

Monroe County Employees Retirement System

840 South Roessler Street, Monroe, MI 48161-1557 (734) 241-1174



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 January 27, 2014 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
Joseph Hudson

George Jondro
Henry Lievens – left at 5:25
Anne McCarthy – left at 5:05
Jason Turner

ABSENT

James Morgan (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.

Sandy Calkins led the Pledge of Allegiance.

Sandy Calkins opened the meeting up to nominations for the Chairman. Trustee McCarthy 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 Davies. Motion carried.

Chairman Grodi requested nominations for the Vice Chairman. Trustee McCarthy nominated Trustee Bellaire 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 Bellaire as Vice Chairman. Supported by Trustee Hudson. Motion carried.

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

Motion by Trustee Jondro to approve the minutes of the December 9, 2013 regular meeting and waive the reading of the minutes. Supported by Trustee Davies. Motion carried.

Citizens Time - None

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Chairman Grodi requested a moment of silence for all those retirees who passed away in 2013:

Charlotte Wright, Library	January 12
Gertrude Guyer, Library	March 7
Ivy Sype, Road Commission	March 29
Edith Gentner, Youth Center	April 2
Elizabeth Leavitt, Mental Health	April 9
Helen Jacobs, Health Department	May 22
Tobi Sisman, Youth Center	June 17
Arnold Meinhart, Road Commission	June 19
Norma Vankirk, County Agency	September 5
Edna Gessner, Health Department	September 8
Constance Harvell, Health Department	September 29
Thomas Hudson, Sheriff's Office	October 18
Andrea Bolton, District Court	October 25
Arbra Evans, Sheriff's Office	October 27
Gwen Wertenberger, Fairview	November 7
Charles Trout, Sheriff's Office	December 28

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

Retirements

1. Maria Liparoto, Mental Health	December 18
2. Peggy Engel, Library	January 1
3. Patricia Bourgeois, Health Department (deferred)	January 8
4. Trisha Schaffenberg, Sheriff's Office	January 16

Financial Reports

1. Boyd Watterson Asset Management client statement for the period ended November 30, 2013.
2. Comerica Bank Collateral Investment Summary as of November 30, 2013.
3. Comerica Bank Collateral Investment Summary as of December 31, 2013.
4. Comerica Bank Securities Lending Statement for November 2013.
5. Lazard Asset Management Portfolio Review for the period ended November 30, 2013.
6. Lazard Asset Management Portfolio Review for the period ended December 31, 2013.
7. Morgan Stanley Client Statement for the period ended December 31, 2013
8. SEI Trust Company Monthly Statement for the period ended November 30, 2013.
9. SEI Trust Company Monthly Statement for the period ended December 31, 2013.

Communication

1. Robbins Geller Rudman & Dowd Portfolio Monitoring Report as of November 29, 2013.

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Invoices

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

1. Invoice #37906 dated December 13, 2013 in the amount of \$38,313.00 from Boyd Watterson Asset Management for investment services rendered for the period of September 1, 2013 – November 30, 2013.
2. Final invoice in the amount of \$16,666.00 from Eagle Global Advisors for investment services rendered for the period of October 1, 2013 – December 31, 2013.
3. Invoice #405269 dated January 9, 2014 in the amount of \$8,850.00 from Gabriel Roeder Smith & Company for the annual maintenance fee starting January 1, 2014.
4. Invoice #5533 dated December 27, 2013 in the amount of \$20,502.57 from Monroe County Library System for services rendered to the Retirement Board for September – December 2013.
5. Invoice #5534 dated December 27, 2013 in the amount of \$726.00 from Monroe County Library System for the Monroe County Employees Retirement System sign for the Mary K. Daume Library Service Center.
6. Invoice #2376 dated October 24, 2013 in the amount of \$250.00 from NCPERS for the 2014 membership renewal.
7. Invoice dated December 6, 2013 in the amount of \$2,992.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of November 1, 2013 – November 30, 2013.

Roll call for approval of the bills as follows:

AYES

Nancy Bellaire
James Davies
Michael Grodi
Joseph Hudson

NAYS

George Jondro
Henry Lievens
Jason Turner

ABSENT

Anne McCarthy (excused)
James Morgan (excused)

Motion carried.

Refunds

Motion by Trustee Hudson to approve the following refunds. Supported by Vice Chairman Bellaire. Motion carried.

- | | |
|------------------------------------|-------------|
| 1. Marcus Howton, Road Commission | \$36,545.92 |
| 2. Janet Kurtz, Sheriff's Office | \$24,969.18 |
| 3. Thomas Roberts, Road Commission | \$20,511.29 |

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Retirement Payments

Motion by Trustee Hudson to approve the following retirement payments. Supported by Vice Chairman Bellaire. Motion carried.

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|---|-------------|
| 1. Karen Burns, Health Department | \$ 358.75 |
| 2. Marcus Howton, Road Commission
**November \$850.08 | \$ 2,443.85 |
| 3. Janet Kurtz, Sheriff's Office
**November \$2,616.96 | \$ 5,324.23 |
| 4. Sandra McAdoo, Mental Health
**November \$70.20 | \$ 245.58 |
| 5. Thomas Roberts, Road Commission
**October \$180.78, November \$934.11 | \$ 2,049.00 |

Communications – Board Action

Motion by Trustee Davies to accept and place on file the following applications for service retirement. Supported by Trustee Jondro. Motion carried.

1. Maria Liparoto, Mental Health
2. Kristine Weeman, Sheriff's Office

Motion by Trustee Davies to accept and place on file the following application for deferred retirement. Supported by Trustee Jondro. Motion carried.

3. Patricia Bourgeois, Health Department

Motion by Trustee Davies to accept and place on file the following application for purchase of military service time. Supported by Trustee Jondro. Motion carried.

4. Randy Nicholson, Sheriff's Office

Motion by Trustee Davies to accept and place on file the following application for deferred service status. Supported by Trustee Jondro. Motion carried.

5. Angela Saborio, Mental Health

Motion by Trustee Davies to accept and place on file the following communication from Comerica Bank. Supported by Trustee Jondro. Motion carried.

6. Communication from Comerica Bank detailing the custodial services fee schedule.

Motion by Trustee Davies to accept and place on file the following communication from Comerica Bank. Supported by Trustee Jondro. Motion carried.

7. Communication from Comerica Bank detailing the benefit payment services fee schedule.

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Proposed Resolutions

Motion by Trustee Davies to accept and place on file the following application for service retirement resolutions. Supported by Vice Chairman Bellaire. Motion carried.

1. Maria Liparoto, Mental Health
2. Kristine Weeman, Sheriff's Office

Motion by Trustee Davies to accept and place on file the following service retirement resolutions. Supported by Vice Chairman Bellaire. Motion carried.

3. Marcus Howton, Road Commission
4. Janet Kurtz, Sheriff's Office
5. Thomas Roberts, Road Commission

Motion by Trustee Davies to accept and place on file the following application for deferred retirement resolution. Supported by Vice Chairman Bellaire. Motion carried.

6. Patricia Bourgeois, Health Department

Motion by Trustee Davies to accept and place on file the following deferred retirement resolutions. Supported by Vice Chairman Bellaire. Motion carried.

7. Karen Burns, Health Department
8. Sandra McAdoo, Mental Health

Motion by Trustee Davies to accept and place on file the following purchase of universal service credit resolutions. Supported by Vice Chairman Bellaire. Motion carried.

9. Leslie Clanton, Central Dispatch
10. John Longenbarger, Sheriff's Office

Presentations – Brian Gevry, Boyd Watterson Asset Management

Mr. Gevry discussed the investment objectives and investment guidelines. He stated the investment objective is to make investments which balance the risk of loss and the opportunity for gain with the purpose of the Retirement System.

Next, Mr. Gevry reviewed the performance summary. Boyd Watterson outperformed the benchmark YTD down 0.1% vs. the benchmark down 0.9%. The average duration of the portfolio is 2.47 years, the average maturity for the portfolio is 3.32 years, and the average coupon is 4.22%. Then, he discussed the limited duration mid-grade fund. The fund is valued at \$3,005,176.40.

Mr. Gevry concluded with the current outlook and strategy. He believes bonds will have a better year in 2014. There will also be continued improvement in labor markets, diminished fiscal drag, strong capex spending, steadily improving household balance sheets and increased outlays from state and local governments.

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Consultant's Report

Mr. Cho reviewed the valuation report for the month ending December 31, 2013. The fund is valued at \$189,403,011.55 up \$1,358,806.68 from the previous month. The current asset allocation includes 55% in equities, 36% in fixed income, 4% in cash, 3% in alternative investments, and 2% in real estate. The Total Fund was up 1.06% for the month and up 12.35% year to date.

Attorney's Report

Mr. Michaud discussed Public Act 347 of 2012 Compliance. He reviewed the required board actions, which included adoption of a written ethics policy, written education policy, written record retention policy, annual training budget, and preparation of a summary annual report.

Mr. Michaud discussed the Morgan Stanley Agreement and does not see issues with the provided agreement.

Old Business

1. Code of Conduct/Education/Due Diligence Policy and County Travel Policy 307.1

This policy will be placed on the next Administrative Policy Committee meeting.

2. Tablet Policy

Motion by Trustee Hudson to purchase a Window Surface Pro with a keyboard for all members. Supported by Trustee Davies. Motion carried.

3. Pension Evaluation

Chairman Grodi stated Asset Strategies was selected to conduct the evaluation of the pension system. The Retirement System will share the cost with the County of Monroe. Asset Strategies will have the evaluation completed by April.

Motion by Vice Chairman Bellaire to enter into an agreement with the County of Monroe to share the cost of the pension system evaluation. Supported by Trustee Turner. Motion carried.

4. Investment Policy Statement Review

This policy will be placed on the next Investment Policy Committee meeting.

New Business

1. Set interest rate for 2014

Mr. Cho stated the December 31, 2013 Ten Year U.S. Treasury Rate was 3.04%.

Motion by Trustee Davies to set the 2014 interest rate at 3.04%. Supported by Trustee Jondro. Motion carried.

2. Committee Appointments

Chairman Grodi will make the appointments at the next meeting.

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3. County of Monroe 13th check corrections

Motion by Trustee Turner to offer two options to overpaid deferred retirees. Option 1: Lump sum payment due within 60 days of notice. Option 2: Payment plan over a 12 month period. If no response within 60 days, option 2 will be selected as the terms of repayment. Supported by Trustee Davies. Motion carried.

Motion by Trustee Hudson to pay the five retirees that were not paid in 2012 and include them when the deferred retiree's recouped adjustment is made. Supported by Trustee Davies. Motion carried.

4. Request for Proposal – Auditor

Motion by Trustee Davies to send out a request for proposals for auditor services. Supported by Trustee Hudson. Motion carried.

5. MAPERS One Day Seminar
6. MAPERS Spring Conference
7. NCPERS Annual Conference

Motion by Trustee Davies to allow any member to attend all MAPERS and NCPERS conferences for 2014. Supported by Trustee Jondro. Motion carried.

Trustee Comments

Trustee Turner stated he is looking forward to working with the Retirement Board.

Trustee Jondro, Trustee Davies and Trustee Hudson all welcomed Trustee Turner and Trustee Lievens and congratulated Chairman Grodi and Vice Chairman Bellaire.

Vice Chairman Bellaire thanked the Retirement Board for their confidence in her as Vice Chairman.

Chairman Grodi thanked the Retirement Board for electing him as Chairman again. He is looking forward to another great year. He thanked Mr. Cho and Mr. Michaud for their services and also welcomed the new Trustees.

Chairman Grodi stated the next meeting will be held on February 24, 2014 in the Monroe County Board of Commissioners Chambers.

Motion by Trustee Jondro to adjourn. Supported by Trustee Turner. Motion carried. Meeting adjourned at 6:40 P.M.

Respectfully Submitted,

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