



# Monroe County Employee's Retirement System

125 East Second Street • Monroe, Michigan 48161-2197  
Retirement Specialist: (734) 240-7264 • Secretary: (734) 240-7267  
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## 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 March 25, 2013 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

Roll call as follows:

### PRESENT

Nancy Bellaire  
James Davies  
Michael Grodi  
George Jondro

Bobby Lambert  
James Morgan  
Jerry Oley – left at 5:45

### ABSENT

Joseph Hudson (excused)  
Anne McCarthy (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Michael Bosanac, Retirement Secretary, Michael Cho, Investment Consultant and Thomas Michaud, Legal Counsel

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

Chairman Grodi led the Pledge of Allegiance.

Motion by Trustee Davies to approve the agenda as submitted. Supported by Trustee Morgan. Motion carried.

Motion by Trustee Jondro to approve the minutes of the February 25, 2013 regular meeting and waive the reading of the minutes. Supported by Trustee Oley. Motion carried.

Motion by Trustee Oley to approve the minutes of the March 18, 2013 special meeting and waive the reading of the minutes. Supported by Trustee Morgan. Motion carried.

### Citizens Time – None

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

### A. Retirements

Dennis Au, Historical Museum (deferred)	February 21
Jack Boll, County Agency	March 30

### B. Financial Reports – On File with Retirement Specialist

1. Boyd Watterson Asset Management Client Statement for the period ended February 28, 2013.
2. Comerica Bank Securities Lending Statement for January 2013.
3. Comerica Bank Collateral Investment Summary as of February 28, 2013.
4. Franklin Templeton Investments Portfolio Quarterly Report as of December 31, 2012.
5. Lazard Asset Management Portfolio Review for the period ended January 31, 2013.

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6. Lazard Asset Management Portfolio Review for the period ended February 28, 2013.
7. Winslow Capital Monthly Statement for the period ended February 28, 2013.

**C. Communication**

1. Robbins Geller Rudman & Dowd Settlement Report for March 2013.
2. Robbins Geller Rudman & Dowd Monitoring Report for February 2013.

**Invoices**

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

1. Invoice dated January 1, 2013 in the amount of \$17,981.97 from Anchor Capital Advisors for investment services rendered for the period of October 1, 2012 – December 31, 2012.
2. Invoice #35697 dated March 6, 2013 in the amount of \$38,237.00 from Boyd Watterson Asset Management for investment services rendered for the period of December 1, 2012 – February 28, 2013.
3. Invoice #20130201000590 dated December 31, 2012 in the amount of \$14,020.12 from NWQ Investment Management Company for investment services rendered for the period of October 1, 2012 – December 31, 2012.
4. Invoice #20130201000502 dated December 31, 2012 in the amount of \$10,829.16 from Tradewinds Global Investors for investment services rendered for the period of October 1, 2012 – December 31, 2012.

Roll call for approval of the bills as follows:

**AYES**

Nancy Bellaire  
James Davies  
Michael Grodi  
George Jondro

**NAYS**

Bobby Lambert  
James Morgan  
Jerry Oley

**ABSENT**

Joseph Hudson (excused)  
Anne McCarthy (excused)

Motion carried.

**Refunds**

Motion by Trustee Oley to approve the following refunds. Supported by Trustee Jondro.

1. Daniel Donahue, Board of Commissioners \$ 423.28  
Raymond James FBO: Daniel Donahue \$ 431.08
2. Robert Melvin, Sheriff's Office \$ 1,693.57
3. Mary O'Neill, Board of Commissioners \$ 423.28

Motion carried.

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**Retirement Payments**

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

- |  |             |
|--|-------------|
| 1. Dennis Au, Historical Museum (deferred)<br>**February \$96.88             | \$ 436.07   |
| 2. Linda Benson, Animal Control<br>**January \$1,262.57, February \$1,262.57 | \$ 3,787.71 |
| 3. Sharon Nicotra, EDRO Marty Nicotra<br>**January \$508.67, February 508.67 | \$ 1,526.01 |

Motion carried.

**Communications – Board Action**

1. Certification of Delegates Form for NCPERS 2013 Annual Conference.

Chairman Grodi disclosed to the retirement board that he received a scholarship from NCPERS to attend the 2013 annual conference. He stated the scholarship covers registration fees, hotel accommodations and flight costs. Chairman Grodi requested the retirement board appoint him as a delegate for the NCPERS 2013 annual conference.

Motion by Trustee Lambert to appoint Chairman Grodi to serve as a delegate for the NCPERS 2013 annual conference with no funds used from the retirement system. Supported by Trustee Jondro. Motion carried.

Trustee Morgan addressed the travel policy, specifically the education allocation amount of \$30,000.00 for the entire retirement board. He stated it is not a reasonable amount to allow all trustees to attend training. Trustee Morgan would request the travel policy be reviewed by the administrative policy committee.

Trustee Oley discussed the venue related to the annual conference. He stated NCPERS she be ashamed to continue to use Hawaii as a destination. The venue is not acceptable because how the public views it. Trustee Davies agreed.

Trustee Lambert stated he will not support sending any representatives to NCPERS.

Motion by Trustee Lambert to not spend any retirement funds sending representatives to Hawaii. Supported by Trustee Oley. Motion carried.

Mr. Michaud suggested the retirement board submit a letter to NCPERS regarding the venue for the annual conference.

2. Communication from Winslow Capital regarding the long-term strategic and succession plan.

Motion by Trustee Oley to accept and place on file the communication from Winslow Capital. Supported by Trustee Lambert. Motion carried.

Motion by Trustee Lambert to accept and place on file the following Applications for Deferred Retirement. Supported by Trustee Morgan. Motion carried.

3. Dennis Au, Historical Museum
4. Mark Haskins, Mental Health

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Motion by Trustee Davies to accept and place on file the following Application for Deferred Service Status. Supported by Trustee Jondro. Motion carried.

5. Paula Loop, Library

**Proposed Resolutions**

Motion by Trustee Davies to accept and place on file the following Applications for Deferred Retirement resolutions. Supported by Trustee Bellaire. Motion carried.

1. Dennis Au, Historical Museum
2. Mark Haskins, Mental Health

Motion by Trustee Davies to accept and place on the file the following Service Retirement resolution. Supported by Trustee Bellaire. Motion carried.

3. Linda Benson

Motion by Trustee Davies to accept and place on file the following Deferred Service Retirement resolution. Supported by Trustee Bellaire. Motion carried.

4. Dennis Au, Historical Museum

Motion by Trustee Davies to accept and place on file the following Purchase of Universal Service Credit resolutions. Supported by Trustee Bellaire. Motion carried.

5. Allison Arnold, Prosecuting Attorney
6. Jeffrey Perkins, County Agency

**Presentations – Felecia Ryans, Comerica Bank**

Ms. Ryans discussed the personnel changes that began around December 2012. Beth Glowe, the retirement systems pension analyst left the bank effective January 31, 2013. Ms. Glowe was with Comerica Bank for 23 years. Ms. Ryans stated she personally sent a letter to Sandy Calkins and Julie Hegyi regarding the personnel changes. The letter stated the pension services group will handle pension payments going forward.

Ms. Ryans recognized the speedy processing the retirement board is accustomed to receiving. Going forward the pension services group will only be able to process payments on the 15<sup>th</sup> and 30<sup>th</sup> of each month. She also admitted that Comerica's communication regarding the transition was poor. And in the future she will notify the retirement board of changes with improved communication.

Chairman Grodi inquired about securities lending with Comerica. Ms. Ryans stated the split for securities lending used to be a 60/40 split, and now it is a 70/30 split. Chairman Grodi also inquired about fees. He questioned whether the fees would decrease with the personnel changes. Ms. Ryans stated there will be no changes in the fee structure.

Paul Silva, Templeton Portfolio

Mr. Silva introduced himself as the Vice President for Templeton Portfolio Advisors. He explained that Templeton offers a full range of investment capabilities from a breadth of investment platforms and currently manages approximately \$781.8 billion in total combined assets.

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Next, Mr. Silva discussed the Investment Performance. He stated year to date the fund is up 8.9% compared to the benchmark at 6.6%. The fund is up 21.6% compared to the benchmark 17.9% at the end of 2012. He also stated that since inception the fund is up 5.0% compared to the benchmark at 4.5%.

Finally, Mr. Silva discussed the Sector Weightings; the portfolio is underweight in consumer discretionary, materials, consumer staples and utilities. The portfolio is overweight in financials, information technology, energy, and telecommunication services. He discussed the top 10 holdings as well as the Portfolio Characteristics. He stated the portfolio is well positioned at this time.

**Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending February 28, 2013. The fund is valued at \$177,493,826.86 down \$1,352,338.79 from the previous month. The current asset allocation includes 49.0% in Equities, 45.0% in Fixed Income, and 6.0% in Cash. The Total Fund was down .15% and up 2.09% YTD.

Mr. Cho discussed Alternative Investments. He will have Morgan Stanley Smith Barney's recommendation for the hedge fund portfolio at the next board meeting.

**Attorney's Report**

Mr. Michaud discussed Michelle O'Connor's Military Service Credit eligibility. He stated she is eligible to purchase up to five (5) years of military service credit.

Motion by Trustee Davies to approve Michelle O'Connor's Military Service Credit purchase of five (5) years. Supported by Trustee Jondro. Motion carried.

**Old Business**

- Disability Re-examination
  - Ronald Whited, waiting on medical report from February 4, 2013 appointment
- Confidentiality Agreement
  - Forward to Administrative Policy Committee to review and offer a recommendation to the retirement board
- County Travel Policy, policy number 307.1
  - Forward to Administrative Policy Committee to review and offer a recommendation to the retirement board

**New Business**

**Trustee Comments**

Motion by Trustee Morgan to adjourn. Supported by Trustee Jondro. Motion carried. Meeting adjourned at 6:20 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System  
Board of Trustees