

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, January 23, 2017

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 January 23, 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:

Michael Grodi
George Jondro
Jeff Koras
Anne McCarthy

James Morgan
Bob Neely
Jason Turner – excused at 6:37 P.M.

Nancy Bellaire and Henry Lievens excused.

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Michael Bosanac, Retirement Secretary
Thomas Michaud, Legal Counsel
Michael Cho, Investment Consultant
Brian Gevry and Michael Vandenbossche, Boyd Watterson
Laura Keehn, County Employee
Crissy Hart, County Employee

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

3. Pledge of Allegiance

Chairman Grodi led the Pledge of Allegiance.

4. Election of Chairman

Sandy Calkins opened the meeting up to nominations for the Chairman. Trustee Neely nominated Trustee Grodi as Chairman of the Monroe County Employees Retirement System Board of Trustees.

No other nominations were offered.

Motion by Trustee McCarthy to close the nominations and cast a unanimous ballot for Trustee Grodi as Chairman. Supported by Trustee Turner. All in favor. Motion carried.

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5. Election of Vice Chairman

Chairman Grodi requested nominations for the Vice Chairman. Trustee Morgan nominated Trustee Jondro as Vice Chairman of the Monroe County Employees Retirement System Board of Trustees.

No other nominations were offered.

Motion by Trustee McCarthy to close the nominations and cast a unanimous ballot for Trustee Jondro as Vice Chairman. Supported by Trustee Turner. All in favor. Motion carried.

6. Approval of Agenda

Motion by Trustee Jondro to approve the agenda as amended, adding item 16-5, Request for Proposal Investment Consultant. Supported by Trustee Turner. All in favor. Motion carried.

7. Approval of Minutes

Motion by Trustee McCarthy to approve the minutes of the December 12, 2016 regular meeting, December 22, 2016 special meeting and January 17, 2017 regular meeting and waive the reading of the minutes. Supported by Trustee Morgan. All in favor. Motion carried.

8. Citizens Time

No citizen wished to address the board.

9. Consent Agenda

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

1. Deceased Retirees – 2016

Michael Bezeau, Road Commission	February 15
Donna Grainger, General County	March 2
Larry Miller, Road Commission	March 5
Kenneth Cain, Sheriff's Office	March 7
Gerald Brown, Sheriff's Office	March 18
Brian Murray, Sheriff's Office	April 12
Donna Dufour, Road Commission	April 16
Jennifer Cline, General County	May 8
Vernon Vanbuskirk, General County	May 24
Charles Coss Sr., Road Commission	June 3
Donald Pullou, Road Commission	July 8
David Webb, Road Commission	July 14
Lou Ann Quillin, Sheriff's Office	July 15
Paul Braunlich, General County	July 16
Theresa Wells, Sheriff's Office	July 25
Eileen Coss, Road Commission	September 8
Judy Kassuba, General County	September 16
Robert Patterson, Sheriff's Office	September 16
Ronald Larrow, Road Commission	October 15
Benjamin Dykes, County Agency	October 16
Rick Feick, General County	December 13

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2. Retirements
 - a. Judith Bodine, General County January 1
 - b. Jennifer Poupard, General County January 1
3. Financial Reports
 - a. Boyd Watterson statement of account for November 30, 2016.
 - b. Boyd Watterson statement of account for December 31, 2016.
 - c. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended November 30, 2016.
 - d. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended December 31, 2016.
 - e. Boyd Watterson GSA Fund for the period ended November 30, 2016.
 - f. Boyd Watterson GSA Fund for the period ended December 31, 2016.
 - g. Brandywine Global Investment Management Global Fixed Income November 2016.
 - h. Brandywine Global Investment Management Global Fixed Income December 2016.
 - i. Comerica Bank account statement for November 2016.
 - j. Comerica Bank account statement for December 2016.
 - k. Morgan Stanley client statement for November 2016.
 - l. Morgan Stanley client statement for December 2016.
 - m. Pinehurst Institutional account statement for the period ended November 30, 2016.
 - n. Mesirow Institutional account statement for the period ended November 30, 2016.
4. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for December 30, 2016.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for December 30, 2016.
 - c. Robbins Gellar Rudman & Dowd International Portfolio Monitoring Report for fourth quarter 2016.

All in favor. Motion carried.

10. Approval of Bills

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

1. Invoice #45373 dated December 14, 2016 in the amount of \$20,198.00 from Boyd Watterson Asset Management for investment services rendered for the period of September 1, 2016 – November 30, 2016.
2. Invoice in the amount of \$14.98 from Comerica Commercial Card Service for monthly QuickBooks online fee, and certificate of mailing fee
3. Invoice #427230 in the amount of \$5,296.73 from Comerica Bank for custodial services rendered for the period of October 1, 2016 – December 31, 2016.
4. Invoice dated December 13, 2016 in the amount of \$910.00 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of November 1, 2016 – November 30, 2016.
5. Invoice dated January 20, 2017 in the amount of \$1,470.00 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of December 1, 2016 – December 31, 2016.

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Roll call for approval of the bills as follows:

AYES: Michael Grodi James Morgan
George Jondro Bob Neely
Jeffrey Koras Jason Turner
Anne McCarthy

NAYS: None

ABSENT: Nancy Bellaire and Henry Lievens excused.

All in favor. Motion carried.

10A. Refunds

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

- | | |
|---------------------------------------|-------------|
| 1. Eric Desbrough, General County | \$ 2,550.48 |
| 2. David LaMontaine, Sheriff's Office | \$15,032.22 |
| 3. Joy Langton, General County | \$ 5,035.60 |
| Fidelity Investments FBO: Joy Langton | \$15,754.11 |
| 4. Jacqueline McGhee, General County | \$ 3,749.36 |
| 5. Layla Nagi, General County | \$ 1,280.06 |

All in favor. Motion carried.

10B. Retirement Payments

Motion by Trustee Jondro to approved the following retirement payments. Supported by Trustee Koras.

- | | |
|---|-------------|
| 1. David LaMontaine, Sheriff's Office | \$ 3,543.30 |
| *November \$2,007.87, December \$3,543.30 | |
| 2. Joy Langton, General County | \$ 646.06 |
| *November, \$409.26, December \$646.06 | |
| 3. Jacqueline McGhee, General County | \$ 1,915.11 |
| *December \$617.80 | |

All in favor. Motion carried.

11. Communications

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

- Application for Deferred Service Status**
1. Timothy Lee, Sheriff's Office
 2. Communication dated January 3, 2017 from Michael Grodi, Chairman of the Monroe County Employees Retirement System to J. Henry Lievens, Chairman of the Monroe County Board of Commissioners regarding Retirement Benefits Issue.
 3. Ullico fiduciary liability insurance renewal application.

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4. Communication dated January 12, 2017 from Larry Langer, Conduent Human Resource Service regarding company name change.

All in favor. Motion carried.

12. Resolutions

Motion by Trustee Jondro to accept and place on file the following retirement resolutions. Supported by Trustee Turner.

1. **Service Retirement**
David LaMontaine, Sheriff's Office
2. **Disability Retirement**
Jacqueline McGhee, General County
3. **Deferred Service Retirement**
Joy Langton, General County
4. **Purchase of Military Service Credit**
Brian Francisco, Sheriff's Office

All in favor. Motion carried.

13. Presentations - Brian Gevry and Michael Vandebossche, Boyd Watterson

Mr. Gevry reviewed the performance summary. Year to date, the fund is up 2.68%, three years up 2.57%, five years up 2.37% , and ten years up 4.39%. The average duration of the portfolio is 4.18 years, the average maturity for the portfolio is 5.13 years, and the average coupon is 3.87%.

Next, Mr. Gevry reviewed the GSA fund objectives and guidelines. The GSA fund returns are expected to come from three sources: leasehold income, leverage, and capital appreciation. The targeted rate of return is 8%. Year to date the GSA return is 9.10%.

14. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending December 31, 2016. The fund is valued at \$188,276,432.92 up \$739,989.85 from the previous month. The current asset allocation includes 58% in equities, 22% in fixed income, 2% in cash, 9% in alternative investments, and 9% in real estate. The Total Fund was up 1.13% for the month and up 7.39% year to date.

Mr. Cho recommends terminating Anchor Capital, hiring Clarkston Capital and transferring the funds from Anchor Capital to Clarkston Capital.

Motion by Trustee Jondro to accept Mr. Cho's recommendation and terminate Anchor Capital, hire Clarkston Capital and transfer the funds from Anchor Capital to Clarkston Capital subject to contract approval. Supported by Trustee Morgan. All in favor. Motion carried.

15. Old Business

1. County Travel Policy 307.1

This issue is in the process of being reviewed.

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2. Retirement Specialist position

The position is currently posted. The hiring committee will conduct the screening process and provide the Retirement Board with top candidates to interview.

16. New Business

1. Set interest rate for 2017

Mr. Cho stated the December 31, 2016 Ten Year U.S. Treasury Rate was 2.44%.

Motion by Trustee McCarthy to set the 2017 interest rate at 2.44%. Supported by Trustee Morgan. All in favor. Motion carried.

2. Retirement System Administrator Survey

Chairman Grodi wanted the Retirement Board to review the survey. MAPERS is in the process of conducting another survey.

3. Committee Appointments

Chairman Grodi will make the appointments at the next meeting.

4. MAPERS One-Day Seminar, MAPERS Spring/Fall Conference, NCPERS Annual Conference

Motion by Trustee McCarthy to approve funding for training as allowable under P.A. 314. Supported by Trustee Jondro. All in favor. Motion carried.

5. Request for Proposal Investment Consultant

Motion by Trustee Jondro to send out the Investment Consultant Request for Proposal. Supported by Trustee Turner. All in favor. Motion carried.

17. Attorney's Report

1. Military Service Credit – Brian Francisco

Mr. Michaud recommends the Retirement Board approve his request to purchase three years of military service credit.

Motion by Trustee Jondro to approve Mr. Francisco's request to purchase three years of military service credit. Supported by Trustee Morgan. All in favor. Motion carried.

2. Michigan Legislative Update – New Amendments to ACT 314

Mr. Michaud discussed potential changes to PA 314 under PA 530.

3. Road Commission multiplier change

Mr. Michaud stated the Road Commission is required to have an actuarial study performed and the contract must be ratified by all parties before implementation by the Retirement Board.

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4. Closed Session – Litigation

Motion by Trustee McCarthy go into closed session at 6:33 P.M. to discuss litigation. Supported by Trustee Turner.

Roll call for approval of closed session as follows:

AYES: Michael Grodi	James Morgan	NAYS: None
George Jondro	Bob Neely	
Jeff Koras	Jason Turner	
Anne McCarthy		

ABSENT: Nancy Bellaire and Henry Lievens excused.

All in favor. Motion carried.

Open session at 6:45 P.M.

Motion by Trustee McCarthy to authorize action in the Southern matter. Supported by Trustee Neely. All in favor. Motion carried.

18. Trustee Comments

Trustee Koras was welcomed by all Trustees. He thanked the Retirement Board for the warm welcome.

19. Administrative Calendar

Chairman Grodi stated the next meeting is February 27, 2017 at 5:00 P.M.

20. Adjourn

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

All in favor. Motion carried.

Meeting adjourned at 6:48 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System