

Monroe County Employees Retirement System

840 South Roessler Street, Monroe, MI 48161-1557 (734) 241-1174



Monroe County Employees Retirement System Board of Trustees SPECIAL MEETING MINUTES

A special meeting of the Monroe County Employees Retirement System Board of Trustees was held on Monday, November 17, 2014 at the Mary K. Daume Library Service Center at 840 South Roessler Street, Monroe, Michigan.

Roll call as follows:

PRESENT

Nancy Bellaire
James Davies
Michael Grodi

George Jondro
Anne McCarthy

ABSENT

Joseph Hudson (excused)
Bobby Lambert
Henry Lievens (excused)
James Morgan (excused)

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

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

Chairman Grodi led the Pledge of Allegiance.

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

Citizens Time - None

**Request for Proposal – Actuary, Buck Consultants, Gabriel Roeder Smith & Company, Milliman and Nyhart
Request for Proposal – Auditor, Plante Moran and Rehmann Robson**

Trustee McCarthy would like to interview all four actuary candidates and both auditor candidates.

Trustee Jondro recommended interviewing them during a special meeting.

Trustee McCarthy agreed and recommended 30 minutes for each presenter, 20 minutes for the presentation and 10 minutes for questions.

Motion by Trustee McCarthy to interview actuaries, Buck Consultants, Gabriel Roeder Smith & Company, Milliman and Nyhart and auditors, Plante Moran and Rehmann Robson during a special meeting with 30 minutes allocated to each presenter. Supported by Trustee Davies. All in favor. Motion carried.

Chairman Grodi asked Mr. Bosanac what the price difference was using Milliman instead of Gabriel Roeder Smith & Company for Retiree Healthcare's actuary provider. Mr. Bosanac stated they have a three year contract with Milliman and it is \$24,000.00. A savings of approximately \$6,500.00 per year.

Mr. Bosanac asked the Retirement Board why interview for a new actuary and auditor.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 17, 2014 – Page 2

Chairman Grodi stated the Retirement Board wants to make sure they are doing their due diligence.

Mr. Bosanac asked if there was a reason to change from the current provider.

Trustee McCarthy stated it is a good practice. Several years ago the Retirement Board decided to request proposals every five years for provider services and the Retirement Board is committed to following through.

Chairman Grodi replied it is a good practice and a cost control safe guard.

Pension Evaluation

Chairman Grodi stated the committee met regarding Mr. Vitta's recommendations and is working on appropriate responses.

Trustee Jondro is still concerned with the comparables that were used. The request was for similar size and demographics.

Chairman Grodi stated he was trying to focus on the positive changes that the Retirement Board can make.

Trustee Davies was disappointed with the report. Mr. Vitta did not follow the request. He did not like the negative comments directed at the Retirement Board's actuary and legal consultant made by Mr. Vitta.

Trustee McCarthy expressed her concern for Mr. Vitta's inappropriate behavior and attitude. There are some positives that can be applied to the Retirement Boards practice. The Retirement Board has always been considered a conservative board. Slowly moving into more aggressive direction could be beneficial as being conservative my work one year but not another. She felt Mr. Vitta was unprofessional and unproductive and did not follow the scope of service. She had concerns with the report and felt it was lacking details. She is uncomfortable with the results and did not feel as though a thorough review was completed. She was disappointed with Mr. Vitta's willingness to answer questions. She stated it was not a good idea to have an investment consultant review another investment consultant. She would like to start looking at the Wilshire Universe.

Vice Chairman Bellaire said she had some of the same concerns. She felt some of the real factors were underplayed such as, the universal service credit purchase and the early retirement incentives. The Board of Commissioners should know that the Retirement Board isn't a set it and forget board. We are trying to do our due diligence.

Trustee Davies stated there were some positives and those need to be reviewed and implemented.

Chairman Grodi stated there were some positive recommendations for employers. It is important that individuals who are appointed to boards be engaged. Education needs to be required as well as meeting attendance. The investment policy statement will be reviewed by the investment policy committee. He stated it was unfair to have an investment consultant review another investment consultant. He plans on working with the actuary and looking at the smoothing period and open versus closed amortization. He also plans on working with the actuary and investment consultant annually to review the Retirement System.

Trustee Comments

Trustee Davies stated members of the Retirement Board should attempt to learn and improve. The Retirement Board needs trustees that are actively involved with attendance and education.

Chairman Grodi stated as a trustee he is accountable to the members. He would like to see an education requirement.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 17, 2014 – Page 3

Motion by Trustee McCarthy to adjourn. Supported by Trustee Jondro. All in favor. Motion carried. Meeting adjourned at 4:50 P.M.

Respectfully Submitted,

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