

# 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, March 27, 2017

### 1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:02 PM on March 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  
Bob Neely  
Jason Turner

Henry Lievens, absent

ALSO PRESENT:

Sandy Calkins, Retirement Specialist  
Joey Becker, Retirement Specialist  
Thomas Michaud, Legal Counsel arrived at 5:12 PM  
Michael Cho, Investment Consultant  
Matt Glasofer, Corbin

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

### 5. Approval of Minutes

Motion by Trustee Turner to approve the minutes of the February 27, 2017 regular meeting and waive the reading of the minutes. Supported by Trustee Koras. 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 Neely to approve the consent agenda as listed below. Supported by Trustee Bellaire.

1. Retirements

- |   |          |
|---|----------|
| a. David Taylor, Mental Health (deferred) | March 8  |
| b. Judith Longfield, General County       | March 15 |

2. Financial Reports

- a. Boyd Watterson statement of account for February 2017.
- b. Boyd Watterson Limited Duration Mid-Grade Fund for the period ended February 2017.
- c. Boyd Watterson GSA Fund for the period ended February 2017.
- d. Brandywine Global Investment Management Global Fixed Income February 2017.
- e. Comerica Bank account statement for February 2017.
- f. Morgan Stanley client statement for February 2017.
- g. Corbin Pinehurst account statement for November 2016.
- h. Corbin Pinehurst account statement for December 2016.
- i. Corbin Pinehurst account statement for January 2017.
- j. Mesirow account statement for November 2016.
- k. Mesirow account statement for December 2016.
- l. Mesirow account statement for January 2017.
- m. U.S. Real Estate Investment Fund for the quarter ended December 2016.

3. Communication

- a. Robbins Geller Rudman & Dowd settlement report for February 24, 2017.
- b. Robbins Geller Rudman & Dowd portfolio monitoring report for February 24, 2017.

All in favor. Motion carried.

**8. Approval of Bills**

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

1. Invoice #45874 in the amount of \$20,370.00 from Boyd Watterson for investment services rendered for December 1, 2016 through February 28, 2017.
2. Invoice in the amount of \$114.70 from Comerica Commercial Card Service for monthly QuickBooks online fee, trustee lunch and trustee name plates.
3. Invoice #14301 in the amount of \$16,371.00 from Union Services Agency for Fiduciary Liability Policy renewal.
4. Invoice in the amount of \$2,870.00 from VanOverbeke, Michaud & Timmony for legal services rendered for January 1, 2017 through February 28, 2017.



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6. Communication dated February 25, 2017 from Mesirow Financial regarding administrator 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 Turner.

1. **Application Service Retirement**  
Judith Longfield, General County
2. **Service Retirement**  
Laura Bowman, Library
3. **Application for Deferred Retirement**  
David Taylor, Mental Health
4. **Deferred Service Retirement**  
David Taylor, Mental Health

All in favor. Motion carried.

**11. Presentations – Matt Glasofer, Corbin**

Mr. Glasofer reviewed the performance summary. Year to date, the fund is up 1.53%, up 2.83% for 2016, and since inception up 4.35%. He discussed their client base, investment process, asset allocation, and portfolio characteristics.

Trustee Neely questioned the incentive fee. Mr. Glasofer stated it is the average fee we pay managers and it is lower than the industry standard of 20%. Trustee Neely then addressed Mr. Cho, asking if hedge funds are typically structured this way. Mr. Cho stated yes, that is typical.

**12. Consultant's Report**

Mr. Cho reviewed the valuation report for the month ending February 28, 2017. The fund is valued at \$196,759,446.38 up \$2,841,905.96 from the previous month. The current asset allocation includes 59% in equities, 22% in fixed income, 2% in cash, 8% in alternative investments, and 9% in real estate. The Total Fund was up 1.98% for the month and up 3.85% year to date.

Trustee Turner questioned Mr. Cho regarding new health care not going through and how that will affect the market. Mr. Cho stated we are still in a good position and that Trump tax reform has been beneficial. Trustee Turner questioned if we should pull back if tax reform doesn't happen. Mr. Cho stated that we are still within range and that has been accounted for.

Trustee Turner questioned the fixed income investments, stating that Brandywine is outperforming Boyd Watterson. Mr. Cho stated that Brandywine is a global manager; Pesos, Euros and the Australian dollar were all down in 2016. The market is settling and rebounding, but we can look at increasing Brandywine's allocation and decreasing Boyd Watterson's allocation. Mr. Cho stated that it is something to consider, overall we are looking good and he recommends no changes at this time.

**13. Old Business**

1. County Travel Policy 307.1

This issue is in the process of being reviewed. Trustee Turner stated the biggest issue is the 40 hour cap. There should be more to report in a couple of weeks.

2. Fiduciary Liability Insurance

Motion by Trustee McCarthy to approve the policy and bind the coverage. Supported by Trustee Jondro. All in favor. Motion carried.

3. Request for Proposal Investment Consultant.

The Investment Policy Committee is meeting once a week and are in the process of selecting the top three consultants to present to the Board at the April board meeting.

**14. New Business**

**15. Attorney's Report**

1. Christine Raymo vs. Richard Raymo, Jr., EDRO

Mr. Michaud recommends referring this to legal counsel for review.

2. Investment Management Agreement – Clarkston Capital Partners

Mr. Michaud stated the contract was reviewed and appropriate for signature.

3. Trustee Education

Mr. Michaud provided this trustee education summary for the Trustees and Administrator to review.

**16. Trustee Comments**

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

Trustee Neely asked if all Trustees were required to take the MAPERS test. Mr. Michaud stated the test is not a requirement.

**17. Administrative Calendar**

Chairman Grodi stated the next meeting is April 24, 2017 at 5:00 P.M.

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**18. Adjourn**

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

Meeting adjourned at 6:06 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System

George Jondro, Vice Chairman  
Monroe County Employees Retirement System