

# 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 27, 2017

#### 1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:01 PM on November 27, 2017 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	James Morgan
Michael Grodi	Bob Neely
Jeff Koras	
Anne McCarthy	

##### ABSENT:

George Jondro, excused  
Henry Lievens, excused  
Jason Turner, absent

##### ALSO PRESENT:

Joey Becker, Retirement Specialist  
Michael Bosanac, Retirement Secretary  
Thomas Michaud, Legal Counsel  
Chris Kuhn, Investment Consultant  
Sandy Calkins, Accounting Manager

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 McCarthy to approve the minutes of the October 23, 2017 regular meeting, and waive the reading of the minutes. Supported by Trustee Bellaire. All in favor. Motion carried.

#### 6. Citizens Time

The Board presented Sandy Calkins with a plaque of appreciation for her many years of dedicated service as the Retirement Specialist.

**7. Consent Agenda**

Motion by Trustee McCarthy to approve the consent agenda as listed below. Supported by Trustee Koras.

1. Financial Reports
  - a. Boyd Watterson client statement for the period ended October 31, 2017.
  - b. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended October 31, 2017.
  - c. Boyd Watterson GSA Fund for the period ended October 31, 2017.
  - d. Brandywine Global Investment Management Global Fixed Income October 2017.
  - e. Comerica Bank client statement for October 2017.
  - f. Corbin Pinehurst account statement for the period ended September 30, 2017.
  - g. Intercontinental account statement for period ended June 30, 2017
  - h. Morgan Stanley client statement for October 2017.
2. Communication
  - a. Robbins Geller Rudman & Dowd settlement report for October 27, 2017.
  - b. Robbins Geller Rudman & Dowd portfolio monitoring report for October 27, 2017.
  - c. Robbins Geller Rudman & Dowd litigation report for Q3 2017.
  - d. Communication from Morgan Stanley regarding possible status change dated October 10, 2017.
  - e. Communication from Renaissance reviewing account information dated November 1, 2017.

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 McCarthy.

1. Invoice #435061 in the amount of \$8,970.31 from Comerica for custodial services rendered for the period of July 1, 2017 – September 30, 2017.
2. Invoice in the amount of \$1,291.42 from Comerica Commercial Card Service for monthly QuickBooks online fee, NCPERS, and plaque.
3. Invoice in the amount of \$100.00 from MAPERS for 2018 membership fees.
4. Invoice #0100464 in the amount of \$127,405.82 from Morgan Stanley for management fees for the period of July 1, 2017 – September 30, 2017.
5. Invoice #5851 in the amount of \$359.66 from Monroe County Library System for postage.
6. Invoice dated November 20, 2017 in the amount of \$857.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of October 1, 2017 – October 31, 2017.
7. Reimbursement in the amount of \$262.23 to Michael Grodi for expenses incurred for the NCPERS Accredited Fiduciary Program.



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1.           **Deferred Service Retirement**  
Patsy Garcia, Mental Health
  
2.           **Application for Service Retirement**  
Diane Donnelly-Carr, Library System
  
3.           **Application for Deferred Retirement**  
Mark Rodan, Mental Health
4.           Patsy Garcia, Mental Health
  
5.           **Application for Disability Retirement**  
Steve Moreau, Sheriff's Office

**11. Consultant's Report**

1. Valuation Report for the period ended October 31, 2017

Mr. Kuhn reviewed the valuation report for the month ending October 31, 2017. The fund is valued at \$203,729,539 up \$1,464,113 from the previous month. The current asset allocation includes 62% in equities, 20% in fixed income, 1% in cash, 8% in alternative investments, and 9% in real estate. The total fund was up 0.72% for the month and up 10.85% year to date.

Mr. Kuhn stated it has been a great year in equities, and the fixed market is doing well.

Chairman Grodi questioned the status of Mesirow and the typical liquidation period.

Mr. Kuhn stated it's typical for companies to wait until their audited financials are complete, usually about six months.

Trustee McCarthy questioned if AndCo has looked at rebalancing, and if there are any concerns.

Mr. Kuhn stated that there are no rebalance recommendations at this time. AndCo anticipates finalizing the asset allocation by the December meeting.

2. Asset Allocation Study

Mr. Kuhn reviewed the Asset Allocation study.

Trustee Neely questioned if AndCo's assumptions on liquidating assets model actuary figures.

Mr. Kuhn stated they are factored in.

**12. Old Business**

1. Service Provider Disclosures

Disclosures from Cambriar and Clearbridge are still required.

**13. New Business**

1. Investment Policy Review

Mr. Kuhn reviewed the recommended updates to the Investment Policy.

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Chairman Grodi asked for clarification in regards to relevant benchmarks under the Investment Consultant section.

Mr. Kuhn stated that AndCo establishes the benchmark, not the managers.

Trustee McCarthy questioned if AndCo reports to the Board what percentile the managers are in.

Mr. Kuhn stated the percentile will be reported to the Board every quarter.

Chairman Grodi requested that any questions or concerns regarding the recommended updates be submitted in writing to Chris Kuhn or Brian Green.

**2. Trustee Election**

Anne McCarthy and Annamarie Osment both submitted petitions with the required number of supporting signatures. The election will be held Thursday, December 7, 2017.

Mr. Bosonac contacted Chairman Grodi in regards to the timing of receiving the petitions in his office for Trustee McCarthy.

Mr. Michaud stated the petitions for Trustee McCarthy were received by the Retirement System before the deadline. The intent of the deadline is to inform the Retirement System of who is running in the election. The process should not be complicated due to a possible two minute delay. Mr. Michaud recommends that the Board accept the petitions from the two applicants, and continue the election with ballots for both candidates.

Motion by Trustee Neely to accept the recommendation to accept the petitions from the two applicants, and continue the election with ballots for both candidates. Supported by Trustee Bellaire.

Roll call for approval as follows:

AYES: Nancy Bellaire                      Jeff Koras                      Bob Neely  
         Michael Grodi                      James Morgan

NAYS: None

ABSENT: George Jondro, excused  
         Henry Lievens, excused  
         Jason Turner, absent

Trustee McCarthy abstained. Motion carried.

**14. Attorney's Report**

Mr. Michaud stated there is potential legislation regarding pensions and healthcare being introduced in the next couple of days.

**15. Trustee Comments**

Trustee Morgan questioned if there were any red flags on the Investment Policy Statement amendments. No concerns were noted.

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Chairman Grodi thanks Mr. Bosanac and the Board of Commissioners for joining in the lawsuit with Wayne and Oakland counties against opioid manufacturers.

**16. Administrative Calendar**

Chairman Grodi stated the next meeting is December 11, 2017 at 5:00 P.M.

**17. Adjourn**

Motion by Trustee McCarthy to adjourn. Supported by Trustee Morgan. All in favor. Motion carried.

Meeting adjourned at 6:26 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System

George Jondro, Vice Chairman  
Monroe County Employees Retirement System