



# 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 January 28, 2013 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

Roll call as follows:

### PRESENT

James Davies  
Michael Grodi  
Joseph Hudson  
George Jondro

Bobby Lambert  
Anne McCarthy  
James Morgan  
Jerry Oley

### ABSENT

Nancy Bellaire (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.

Trustee Morgan nominated Trustee Jondro as Chairman of the Monroe County Employees Retirement System Board of Trustees.

No other nominations were offered.

Motion by Trustee Oley to close the nominations. Supported by Trustee Grodi.

Roll call for Trustee Grodi as Chairman as follows:

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**AYES**

James Davies  
Michael Grodi  
Bobby Lambert  
Anne McCarthy  
Jerry Oley

**NAYS**

Joseph Hudson  
George Jondro  
James Morgan

**ABSENT**

Nancy Bellaire

Roll call for Trustee Jondro as Chairman as follows:

**AYES**

Joseph Hudson  
George Jondro  
James Morgan

**NAYS**

James Davies  
Michael Grodi  
Bobby Lambert  
Anne McCarthy  
Jerry Oley

**ABSENT**

Nancy Bellaire

The roll call vote for Chairman reflected 5 votes for Trustee Grodi and 3 votes for Trustee Jondro. Motion by Trustee Hudson to cast a unanimous ballot for Trustee Grodi as Chairman. Supported by Trustee Morgan. Motion carried.

Sandy Calkins opened the meeting up to nominations for the Vice Chairman. Trustee Hudson nominated Trustee Morgan as Vice Chairman of the Monroe County Employees Retirement System Board of Trustees. Trustee Morgan declined the nomination. Trustee Hudson withdrew his nomination for Trustee Morgan.

Chairman Grodi nominated Trustee McCarthy as Vice Chairman of the Monroe County Employees Retirement System Board of Trustees.

No other nominations were offered.

Motion by Trustee Oley to close the nominations. Supported by Chairman Grodi.

Roll call for Trustee McCarthy as Vice Chairman as follows:

**AYES**

James Davies  
Michael Grodi  
Joseph Hudson  
George Jondro

Bobby Lambert  
Anne McCarthy  
James Morgan  
Jerry Oley

**NAYS**

**ABSENT**

Nancy Bellaire

Motion carried.

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

Motion by Trustee Davies to approve the minutes for the December 10, 2012 regular meeting and waive the reading of the minutes. Supported by Trustee Lambert. Motion carried.

**Citizens Time** – None

**Presentations** – Brian Gevry, Boyd Watterson Asset Management

Mr. Gevry discussed the Investment Policy. 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. Mr. Gevry also reviewed the performance summary. Boyd Watterson outperformed the benchmark YTD at 4.4% vs. the benchmark at 3.9%.

Mr. Gevry stated the current outlook calls for a prolonged period of slow economic growth, consumer spending has re-entered positive territory but falls short of previously robust levels. Capital expenditures are improving. Unemployment will remain high for some time, and housing foreclosures are expected to rise significantly during the next few years. He remains cautious, but feels Boyd Watterson has the capabilities to weather the storm.

Chairman Grodi requested a moment of silence for all those retirees who passed away in 2012:

Edward Kotus, Drain Commission	January 3
Emma Hedrick, Road Commission	January 20
Joseph Boitnott, Road Commission	February 7
Donald Heath, Board of Commissioners	February 7
Roland Jackson, Road Commission	February 16
Edward Cousineau, Health	February 28
Helen Welsh, Sheriff's Office	March 16
Mary Cooke, Friend of the Court	March 23
Donald Arnold, Board of Commissioners	April 25
Roger Lambert, Central Dispatch	April 25
Patricia Merman, Fairview	May 2
Nickolas Musulin, Buildings & Grounds	May 19
Margaret Black, Buildings & Grounds	June 9
Frederick Polger, Library	June 21
Albert Billmaier, Road Commission	July 3
William Sanphillip, District Court	July 13
Milivoy Knezevich, Road Commission	July 14
Rex Ingall Jr., Road Commission	July 27

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Edith McMullin, Youth Center	August 11
George Bartley, Museum	August 14
Doris Evert, Health	September 10
Yvonne Shertzer, Probate Court	September 10
Betty Connolly, Veterans Bureau	September 26
Charles Karm Jr., Friend of the Court	October 8
Sharon Root, Road Commission	October 16
Kenneth Coss Sr., Road Commission	November 10
Johanna Navarre, District Court	November 17
Bonnie Tyson, County Clerk	December 2
Judy Heath, Health	December 6
Sharon Sullins, County Agency	December 21
Marjorie Brown, Sheriff's Office	December 22

Motion by Trustee Davies to approve the consent agenda as listed below. Supported by Vice Chairman McCarthy. Motion carried.

**A. Retirements**

Linda Benson, Sheriff's Office	January 1
Tilman Crutchfield, Sheriff's Office	January 1
Denise Fashbaugh, Central Dispatch (disability)	January 1
R. LaMar Frederick, Board of Commissioners	January 1
Royce Maniko, Finance	January 1
Marty Nicotra, Buildings & Grounds	January 1
William Sisk, Board of Commissioners	January 1
Frank Spreeman, Human Resources	January 1

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

1. Boyd Watterson Asset Management Client Statement for the period ended November 30, 2012.
2. Comerica Bank Securities Lending Statement for November 2012.
3. Comerica Bank Collateral Investment Summary as of November 30, 2012.
4. Comerica Bank Collateral Investment Summary as of December 31, 2012.
5. Federated Investment Counseling Investment Analysis for the period ended December 31, 2012.
6. Lazard Asset Management Investment Portfolio for the period ended November 30, 2012.
7. Winslow Capital Portfolio Summary for the period ended November 30, 2012.
8. Winslow Capital Portfolio Summary for the period ended December 31, 2012.

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**C. Communication**

1. Robbins Geller Rudman & Dowd Settlement Report for January 2013.

**Invoices**

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

1. Invoice #34984 dated December 11, 2012 in the amount of \$38,194.00 from Boyd Watterson Asset Management for investment services rendered for the period of September 1, 2012 – November 30, 2012.
2. Invoice #2279 dated December 10, 2012 in the amount of \$27.07 from County of Monroe Finance Department for November 2012 postage charges.
3. Invoice #2295 dated January 3, 2013 in the amount of \$198.37 from County of Monroe Finance Department for December 2012 postage charges.
4. Invoice #2795614 dated December 6, 2012 in the amount of \$1,457.55 from DLP Piper for professional services through November 30, 2012.
5. Invoice #120590 dated January 7, 2013 in the amount of \$8,850.00 from Gabriel Roeder Smith & Company for the Annual Maintenance Fee for a 12 month period starting January 1, 2013.
6. Invoice dated January 17, 2013 in the amount of \$52,971.65 from Morgan Stanley Smith Barney for Management Fees for the period of September 1, 2012 – December 31, 2012.
7. Invoice dated December 7, 2012 in the amount of \$1,190.00 from Vanoverbeke, Michaud & Timmony for legal services rendered for the period of November 1, 2012 – November 30, 2012.

Trustee Morgan questioned the legal invoice. He stated the invoice refers to Road Commission matters. He wanted to know in detail what the charges are for. Mr. Michaud stated the charges are for plan design amendments, 13<sup>th</sup> check questions and also procedural questions relating to the Road Commission.

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Roll call for approval of the bills as follows:

AYES		NAYS	ABSENT
James Davies	Bobby Lambert		Nancy Bellaire
Michael Grodi	Anne McCarthy		
Joseph Hudson	James Morgan		
George Jondro	Jerry Oley		

Motion carried.

**Refunds**

Motion by Trustee Morgan to approve the following refunds. Supported by Trustee Hudson.

- |   |             |
|---|-------------|
| 1. Denise Fashbaugh, Central Dispatch           | \$25,022.08 |
| Directions Credit Union (FBO: Denise Fashbaugh) | \$10,353.74 |
| 2. Nicholas Vince, Mental Health                | \$29,552.93 |

Motion carried.

**Retirement Payments**

Motion by Vice Chairman McCarthy to approve the following retirement payments. Supported by Trustee Davies.

- |  |             |
|--|-------------|
| 1. Tilman Crutchfield, Sheriff's Office                        | \$ 3,923.55 |
| 2. Denise Fashbaugh, Central Dispatch (disability)             | \$ 1,999.55 |
| 3. R. LaMar Frederick, Board of Commissioners                  | \$ 522.16   |
| 4. Marty Nicotra, Buildings & Grounds                          | \$ 668.98   |
| 5. William Sisk, Board of Commissioners                        | \$ 724.73   |
| 6. Kristine Tomczak, Library                                   | \$ 2,595.50 |
| **December \$1,231.72  |             |
| 7. Keith Turner, Buildings & Grounds (disability)              | \$ 1,779.54 |
| **November \$136.90, December \$821.32                         |             |
| 8. Nicholas Vince, Mental Health (deferred)                    | \$ 2,847.60 |
| **December \$1,182.06  |             |
| 9. Margo Zieske, Library                                       | \$ 8,724.52 |
| **October \$1,544.20, November \$2,393.44, December \$2,393.44 |             |

Motion carried.

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**Communications**

Motion by Vice Chairman McCarthy to accept and place on file the following communication from Audrey Lewis. Supported by Trustee Davies. Motion carried.

1. Communication dated December 18, 2012 from Audrey Lewis, Monroe County Board of Commissioners Deputy Clerk concerning issuance of 13<sup>th</sup> checks for 2012.

Motion by Vice Chairman McCarthy to accept and place on file the following communication from Audrey Lewis. Supported by Trustee Davies. Motion carried.

2. Communication dated January 23, 2013 from Audrey Lewis, Monroe County Board of Commissioners Deputy Clerk regarding re-appointing James Davies to the Monroe County Employees Retirement System as the Citizen at Large Representative.

Motion by Vice Chairman McCarthy to accept and place on file the following communication from Felecia Ryans. Supported by Trustee Davies. Motion carried.

3. Communication from Felecia Ryans, Assistant Vice President, Comerica Bank regarding operation changes.

Motion by Vice Chairman McCarthy to accept and place on file the following communication from Mark Mignano. Supported by Trustee Morgan. Motion carried.

4. Communication dated January 18, 2013 from Mark Mignano regarding reimbursement for purchasing universal service credit.

Trustee Hudson recommends sending Mr. Mignano's communication to the Administrative Policy Committee for review. Mr. Michaud, legal counsel stated the Retirement Board is not authorized to refund Mr. Mignano's purchase of service credit request.

Motion by Vice Chairman McCarthy to have Michael Bosanac submit a letter to Mr. Mignano stating his request was addressed at the Retirement Board meeting and it has been decided that the County of Monroe established the guidelines related to the purchase of Universal Service Credit and therefore, the Retirement Board is not the correct entity to review his request. Supported by Trustee Lambert. Motion carried.

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Motion by Vice Chairman McCarthy to accept and place on file the following Applications for Service Retirement. Supported by Trustee Davies. Motion carried.

5. Linda Benson, Animal Control
6. Jack Boll, County Agency

Motion by Vice Chairman McCarthy to accept and place on file the following Applications for Deferred Retirement. Supported by Trustee Davies. Motion carried.

7. Cathy Chlebek, Library
8. Nicholas Vince, Mental Health

Motion by Vice Chairman McCarthy to accept and place on file the following Applications for Deferred Service Status. Supported by Trustee Davies. Motion carried.

9. Harold Bilotta Jr., Mental Health
10. Michael Gerke, Road Commission
11. James Goins, Road Commission
12. Trina Martin, District Court
13. Denise Ondrejka, Mental Health

**Proposed Resolutions**

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

1. Linda Benson, Animal Control
2. Jack Boll, County Agency

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

3. Tilman Crutchfield, Sheriff's Office
4. R. LaMar Frederick, Board of Commissioners
5. Marty Nicotra, Buildings & Grounds
6. Kristine Tomczak, Library
7. William Sisk, Board of Commissioners
8. Margo Zieske, Library



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

9. Cathy Chlebek, Library
10. Nicholas Vince, Mental Health

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

11. Nicholas Vince, Mental Health

Motion by Trustee Davies to accept and place on file the following Disability Retirement resolutions. Supported by Trustee Morgan. Motion carried.

12. Denise Fashbaugh, Central Dispatch
13. Keith Turner, Buildings & Grounds

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

14. Willima Sisk, Board of Commissioners
15. Gordon Tyrrell, County Agency
16. Jason Watterson, Sheriff's Office

**Attorney's Report**

Mr. Michaud discussed Public Act 347 of 2012 (S.B. 797). His recommendation is to forward to the Administrative Policy Committee to review in depth.

The next item Mr. Michaud discussed is YPF Sociedad Anonima Litigation. Mr. Michaud requested the board go into closed session to discuss the litigation. Chairman Grodi requested the board go into closed session at the end of the meeting.

**Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending December 31, 2012. The fund is valued at \$175,132,719.74 up \$1,403,813.78 from the previous month. The current asset allocation includes 47.0% in Equities, 45.0% in Fixed Income, and 8.0% in Cash. The Total Fund was up 1.12% and up 9.31% YTD.

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Mr. Cho briefly discussed the proposed Hedge Fund Overview. Motion by Vice Chairman McCarthy to postpone discussion until all Trustees have had a chance to thoroughly review the documents. Supported by Trustee Lambert. Motion carried.

**Old Business**

- Disability Re-examination
  - Ronald Whited, appointment scheduled for February 4, 2013
- Confidentiality Agreement
  - Continues to be pending
- Monroe County Employees' Retirement System Professional & Clerical Services Agreement
  - Chairman Grodi, Trustee Bellaire, Trustee Morgan and Tom Michaud met with the County regarding the contract. Chairman Grodi stated they are all comfortable with the language on the contract and recommend the Retirement Board approve the contract as submitted.

Motion by Trustee Lambert to approve the Monroe County Employees' Retirement System Professional & Clerical Services Agreement as submitted. Supported by Trustee Hudson. Motion carried.

**New Business**

- Set interest rate for 2013
  - Mr. Cho stated the December 31, 2012 Ten Year U.S. Treasury Rate was 1.78%.

Motion by Trustee Hudson to set the 2013 interest rate at 1.78%. Supported by Trustee Davies. Motion carried.

- Committee Appointments
  - Chairman Grodi will send out an email requesting volunteers from the Retirement Board for each committee. He will make the appointments at the next board meeting.
- County Travel Policy, policy number 307.1

Motion by Trustee Oley to accept policy and place on file. Supported by Trustee Lambert. Motion carried.

Motion by Vice Chairman McCarthy to go into closed session. Supported by Trustee Davies.

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Roll call to go into closed session as follows:

**AYES**

James Davies

Michael Grodi

Joseph Hudson

George Jondro

Anne McCarthy

James Morgan

**NAYS**

Bobby Lambert

Jerry Oley

**ABSENT**

Nancy Bellaire

Motion carried.

Motion by Trustee Lambert to go into open session. Supported by Vice Chairman McCarthy.  
Motion carried.

Motion by Trustee Jondro to authorize Tom Michaud to proceed as necessary with the YPF Sociedad Anonima Litigation. Supported by Vice Chairman McCarthy. Motion carried.

**Chairman's Report**

Chairman Grodi thanked the board for the confidence to make him Chairman and he looks forward to a good year.

**Trustee Comments**

Vice Chairman McCarthy welcomed the new members to the Retirement Board and thanked the board for making her Vice Chairman. She also looks forward to a good year. Trustee Hudson, Trustee Davies and Trustee Jondro welcomed the new members. They also congratulated Chairman Grodi and Vice Chairman McCarthy on their new positions.

Motion by Vice Chairman McCarthy to adjourn. Supported by Trustee Lambert. Motion carried.  
Meeting adjourned at 7:00 P.M.

Respectfully Submitted,

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