by Trustee Neely to have the Retirement Board join the County Retiree Health Care request for proposals.  
Supported by Trustee Turner.

Roll call for approval of joining the County Retiree Health Care request for proposals as follows:

AYES: Michael Grodi                      Al Potratz  
       Bob Neely                             Jason Turner

NAYS: Nancy Bellaire  
       Anne McCarthy  
       James Morgan

ABSENT: Joseph Hudson, and George Jondro excused.

Motion failed.

**15. Attorney's Report**

1. IRC Section 401 (a) (9) Compliance

Mr. Michaud stated the IRS would like terminated employees to withdrawal their contributions and interest, and pay the required taxes. Mr. Michaud stated the Administration Policy Committee will need to approve a policy for locating terminated employees and distributing the contributions and interest.

Mr. Michaud stated there is upcoming legislation that could limit pension and health care benefits.

**16. Trustee Comments**

Chairman Grodi discussed the NCPERS Public Safety Conference. He stated there was a session regarding pooling assets for Consultants, there are several positive and negative benefits to doing so. There was also a good session on infrastructure investing.

**17. Administrative Calendar**

Chairman Grodi stated the next meeting is December 12, 2016 at 5:00 P.M.

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**18. Adjourn**

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

All in favor. Motion carried.

Meeting adjourned at 6:37 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System