

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, June 18, 2018

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:01 PM on June 18, 2018 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
Jeff Koras

Annamarie Osment
Jason Turner

ALSO PRESENT:

Joey Becker, Retirement Specialist
Michael Bosanac, Retirement Secretary
Sandy Calkins, Accounting Manager
Brian Green, Investment Consultant
Thomas Michaud, Legal Counsel
Bill Brickey, Plante Moran
Spencer Tawa, Plante Moran
Darlene Redmond, Sheriff's Office

ABSENT:

George Jondro, excused
Henry Lievens, excused
James Morgan, excused
Bob Neely, excused

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 Turner to approve the amended agenda, moving item #19 under Resolutions to item #1 under Attorney's Report. Supported by Trustee Koras. All in favor. Motion carried.

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5. Approval of Minutes

Motion by Trustee Osment to approve the minutes of the May 7, 2018 regular meeting, and waive the reading of the minutes. Supported by Trustee Bellaire. All in favor. Motion carried.

6. Citizens Time

No citizen wished to address the board.

7. Consent Agenda

Motion by Trustee Bellaire to approve the consent agenda as listed below. Supported by Trustee Turner.

1. Retirements

- | | |
|--|---------------|
| a. Doris Kavanagh, General County | June 30, 2018 |
| b. John Pace, General County, Deferred | June 10, 2018 |
| c. Jack Simms, General County | June 23, 2018 |
| d. Debbie Sprinkles-Revard, General County, Deferred | June 29, 2018 |

2. Financial Reports

- a. Comerica Bank cash account statements for April 2018.
- b. Comerica Bank consolidated account statement for April 2018.
- c. Comerica Bank account statements for April 2018.
- d. Comerica Bank account statements for May 2018.
- e. Morgan Stanley client statement for April 2018.
- f. Morgan Stanley client statement for May 2018.

3. Communication

- a. Robbins Geller Rudman & Dowd litigation report for 1st Quarter 2018.
- b. Robbins Geller Rudman & Dowd international portfolio monitoring report for April 27, 2018.
- c. Robbins Geller Rudman & Dowd international portfolio monitoring report for May 25, 2018.
- d. Robbins Geller Rudman & Dowd portfolio monitoring report for April 27, 2018.
- e. Robbins Geller Rudman & Dowd portfolio monitoring report for May 25, 2018.
- f. Robbins Geller Rudman & Dowd settlement report for April 27, 2018.
- g. Robbins Geller Rudman & Dowd settlement report for May 25, 2018.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice in the amount of \$838.70 from Comerica Commercial Card Service for monthly QuickBooks online fee, postage, and MAPERS Spring Conference.
2. Invoice dated May 25, 2018 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Martha Falkenberg.

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3. Invoice dated May 15, 2018 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Christine Krug.
4. Invoice dated June 5, 2018 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Kurt Potratz.
5. Invoice dated May 15, 2018 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Gail Rigdon.
6. Invoice dated June 5, 2018 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Denise Smith.
7. Invoice dated June 5, 2018 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Jerome Vanslambrouck.
8. Invoice #6-175-70467 in the amount of \$17.80 from FedEx for second day delivery to Dr. Kliger for Darlene Redmond.
9. Invoice #1537488 in the amount of \$4,500.00 from Plante Moran for professional services rendered.
10. Invoice dated May 7, 2018 in the amount of \$3,937.50 from VanOverbeke, Michaud & Timmony for legal services rendered for the period of March 1, 2018 – April 30, 2018.
11. Reimbursement in the amount of \$218.79 to Joey Becker for expenses incurred for the MAPERS spring conference.
12. Reimbursement in the amount of \$210.10 to Nancy Bellaire for expenses incurred for the MAPERS spring conference.
13. Reimbursement in the amount of \$231.67 to Michael Grodi for expenses incurred for the MAPERS spring conference.
14. Reimbursement in the amount of \$218.18 to James Morgan for expenses incurred for the MAPERS spring conference.
15. Reimbursement in the amount of \$227.28 to Bob Neely for expenses incurred for the MAPERS spring conference.
16. Reimbursement in the amount of \$185.30 to Annamarie Osment for expenses incurred for the MAPERS spring conference.

Roll call for approval of the bills as follows:

AYES: Nancy Bellaire Jeff Koras Jason Turner
 Michael Grodi Annamarie Osment

NAYS: None

ABSENT: George Jondro, excused James Morgan, excused
 Henry Lievens, excused Bob Neely, excused

All in favor. Motion carried.

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8A. Refunds

Motion by Trustee Turner to approve the following retirement refunds and payments. Supported by Trustee Bellaire. All in favor. Motion carried.

1. Daniel Baker, General County	\$ 3,808.38
2. John Pace, General County	\$ 3,069.26
TD Ameritrade FBO John Pace	\$ 8,702.43
3. Edward Payment, General County	\$ 46.27
4. Danielle Sancrant, Central Dispatch	\$ 5,875.68

8B. Retirement Payments

1. Daniel Baker, General County	\$ 969.06
May \$936.99, June \$969.06	
2. Ronald Kidd, Road Commission	\$ 1,256.90
3. John Pace, General County	\$ 737.10
June \$737.10, July \$1,052.99	
4. Doris Sheldon, Library	\$ 1,578.26
May \$1,420.47, June \$1,578.26	

9. Communications

Motion by Trustee Bellaire to receive and file the following communications. Supported by Trustee Koras. All in favor. Motion carried.

Application for Service Retirement

1. Jeffrey Finley, General County
2. Doris Kavanaugh, General County
3. Jack Simms, General County
4. Elaine Sulfaro, General County

Application for Deferred Retirement

5. John Pace, General County
6. Debbie Sprinkles-Revard, General County

Application for Disability Retirement

7. Stephanie Evans, General County

Certificate of Attendance

8. Joey Becker, MAPERS
9. Nancy Bellaire, MAPERS
10. Michael Grodi, MAPERS
11. Jim Morgan, MAPERS
12. Bob Neely, MAPERS
13. Annamarie Osment, MAPERS
14. Jason Turner, MAPERS

Medical Reports

15. Darlene Redmond, Sheriff's Office
16. Martha Falkenburg, General County
17. Christine Krug, Mental Health
18. Kurt Potratz, Sheriff's Office

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19. Gail Rigdon, General County
20. Denise Smith, Sheriff's Office
21. Jerome Vanslambrouck, County Agency

Disclosure Forms

22. AndCo Consulting
23. Boyd Watterson Asset Management
24. Brandywine Global Investment Management
25. Cambriar Investors, LLC
26. Clarkston Capital Partners, LLC
27. Clearbridge Investments, LLC
28. Conduent HR Consulting, LLC
29. Corbin Capital Partners
30. Steven Dovitz, MD
31. Plante Moran, PLLC
32. Renaissance Investment Management
33. Riverbridge Partners, LLC
34. VanOverbeke, Michaud & Timmony, P.C.

10. Resolutions

Motion by Trustee Turner to accept and place on file retirement resolutions 1-18. Supported by Trustee Bellaire. All in favor. Motion carried.

Application Service Retirement

1. Jeffrey Finley, General County
2. Doris Kavanagh, General County
3. Jack Simms, General County
4. Elaine Sulfaro, General County

Application for Deferred Retirement

5. John Pace, General County
6. Debbie Sprinkles-Revard, General County

Application for Disability Retirement

7. Stephanie Evans, General County

Service Retirement

8. Daniel Baker, General County
9. Ronald Kidd, Road Commission
10. Doris Sheldon, Library

Deferred Retirement

11. John Pace, General County

Disability Retirant Re-examination

12. Martha Falkenburg, General County
13. Christine Krug, Mental Health
14. Kurt Portratz, Sheriff's Office
15. Gail Rigdon, General County
16. Denise Smith, Sheriff's Office
17. Jerome Vanslambrouck, County Agency

Eligible Domestic Relations Order

18. Steven Moreau v. Sanghui Yun Moreau

11. Presentations

1. Spencer Tawa, Plante Moran, Financial Audit/Statement

Mr. Tawa presented the Monroe County Employees Retirement System Financial Report with Supplemental Information for year ended December 31, 2017.

He discussed the independent auditor's report, management's discussion and analysis, statement of fiduciary net position, statement of changes in fiduciary net position, notes to financial statements, schedule of changes in the system's net pension liability and related ratios, schedule of contributions, and schedule of investment returns.

Mr. Tawa also reviewed internal control related matters identified in the audit, required communications with those charged with Governance, and other recommendations and related information.

Motion by Trustee Bellaire to accept and place on file the Monroe County Employees Retirement System Financial Report with Supplemental Information for year ended December 31, 2017. Supported by Trustee Turner. All in favor. Motion carried.

12. Consultant's Report

1. Valuation Report for the period ended May 31, 2018

Mr. Green reviewed the valuation report for the month ending May 31, 2018. The fund is valued at \$208,260,800 down \$398,507 from the previous month. The current asset allocation includes 63% in equities, 19% in fixed income, 1% in cash, 8% in alternative investments, and 9% in real estate. The Total Fund was down 0.19% for the month and up 0.47% year to date.

Chairman Grodi questioned the performance of international equities.

Mr. Green stated the performance is down due to currency rates and concerns regarding trade wars and tariffs.

2. Recommended Rebalance

Mr. Green recommended liquidating funds from Boyd Watterson to fund TerraCap.

Motion by Trustee Osment to accept the recommended rebalance to fund TerraCap. Supported by Trustee Koras. All in favor. Motion carried.

3. July 2018 to December 2018 Liquidity Plan

Mr. Green reviewed the liquidity funding strategy for July 2018 to December 2018.

Trustee Turner questioned if underperformance was a factor in the liquidity plan.

Mr. Green stated managers that are overweight were targeted; performance was not a factor.

Motion by Trustee Bellaire to approve the liquidity funding strategy. Supported by Trustee Turner. All in favor. Motion carried.

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4. Bank Loans Introduction

Mr. Green provided the Board with presentation materials to be covered in detail at the July meeting.

5. AndCo Fee Memo

Mr. Green reviewed the proposed amendment to the current fee schedule. Effective July 1, 2018, the management fee will be reduced from \$110,000 to \$105,000 per year.

Motion by Trustee Koras to accept the proposed fee reduction. Supported by Trustee Osment. All in favor. Motion carried.

13. Old Business

1. Lump Sum Withdrawal - Opperman

Chairman Grodi stated there are no updates at this time.

2. Request for Information – Actuary

Chairman Grodi stated the deadline for the Request for Information – Actuary is July 1, 2018.

14. New Business

15. Attorney's Report

1. Closed Session – to review medical report
Resolution – Darlene Remond, Sheriff's Office

Motion by Trustee Turner to go into closed session at 6:00 p.m. Supported by Trustee Koras. All in favor. Motion carried.

Motion by Trustee Osment to open session at 6:07p.m. Supported by Trustee Bellaire. All in favor. Motion carried.

Motion by Trustee Turner to accept the resolution for Darlene Redmond and place on file retirement. Supported by Trustee Koras. All in favor. Motion carried.

2. Alidade Capital Fund IV, LP compliance with Public Act 314 of 1965, as amended

Motion by Trustee Osment to receive and file the Alidade Capital Fund IV, LP opinion. Supported by Trustee Bellaire. All in favor. Motion carried.

3. Steven Moreau v. Sanghui Yun Moreau

Motion by Trustee Osment to accept the EDRO certification and place on file. Supported by Trustee Bellaire. All in favor. Motion carried.

16. Trustee Comments

Trustee Bellaire stated that the MAPERS conference was fabulous; the session on markets show a positive outlook.

Trustee Osment stated she enjoyed the MAPERS conference; it provided a lot of information.

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Trustee Turner stated he learned a lot at the MAPERS conference and really enjoyed the session on emerging markets; very informative.

Chairman Grodi stated the internet security session at MAPERS was very good; he would like to look into that to ensure we are safe.

17. Administrative Calendar

Chairman Grodi stated the next meeting is July 23, 2018 at 5:00 P.M.

18. Adjourn

Motion by Trustee Turner to adjourn. Supported by Trustee Osment. All in favor. Motion carried.

Meeting adjourned at 6:16 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System