

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, February 27, 2017

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:00 PM on February 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
Michael Grodi
George Jondro
Jeff Koras

Anne McCarthy
James Morgan
Jason Turner

Bob Neely, excused
Henry Lievens, absent

ALSO PRESENT:

Sandy Calkins, Retirement Specialist
Joey Becker, Retirement Specialist
Michael Bosanac, Retirement Secretary
Thomas Michaud, Legal Counsel
Michael Cho, Investment Consultant
Joe Flores, Tortoise MLP
Molly Cisneros, Cambier

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 McCarthy to approve the agenda as submitted. Supported by Trustee Jondro. All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Jondro to approve the minutes of the January 23, 2017 regular meeting, and February 13, 2017 special meeting and waive the reading of the minutes. Supported by Trustee Morgan. All in favor. Motion carried.

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6. Citizens Time

No citizen wished to address the board.

7. Consent Agenda

Motion by Trustee Morgan to approve the consent agenda as listed below. Supported by Trustee Turner.

1. Retirements
 - a. Laura Bowman, Library February 12
2. Financial Reports
 - a. Boyd Watterson statement of account for January 31, 2017.
 - b. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended January 31, 2017.
 - c. Boyd Watterson GSA Fund for the period ended January 31, 2017.
 - d. Brandywine Global Investment Management Global Fixed Income January 2017.
 - e. Comerica Bank account statement for January 2017.
 - f. Morgan Stanley client statement for January 2017.
 - g. U.S. Real Estate Investment Fund for the quarter ended September 30, 2016.
3. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for January 27, 2017.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for January 27, 2017.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice #2275414 in the amount of \$900.00 from Buck Consultants for an EDRO calculation for Bradley and Margaret Bentley.
2. Invoice in the amount of \$34.97 from Comerica Commercial Card Service for monthly QuickBooks online fee, and certified mail.
3. Invoice #2000020086 in the amount of \$1,950.00 from Cooley Hehl Wohlgamuth & Carlton for QuickBooks training and set up.
4. Invoice #5810 in the amount of \$15,507.82 from Monroe County Library System for retirement services rendered for October 1, 2016 – December 31, 2016.
5. Invoice #5812 in the amount of \$296.45 from Monroe County Library System for postage.
6. Invoice #38012717 in the amount of \$122,136.56 from Morgan Stanley for management fees for the period of October 1, 2016 – December 31, 2016.
7. Invoice dated January 11, 2017 in the amount of \$39,148.00 from Seizert Capital for investment services rendered for the period of October 1, 2016 – December 31, 2016.

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Roll call for approval of the bills as follows:

AYES: Nancy Bellaire Anne McCarthy
Michael Grodi James Morgan
George Jondro Jason Turner
Jeffrey Koras

NAYS: None

ABSENT: Bob Neely, excused and Henry Lievens, absent.

All in favor. Motion carried.

8A. Refunds

Motion by Trustee McCarthy to approve the following refunds. Supported by Trustee Bellaire.

- | | |
|-------------------------------------|-------------|
| 1. Marci Carpenter, General County | \$ 1,193.40 |
| 2. Daniel Hidalgo, General County | \$ 1,695.64 |
| 3. Jennifer Poupard, General County | \$ 7,308.05 |
| 4. Harold White, Road Commission | \$ 411.74 |

All in favor. Motion carried.

8B. Retirement Payments

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

- | | |
|-------------------------------------|-------------|
| 1. Judith Bodine, General County | \$ 2,163.97 |
| *January \$2,163.97 | |
| 2. Margaret Iott, Library | \$ 549.98 |
| *January \$319.32 | |
| 3. Albert Potratz, General County | \$ 142.77 |
| *January 142.77 | |
| 4. Jennifer Poupard, General County | \$ 4,210.11 |
| *January \$4,210.11 | |

All in favor. Motion carried.

9. Communications

Motion by Trustee Morgan to receive and file the following communications. Supported by Trustee Jondro.

- Application for Service Retirement**
1. Michael Boczar, Sheriff's Office
 2. Linda Hammac, General County
 3. Roberta Jondro, Mental Health
 4. Jeffrey Smith, Sheriff's Office

 5. Communication dated January 24, 2017 from Boyd Watterson regarding 4th quarter 2016 distribution.
 6. Communication dated January 18, 2017 from Brandywine Global regarding personnel changes.

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7. Communication dated January 31, 2017 from Camden Regis, Road Commission Human Resources Director regarding multiplier change ratification and actuary study.
8. Communication dated February 13, 2017 from Seizert Capital Partners regarding an internal change.

All in favor. Motion carried.

10. Resolutions

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

Application Service Retirement

1. Michael Boczar, Sheriff's Office
2. Linda Hammac, General County
3. Roberta Jondro, Mental Health
4. Jeffrey Smith, Sheriff's Office

Service Retirement

5. Judith Bodine, General County
6. Albert Potratz, General County
7. Jennifer Poupard, General County

Deferred Service Retirement

8. Margaret Iott, Library

All in favor. Motion carried.

11. Presentations – Joe Flores, Tortoise MLP

Mr. Flores reviewed the performance summary. Year to date, the fund is up 42.12%, three years up .62%, five years up 7.50% , and since inception up 9.58%. He discussed the investment strategy, structural advantages, and risks, and key reasons to invest.

Presentations – Molly Cisneros, Cambier

Ms. Cisneros discussed Cambier's overview, assets under management, and professional structure. She then discussed the top ten holdings, sector weightings, region weighting, and country weightings. Year to date, the fund was up .6%, three years down .5%, five years up 8.3%, and since inception up 5.1% .

12. Consultant's Report

Mr. Cho reviewed the valuation report for the month ending January 31, 2017. The fund is valued at \$193,917,628.69 up \$5,640,073.03 from the previous month. The current asset allocation includes 57% in equities, 22% in fixed income, 4% in cash, 8% in alternative investments, and 9% in real estate. The Total Fund was up 1.83% for the month and up 1.83% year to date.

Mr. Cho reviewed the fourth quarter performance report. He discussed the investment perspectives, and then he discussed the total fund performance. The fund is valued at \$188,622,401. The current asset allocation includes 57.7% in equity, 22.1% in fixed income, 8.5% in alternative investments, 9.2% in real estate and 2.5% in cash. The total fund was up 7.57% year to date.

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Mr. Cho discussed a personnel change at Seizert Capital. There should be performance improvement going forward.

Trustee Morgan stated he has been very concerned with Seizert Capital for some time. Trustee McCarthy agreed stating, we need to keep an eye on them.

Mr. Cho recommends selling two stocks in CGA.

Motion by Trustee McCarthy to accept Mr. Cho's recommendation and sell two stocks in CGA. Supported by Trustee Turner. All in favor. Motion carried.

13. Old Business

1. County Travel Policy 307.1

This issue is in the process of being reviewed.

2. Fiduciary Liability Insurance

The renewal application has been completed and Union Services is working on the quote.

3. Committee Appointments

Administrative Policy Committee Members:

Michael Grodi, Chairman
Nancy Bellaire
Anne McCarthy
James Morgan

Investment Policy Committee Members:

George Jondro, Chairman
Jeff Koras
Bob Neely
Jason Turner

Motion by Trustee Turner to accept the committee appointments. Supported by Trustee Jondro. All in favor. Motion carried.

14. New Business

1. Request for Proposal Investment Consultant

The RFP is posted and due on March 1, 2017.

15. Attorney's Report

1. Michael Shankleton, Judgement of Divorce

Mr. Michaud stated Mr. Shankleton's retirement benefit is not eligible to revert to straight life based on the language in the judgement of divorce.

2. Scott Allen Goins v. Fay Lynn Goins, EDRO

Mr. Michaud stated the EDRO is not in compliance and a letter will be sent to all parties involved.

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Mr. Michaud recommends a trustee education review for next meeting. He will provide an informational packet.

16. Trustee Comments

All the Trustees welcomed Joey Becker the new Retirement Specialist.

Trustee McCarthy stated she will not be in attendance for the next few meetings, but she will be available via telephone.

Chairman Grodi reminded the Trustees of the upcoming MAPERS one day seminar to be held on March 10, 2017.

17. Administrative Calendar

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

18. Adjourn

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

Meeting adjourned at 6:20 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System

George Jondro, Vice Chairman
Monroe County Employees Retirement System