

**Monroe County Employees Retirement
System Board of Trustees
MINUTES**

Regular meeting of the Board of Trustees of the Monroe County Employees Retirement System held on November 23, 2009 at 5:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Nancy Colpaert, James Davies, John Fowler, George Jondro, Anne McCarthy, James Morgan, William Myers, William Sisk and David Thompson.

ABSENT: None

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Royce Maniko, Interim Secretary, Sam Galanis and Michael Cho, Consultants and Thomas Michaud, Legal Counsel

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

Motion by Anne McCarthy, supported by John Fowler to approve the minutes of the October 26, 2009 regular meeting. Motion carried.

Motion by Nancy Colpaert, supported by William Sisk to approve the agenda as submitted. Motion carried.

Citizens Time – None

Presentations – Eagle Global Advisors – Swabi Uus

Mrs. Uus discussed the Firms Overview. She stated the firm was founded in 1996 and is 100% Employee-owned. The firm started in 1996 with five employees and has 26 employees to date. Eagle Global Advisors manage approximately \$4 Billion in assets and invest heavily internationally. Mrs. Uus stated the firm has been able to add one analyst per year for the past six years.

Eagle believes that investments in high quality, industry leading, large capitalization growth companies provide investors with attractive long term, risk adjusted returns. Eagle's process incorporates both top-down and bottom-up elements.

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As of September 30, 2009 Eagle Global Advisors slightly underperformed the benchmark and provided a 21.3% return whereas, MCSI EAFE provided a 29.0% return. According to Mrs. Uus only 3% of the total portfolio is cash, and 97% is international stocks. Mrs. Uus stated the portfolio is slightly underweight in the Financial sector and overweight in the Telecom sector.

Mr. Galanis questioned the investments in National Bank of Greece because they are currently experiencing debt issues. Mrs. Uus stated Eagle Global Advisors are comfortable investing in National Bank of Greece because they have a large market share in Turkey and are considered the largest bank in Greece.

Motion by James Davies, supported by James Morgan to approve consent agenda as listed below:

A. Retirements

Kenneth Cain, Sheriff's Office	November 6
Maxine Pierce, deferred, Mental Health	November 2
Douglas Redding, deferred, Mental Health	November 11
Pamela Smith, disability, Youth Center	October 26

B. Financial Reports – On File with Retirement Specialist

1. Comerica Bank Consolidated Statement, Cash Account Statement, Anchor Capital Advisors, Boyd Watterson Asset Management, Brandywine Asset Management Global, Eagle Global Advisors, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Renaissance Investment Company and International Equity, Smith Group Asset Management and Templeton Portfolio Advisors for period 10/01/09 through 10/31/09 and Securities Lending Statement for September 2009.
2. Anchor Capital Advisors Portfolio Summary and Portfolio Appraisal for the period ended September 30, 2009.
3. Boyd Watterson Asset Management Client Statement for the period ended September 30, 2009.
4. Boyd Watterson Asset Management Client Statement for the period ended October 31, 2009.
5. Eagle Global Advisors Quarterly Investment Portfolio Appraisal for the period ended September 30, 2009.

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6. Morgan Stanley Smith Barney Client Statement for Anchor Capital Advisors, Eagle Global Advisors, NWQ LCV and International, Renaissance Investment Advisors, Smith Group Asset Management and Templeton Portfolio Advisors for the period ended October 31, 2009.
7. NWQ Investment Management Portfolio Summary for the period ended September 30, 2009.
8. Pacific Income Advisers Portfolio Appraisal for the period ended October 31, 2009.
9. Pacific Income Advisers Fixed Income Quarterly Report for the period ended September 30, 2009.
10. Smith Group Asset Management Monthly Portfolio Summary for the period ended October 31, 2009.
11. Smith Group Asset Management Quarterly Portfolio Summary for the period ended September 30, 2009.
12. Tradewinds Global Investors Portfolio Summary for the period ended September 30, 2009.

C. Communication

1. Anchor Capital Advisors Investment Policy Outlook for October 2009.
2. Boyd Watterson Asset Management Quarterly Investment Outlook for October 2009.
3. Eagle Global Advisors International Market Review and Outlook for the 3rd quarter 2009.
4. NWQ Investment Management Privacy Policy.
5. Renaissance Investment Management Proxy Report for the 3rd quarter 2009.
6. Tradewinds Global Investors Privacy Policy.
7. Communication dated November 5, 2009 from Chairman Thompson regarding the 13th check for the County of Monroe.

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8. Communication dated November 16, 2009 from Chairman Thompson recommending the reappointment of Mr. James Davies for the Citizen-At-Large position.

Motion Carried.

Invoices

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

1. Invoice dated October 1, 2009 in the amount of \$14,132.61 from Anchor Capital Advisors for Investment Services rendered for the period of June 30, 2009 - September 30, 2009.
2. Invoice #80330909 in the amount of \$25,840.28 from Brandywine Global for Investment Services rendered for the period of July 1, 2009 – September 30, 2009.
3. Invoice dated October 30, 2009 in the amount of \$625.00 from Comerica Commercial Card Service for five public pensions & you books.
4. Invoice #356200 in the amount of \$12,340.81 from Comerica Bank for Custodial Services rendered for the period of July 1, 2009 – September 30, 2009.
5. Invoice #356201 in the amount of \$3,501.00 from Comerica Bank for Custodial Services rendered for the period of July 1, 2009 – September 30, 2009.
6. Invoice #1549 dated November 2, 2009 in the amount of \$11.99 from County of Monroe Finance Department for October 2009 Postage.
7. Invoice dated November 11, 2009 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Christopher Porkarski.
8. Invoice in the amount of \$13,410.00 from Eagle Global Advisors for Investment Services rendered for the period of June 30, 2009 – September 30, 2009.
9. Invoice dated October 22, 2009 in the amount of \$15,007.87 from Franklin Templeton Investments for Investment Services rendered for the 3rd quarter 2009.
10. Invoice dated October 30, 2009 in the amount of \$1,600.00 from Diane K. Klisz-Karle, M.D. for an independent medical evaluation performed on Ronald Whited.

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11. Invoice #20091102001592 dated September 30, 2009 in the amount of \$14,434.34 from NWQ Investment Management for Investment Services rendered for the period of July 1, 2009 – September 30, 2009.
12. Invoice dated October 20, 2009 in the amount of \$11,032.00 from Pacific Income Advisers for Investment Services rendered for the period of July 1, 2009 – September 30, 2009.
13. Invoice in the amount of \$8,167.56 from Smith Group Asset Management for Investment Services rendered for the period ended September 30, 2009.
14. Invoice #20091102001531 dated September 30, 2009 in the amount of \$15,171.41 from Tradewinds Global Investors for Investment Services rendered for the period of July 1, 2009 – September 30, 2009.
15. Invoice dated October 27, 2009 in the amount of \$3,430.00 from Vanoverbeke, Michaud & Timmony for Legal Services rendered for the period of July 1, 2009 – September 30, 2009.

Motion carried.

Refunds

Motion by George Jondro, supported by Nancy Colpaert to approve the following refunds:

- | | |
|---|-------------|
| 1. Kenneth Cain, Sheriff's Office | \$21,377.96 |
| 2. Douglas Redding, deferred, Mental Health | \$ 2,585.52 |
| 3. Fifth Third Bank (FBO: Douglas Redding) | \$ 8,473.50 |

Motion carried.

Retirement Payments

Motion by William Myers, supported by John Fowler to approve the following retirement payments:

- | | |
|---|-------------|
| 1. Kenneth Cain, Sheriff's Office | \$ 856.75 |
| ** (pro-rated for November) | |
| 2. Maxine Pierce, deferred, Mental Health | \$ 691.65 |
| ** (pro-rated for November) | |
| 3. Douglas Redding, deferred, Mental Health | \$ 616.00 |
| ** (pro-rated for November) | |
| 4. Pamela Smith, Youth Center | \$ 1,209.99 |
| ** (pro-rated for October \$196.20) | |

Motion carried.

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Communications

1. Application for Disability Retirement for Deborah Jondro, County Clerk.

Motion by James Davies, supported by Nancy Colpaert to accept, place on file and refer to Steven Dovitz M.D. Motion carried.

2. Application for Disability Retirement for Brian Murray, Sheriff's Office.

Motion by Anne McCarthy, supported by John Fowler to accept, place on file and refer to Steven Dovitz, M.D. Motion carried.

3. Application for Purchase of Military Service Time for Brian Murray, Sheriff's Office.

Motion by William Sisk, supported by James Morgan to accept, place on file and refer to legal. Motion carried.

4. Application for Service Retirement for Shirley Parrish, Prosecuting Attorney.

Motion by James Davies, supported by George Jondro to accept, and place on file. Motion carried.

5. Application for Deferred Service Status for Bryan Shane, Information Technology.

Motion by John Fowler, supported by William Sisk to accept, and place on file. Motion carried.

6. Application for Service Retirement for John Sieb, Family Court.

Motion by James Davies, supported by Anne McCarthy to accept, and place on file. Motion carried.

7. Medical report dated November 11, 2009 from Steven Dovitz, M.D. regarding independent medical evaluation of Christopher Porkarski

Motion by William Myers, supported by George Jondro to accept, and place on file. Motion carried.

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8. Medical report dated October 30, 2009 from Diane K. Klisz-Karle, M.D. regarding independent neuropsychological evaluation of Ronald Whited

Motion by William Myers, supported by George Jondro to accept, and place on file. Motion carried.

9. Communication dated November 12, 2009 from Howard Penrod, Managing Director of the Monroe County Road Commission concerning issuance of 13th checks for 2009.

Motion by James Morgan, supported by William Sisk to accept, place on file and issue 13th checks. Motion carried.

10. Communication dated November 19, 2009 from Nancy Copaert, Director of the Monroe County Library System concerning issuance of 13th checks for 2009.

Motion by William Sisk supported by James Davies to accept, place on file and issue 13th checks. Motion carried.

Proposed Resolutions

Motion by Anne McCarthy, supported by James Davies to accept and place on file the following resolutions:

1. Kenneth Cain, Sheriff's Office – Service Retirement
2. Maxine Pierce, Mental Health – Deferred Service Retirement
3. Christopher Porkarski, Sheriff's Office – Disability Retirement
4. Douglas Redding, Mental Health – Deferred Service Retirement
5. Ronald Whited, Sheriff's Office – Disability Retirant Re-examination

Motion carried.

Attorney Report

1. Rachel Renee Jennings v. Jeremy Jennings, Qualified Domestic Relations Order.

The order is not consistent with the provisions of the Retirement System and applicable law and should therefore be rejected by the Board. Mr. Michaud forward the opinion to all parties involved. Mr. Michaud recommends adopting the resolution as presented in the packet.

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Motion by James Davies, supported by John Fowler to adopt the resolution as presented in the packet. Motion carried.

2. Settlement Report

Mr. Michaud reviewed the Settlement Report as presented. Mr. Michaud also provided a positive legislative update on Act 314, stating there is positive development and greater flexibility that promotes Trustee education.

Consultant Report

Mr. Galanis reviewed the valuation report for month ending October 31, 2009. The fund is valued at \$162,238,263.91 down \$1,986,736.57 from the previous month.

Mr. Galanis also reviewed the 3rd quarter valuation report. The total fund is up 9.20% for the 3rd quarter compared to the policy index which was only up 9.15%. Mr. Galanis stated Anchor Capital underperformed for the quarter at 11.37% compared to the policy index 22.36%. He stated Boyd Watterson is a good fixed income manager up 3.48% compared to the policy index 3.09%. Brandywine performed very well for the quarter at 9.24% compared to the policy index 5.85%. Mr. Galanis shared his concern regarding Renaissance and Smith Group. They are both underperforming.

Chairman Thompson informed Mr. Galanis that he is concerned about the large cash holdings by Anchor Capital. Mr. Galanis stated the Due Diligence Department will contact Anchor Capital.

Motion by William Sisk, supported by John Fowler to transfer \$1 Million from Boyd Watterson Asset Management, \$1 Million from Pacific Income Advisors and \$2 Million from Smith Group Asset Management to the Cash Account for upcoming invoices, as advised by Mr. Galanis. Motion carried.

Mr. Galanis reviewed the Investment Policy Statement and as of November 23, 2009, nothing needs to be done. He is waiting until Act 314 is updated.

Old Business

- Disability Retiree Re-exams
 - David Funk, Sheriff's Office

Motion by James Morgan, supported by George Jondro to send Mr. Funk a letter informing him that his pension will be suspended if he fails to cooperate. Motion carried.

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- Ronald Whited, Sheriff's Office – on agenda
- Legal contract – Chairman Thompson is working on the RFP.

New Business - None

Trustee Comments

Nancy Colparet will not be able to attend the December 14, 2009 meeting due to a Library System Board Meeting on the same night.

William Myers would like to thank the Monroe County Board of Commissioners for approving the 13th check.

James Morgan may not be able to attend the December 14, 2009 meeting due to a meeting at the Road Commission on the same night.

James Davies may not be able to attend the December 14, 2009 meeting due to the possibility of a new grandchild.

Chairman Thompson would like to thank Chairman Sisk and Commissioner Fowler of the Monroe County Board of Commissioners for approving the 13th check.

Chairman Thompson also informed the Board of Trustees that Mr. Davies has been reappointed to the Board of Trustees by the Monroe County Board of Commissioners.

Motion by James Morgan, supported by John Fowler to adjourn. Motion carried. Meeting adjourned at 6:45 P.M.

Respectfully Submitted,

David Thompson, Chairman
Monroe County Employees Retirement System
Board of Trustees