

**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 June 25, 2012 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

PRESENT: Nancy Bellaire, James Davies, Joseph Hudson, George Jondro, Henry Lievens, Anne McCarthy (arrived at 5:35), James Morgan and William Sisk

ABSENT: Michael Grodi (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Michael Cho and Michael Holycross, Investment Consultants and Thomas Michaud, Legal Counsel

With a quorum being present, Chairman Jondro called the meeting to order at 5:00 P.M.

Chairman Jondro led the Pledge of Allegiance.

Motion by James Davies, supported by William Sisk to approve the agenda as submitted. Motion carried.

Motion by William Sisk, supported by James Davies to approve the minutes from the May 14, 2012 regular meeting. Motion carried.

Citizens Time – None.

Presentations – Laura Lawson, Brandywine

Ms. Lawson introduced herself as the Vice President, Wealth Management Group for Brandywine Global. She stated Brandywine Global is a mid-sized boutique investment firm with \$37 billion under management in equity and fixed income strategies. Brandywine currently has 159 employees worldwide with headquarters in Philadelphia, Pennsylvania.

Next, Ms. Lawson discussed the performance summary for the period ended May 2012. The fund is up 2.12% YTD and up 7.11% since inception. There are currently 52 bonds in the portfolio, which all have a high quality rating.

Finally, Ms. Lawson discussed the Outlook. Brandywine's investment goals are to outperform an index of developed bond markets by at least 2% annually, provide long-term returns in excess of the rate of inflation, and capture interest income and generate principal growth.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 2

Motion by James Davies, supported by William Sisk to approve the consent agenda as listed below.

A. Retirements - None

B. Financial Reports – On File with Retirement Specialist

1. Boyd Watterson Asset Management Client Statement for the period ended April 30, 2012.
2. Boyd Watterson Asset Management Client Statement for the period ended May 31, 2012.
3. Comerica Bank Collateral Investment Summary as of May 31, 2012.
4. Comerica Bank Securities Lending Statement for April 2012.
5. Lazard Asset Management Investment Portfolio Summary for the period ended April 30, 2012.
6. Morgan Stanley Smith Barney Client Statement for Anchor Capital Advisors, Eagle Global Advisors, Lazard Asset Management, NWQ LCV and International and Renaissance Investment Management for the period ended May 31, 2012.
7. Templeton Portfolio Advisors Portfolio Quarterly Report as of March 31, 2012.
8. Winslow Capital Portfolio Summary for the period ended April 30, 2012.
9. Winslow Capital Portfolio Summary for the period ended May 31, 2012.

C. Communication

1. Robbins Geller Rudman & Dowd Settlement Report for the period ended June 2012.
2. Robbins Geller Rudman & Dowd Portfolio Monitoring Report for the Quarter Ended December 31, 2011.

Motion Carried.

Invoices

Motion by James Davies, supported by William Sisk to approve for payment the following invoices, subject to house audit:

1. Invoice dated April 1, 2012 in the amount of \$17,315.17 from Anchor Capital Advisors for investment services rendered for the period of January 1, 2012 – March 31, 2012.
2. Invoice #33442 dated June 5, 2012 in the amount of \$39,725.00 from Boyd Watterson Asset Management for investment services rendered for the period of March 1, 2012 – May 31, 2012.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 3

3. Invoice #20120331-228-136-A dated May 9, 2012 in the amount of \$27,390.03 from Brandywine Global Investment Management for investment services rendered for the period of January 1, 2012 – March 31, 2012.
4. Invoice dated May 31, 2012 in the amount of \$15,180.74 from Comerica Commercial Card Service for NCPERS and MAPERS educational seminar costs.
5. Invoice #383415 in the amount of \$2,167.30 from Comerica Bank for custodial services rendered for the period of January 1, 2012 – March 31, 2012.
6. Invoice #383407 in the amount of \$230.49 from Comerica Bank for custodial services rendered for the period of January 1, 2012 – March 31, 2012.
7. Invoice #383408 in the amount of \$13,019.51 from Comerica Bank for custodial services rendered for the period of January 1, 2012 – March 31, 2012.
8. Invoice #2142 dated May 18, 2012 in the amount of \$7.15 from County of Monroe for April 2012 Postage and Federal Express charges.
9. Invoice #2146 dated June 4, 2012 in the amount of \$51.26 from County of Monroe for May 2012 Postage and Federal Express charges.
10. Invoice #0512-576-28 dated May 11, 2012 in the amount of \$56.00 from County of Monroe Printing for printing the Investment Policy Statement in color.
11. Invoice #2703416 dated April 11, 2012 in the amount of \$2,106.27 from DLA Piper for Professional Services through March 31, 2012.
12. Invoice dated June 1, 2012 in the amount of \$550.00 from Steven Dovitz, M.D. for an Independent Medical Evaluation performed on Rosemary West.
13. Invoice dated June 7, 2012 in the amount of \$550.00 from Steven Dovitz, M.D. for an Independent Medical Evaluation performed on Scott Ferguson.
14. Invoice #118771 dated June 13, 2012 in the amount of \$4,713.00 from Gabriel Roeder Smith for regular actuarial services performed for the quarter from April 1, 2012 – June 30, 2012.
15. Invoice #20120501002555 dated March 31, 2012 in the amount of \$23,619.16 from NWQ Investment Management Company for investment services rendered for the period of January 1, 2012 – March 31, 2012.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 4

16. Invoice #20120501002336 dated March 31, 2012 in the amount of \$15,562.79 from Tradewinds Global Investors for investment services rendered for the period of January 1, 2012 – March 31, 2012.
17. Reimbursement in the amount of \$253.43 to James Davies for expenses incurred for the 2012 NCPERS educational seminar.
18. Reimbursement in the amount of \$351.26 to Michael Grodi for expenses incurred for the 2012 NCPERS educational seminar.
19. Reimbursement in the amount of (\$572.04) to Joseph Hudson for expenses incurred for the 2012 NCPERS educational seminar.
20. Reimbursement in the amount of \$157.25 to George Jondro for expenses incurred for the 2012 NCPERS educational seminar.
21. Reimbursement in the amount of \$232.20 to James Morgan for expenses incurred for the 2012 NCPERS educational seminar.
22. Reimbursement in the amount of (\$215.76) to William Sisk for expenses incurred for the 2012 NCPERS educational seminar.
23. Reimbursement in the amount of \$194.25 to Nancy Bellaire for expenses incurred for the 2012 MAPERS educational seminar.
24. Reimbursement in the amount of \$204.70 to Michael Grodi for expenses incurred for the 2012 MAPERS educational seminar.
25. Reimbursement in the amount of \$206.46 to Joseph Hudson for expenses incurred for the 2012 MAPERS educational seminar.
26. Reimbursement in the amount of \$188.70 to George Jondro for expenses incurred for the 2012 MAPERS educational seminar.
27. Reimbursement in the amount of \$190.92 to James Morgan for expenses incurred for the 2012 MAPERS educational seminar.

Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 5

Refunds

Motion by James Morgan, supported by James Davies to approve the following refunds:

1. Kristopher Kleinsmith, District Court \$ 217.50
Motion carried.

Retirement Payments

Motion by James Morgan, supported by James Davies to approve the following retirement payments:

1. Linda Lamb, Mental Health \$ 1,106.70
**May \$434.00
2. Pauline Orns, Mental Health \$ 1,693.54
**May \$500.37
Motion carried.

Communications

Motion by William Sisk, supported by James Davies to accept and place on file the following Application for Service Retirement:

1. Edwina Gallagher, Mental Health
Motion carried.

Motion by William Sisk, supported by James Davies to accept and place on file the following Applications for Disability Retirement:

2. Sherie Chudnicki, Mental Health
3. Gregory Tafelski, Sheriff's Office
Motion carried.

Motion by William Sisk, supported by James Davies to accept and place on file the following Applications for Deferred Service Status:

4. Jerrie Hoffman, Mental Health
5. Patricia Norton, Youth Center
6. Audrey Petree, Mental Health
7. Lynne Spencer, Mental Health
Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 6

Motion by William Sisk, supported by James Davies to accept and place on file the following Application for Purchase of Military Service Time:

8. Gregory Tafelski, Sheriff's Office
Motion carried.

Motion by William Sisk, supported by James Davies to accept and place on file the following Medical Report:

9. Medical report dated June 7, 2012 from Steven Dovitz, M.D. regarding an independent medical evaluation of Scott Ferguson.
Motion carried.

Motion by William Sisk, supported by James Davies to accept and place on file the following Medical Report and waive all future re-examinations for Rosemary West due to medical report language.

10. Medical report dated June 1, 2012 from Steven Dovitz, M.D. regarding an independent medical evaluation of Rosemary West.
Motion carried.

Motion by William Sisk, supported by James Davies to accept and place on file the following communication from Comerica Bank.

11. Communication dated June 8, 2012 from Felecia Ryans at Comerica Bank regarding an organizational change.
Motion carried.

Proposed Resolutions

Motion by James Davies, supported by James Morgan to accept and place on file the following Application for Service Retirement resolution:

1. Edwina Gallagher, Mental Health
Motion carried.

Motion by James Davies, supported by James Morgan to accept and place on file the following Service Retirement resolutions:

2. Linda Lamb, Mental Health
3. Pauline Orns, Mental Health
Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 7

Motion by James Davies, supported by James Morgan to accept and place on file the following Application for Disability Retirement resolutions:

4. Sherie Chudnicki, Mental Health
 5. Gregory Tafelski, Sheriff's Office
- Motion carried.

Motion by James Davies, supported by James Morgan to accept and place on file the following Purchase of Universal Service Credit resolution:

6. Rosemary West, Sheriff's Office
- Motion carried.

Motion by James Davies, supported by Anne McCarthy to accept and place on file the following Disability Retirant Re-examination resolution:

7. Scott Ferguson, Youth Center
- Motion carried.

Attorney Report

1. Code of Conduct/Education/Travel/Due Diligence Policy
2. Confidentially Agreement

The final recommended versions of both documents will be available on the next board meeting agenda for adoption.

Consultant Report

Mr. Cho reviewed the valuation report for the month ending May 31, 2012. The fund is valued at \$165,198,870.07 down \$8,685,542.32 from the previous month. The Total Fund was down 4.69%. The current asset allocation includes 43.90% in equity, 47.58% in fixed income, and 8.52% in cash.

Mr. Cho thanked the Investment Policy Committee for their time reviewing and making changes to the Investment Policy Statement. The Investment Policy Statement has been finalized and will be submitted to the Retirement Board next month to allow the Trustees time to review the final draft before adoption.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

June 25, 2012 – Page 8

Mr. Cho discussed the Dividend Equity Search. Bahl & Gaynor's fees were .45%, Federated's fees were .50%, Hamlin's fees were .80%, and Santa Barbara's fees were .60%. Mr. Cho stated he would like the Dividend Equity Manager to make up approximately 5% of the portfolio.

Motion by James Davies, supported by William Sisk to have this decision tabled until the next board meeting. Motion carried.

Old Business

- Disability Re-examinations

The re-examination information has been forwarded to Steven Dovitz, M.D. and the disability retirants.

New Business

- Verification of Retirant and Beneficiary Data

The verification of retirant and beneficiary data forms will be sent out on odd years to all retirees. The form was sent out in 2011 and will be sent out again in 2013.

Trustee Comments

Henry Lievens would like the Retirement Board to participate in a Retiree Healthcare Board roundtable to discuss Equity Fund Managers. James Morgan stated to Henry Lievens that he appreciates the information regarding the Retiree Healthcare Board, but he does not want it to get to the point where it feels like the two boards are merging.

James Morgan would also like all the computers to be up and running when the meeting starts.

Chairman Jondro reminded the Trustees that there are several documents to review before the next board meeting.

Williams Sisk reminded the Trustees that the MAPERS fall education seminar documents are available.

Motion by Anne McCarthy, supported by James Morgan to adjourn. Motion carried. Meeting adjourned at 5:45 P.M.

Respectfully Submitted,

George Jondro, Chairman
Monroe County Employees Retirement System
Board of Trustees