

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 April 21, 2014 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

Roll call as follows:

PRESENT

Nancy Bellaire
Joseph Hudson
George Jondro

Henry Lievens
Anne McCarthy
James Morgan

ABSENT

James Davies (excused)
Michael Grodi (excused)
Bobby Lambert (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist and Michael Cho, Investment Consultant

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

Vice Chairman Bellaire led the Pledge of Allegiance.

Motion by Trustee McCarthy to approve the agenda as submitted. Supported by Trustee Morgan. Motion carried.

Motion by Trustee Lievens to approve the minutes of the March 24, 2014 regular meeting and waive the reading of the minutes. Supported by Trustee Hudson. Motion carried.

Citizens Time - None

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

Retirements

- | | |
|--|----------|
| 1. Kirk McMullen, General County | April 19 |
| 2. James Christensen, Central Dispatch | April 30 |

Financial Reports

1. Boyd Watterson Asset Management Client Statement for the period ended February 28, 2014.
2. Brandywine Global Investment Management Portfolio for the period ended March 2014.
3. Comerica Bank Securities Lending Statement for February 2014.
4. SEI Trust Company Monthly Statement for the period ended March 31, 2014.

Invoices

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

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1. Invoice #38663 dated March 18, 2014 in the amount of \$30,917.00 from Boyd Watterson Asset Management for investment services rendered for the period of December 1, 2013 - February 28, 2014.
2. Invoice dated March 31, 2014 in the amount of \$2,400.00 from Comerica Commercial Card Service for NCPERS annual conference registration.
3. Invoice #0214-576-18 dated March 28, 2014 in the amount of \$31.43 from County of Monroe Printing for printing services.
4. Final invoice dated March 11, 2014 in the amount of \$16,354.10 from Franklin Templeton Investments for investment services rendered for the period ending February 26, 2014.
5. Invoice #1707791 dated March 20, 2014 in the amount of \$11,814.23 from Lazard Asset Management for investment services rendered for the period of January 1, 2014 – March 3, 2014.
6. Invoice #11738 dated March 31, 2014 in the amount of \$14,829.00 from Union Services Agency for Fiduciary Liability Insurance renewal.
7. Reimbursement in the amount of \$117.30 to James Davies for expenses incurred for the NCPERS annual conference.

Roll call for approval of the bills as follows:

AYES		NAYS	ABSENT
Nancy Bellaire	Henry Lievens		James Davies (excused)
Joseph Hudson	Anne McCarthy		Michael Grodi (excused)
George Jondro	James Morgan		Bobby Lambert (excused)

Motion carried.

Trustee McCarthy requests the legal invoice be submitted monthly. She stated she is not trying to be difficult, but it would be easier to review and ask questions if the invoices were submitted in a timely manner.

Refunds

Motion by Trustee McCarthy to approve the following refunds. Supported by Trustee Hudson. Motion carried.

- | | |
|---|-------------|
| 1. Gwen Davison, General County | \$ 5,330.74 |
| Community National Bank (FBO: Gwen Davison) | \$16,426.18 |
| 2. Mary St. Peter, Mental Health | \$ 1,786.13 |
| 3. Mark Zimmerman, General County | \$ 900.04 |

Retirement Payments

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

- | | |
|----------------------------------|-----------|
| 1. Gwen Davison, General County | \$ 756.38 |
| **March \$170.19 | |
| 2. Mary St. Peter, Mental Health | \$ 371.85 |
| **March \$22.54 | |

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Communications – Board Action

Motion by Trustee Jondro to accept the following communication, place on file and approve the payment arrangement over a period of 12 months. Supported by Trustee Lievens. Motion carried.

1. Communication dated April 5, 2014 from Debra Haskins requesting payment arrangements for invoice #403875 from Gabriel Roeder Smith & Company requesting payment for an EDRO calculation.

Motion by Trustee Jondro to accept the following communication, place on file and approve the payment arrangement over a period of 12 months. Supported by Trustee Lievens. Motion carried.

2. Communication dated March 31, 2014 from Marty Nicotra requesting payment arrangements for invoice #403876 from Gabriel Roeder Smith & Company requesting payment for an EDRO calculation.

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

3. Michelle Kinsey, Mental Health
4. Mary St. Peter, Mental Health

Proposed Resolutions

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

1. Gwen Davison, General County
2. Mary St. Peter, Mental Health

Motion by Trustee Jondro to accept and place on file the following purchase of universal service credit resolution. Supported by Trustee Morgan. Motion carried.

3. Shelly Roman, Sheriff's Office

Presentations – John Coates, Franklin Templeton Portfolio

Mr. Coates introduced himself as the Portfolio Manager for Templeton Portfolio Advisors. He stated in October one change occurred. A portfolio manager was promoted and the vacant position will not be replaced at this time. Templeton's global equity team has an average of 20 years investment experience.

He explained that Templeton was founded in 1940 and has one of the longest global investment track records in the world, they believe in a consistent, long-term strategy based on three principles of investing: value, patience, and bottom-up.

Next, Mr. Coates discussed the Investment Performance. He stated year to date the fund is up .06% compared to the benchmark up .08%. The fund is up 22.9% compared to the benchmark up 23.3% at the end of 2013. He also stated that since inception the fund is up 5.9% compared to the benchmark at 5.5%.

Finally, Mr. Coates discussed the Sector Weightings; the portfolio is underweight in consumer discretionary, consumer staples and utilities. The portfolio is overweight in energy, telecommunication services and health care. He discussed the top 10 holdings as well as the Portfolio Characteristics. He stated the portfolio is well positioned at this time.

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Consultant's Report

Mr. Cho reviewed the valuation report for the month ending March 31, 2014. The fund is valued at \$189,304,896.46 down \$709,030.32 from the previous month. The current asset allocation includes 57% in equities, 33% in fixed income, 5% in cash, 3% in alternative investments, and 2% in real estate. The Total Fund was down .30% for the month and up .56% year to date.

Attorney's Report

Mr. Michaud was not in attendance. Vice Chairman Bellaire requested a motion to receive and place on file the legislative update.

Motion by Trustee Hudson to accept communication and place on file. Supported by Trustee Jondro. Motion carried.

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. Pension Evaluation

Asset Strategies is working on the evaluation.

3. Investment Policy Statement Review

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

4. Request for Proposal - Auditor

Rehmann Robson was selected. They have all the information they requested. They are planning on presenting at the May 12 meeting. The auditor request for proposal will be placed on the calendar for next year.

5. Ordinance update

Trustee McCarthy stated the Board of Trustees is a quasi-judicial body. If they were to act as a legislative body, it would be a conflict of interest. Therefore, she suggest treading carefully before moving forward as it is inappropriate to draft an updated ordinance and submit to the County Board of Commissioners. She stated she is not comfortable updating the ordinance.

Trustee Hudson agreed with Trustee McCarthy. He stated the County Board of Commissioners act as a legislative body, not the Retirement Board of Trustees.

Vice Chairman Bellaire stated it was discussed as an effort to clean up and clarify the language.

Trustee Morgan stated that was also his understanding, to clean up the language.

Trustee McCarthy feels the fiduciary liability carrier should be contacted if the Board of Trustees is going to update the language to notify them of the multiple roles.

Trustee Hudson stated the Retirement Board of Trustees responsibility is to carry out the terms and conditions.

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Trustee Morgan stated the request came from Jerry Oley, the County Board of Commissioners Chairman. He stated he is not interested in rushing the update.

Motion by Trustee Lievens to table this matter until next meeting. Supported by Trustee Hudson. Motion carried.

New Business

1. NCPERS Delegates

Motion by Trustee McCarthy to select Trustee Hudson and Trustee Davies as NCPERS delegates. Supported by Trustee Jondro. Motion carried.

2. MAPERS Delegates

Motion by Trustee Lievens to select Chairman Grodi and Trustee Morgan as MAPERS delegates and Trustee Lievens as the alternate. Supported by Trustee McCarthy. Motion carried.

3. Disability Re-examinations

Motion by Trustee Lievens to schedule disability re-examinations. Supported by Trustee Hudson. Motion carried.

Trustee Comments

Trustee Hudson questioned when Gabriel Roeder Smith & Company valuation report comes in. Sandy Calkins stated it is usually available in August. He requested Sandy Calkins contact them and let them know where to send the information as the Board of Trustees need it first.

Vice Chairman Bellaire inquired if the Board of Trustees would be interested in windows surface training.

Trustee McCarthy suggested a special meeting on a Monday.

Vice Chairman Bellaire will schedule a training session.

Trustee McCarthy stated she is unable to attend NCPERS, but is looking forward to hearing the information from the Trustees that are able to attend.

Trustee Morgan thanked Trustee McCarthy stating she had good comments tonight.

Vice Chairman Bellaire stated the next meeting will be held on May 12, 2014 in the Monroe County Board of Commissioners Chambers.

Motion by Trustee Hudson to adjourn. Supported by Trustee Jondro. Motion carried. Meeting adjourned at 6:30 P.M.

Respectfully Submitted,

Nancy Bellaire, Chairman
Monroe County Employees Retirement System
Board of Trustees