

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, November 26, 2018

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 5:08 PM on November 26, 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:

Michael Grodi	Bob Neely
Jeff Koras	Jason Turner
Annamarie Osment	

ABSENT:

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

ALSO PRESENT:

Joey Becker, Retirement Specialist
Michael Bosanac, Retirement Secretary
Brian Green, Investment Consultant
Thomas Michaud, Legal Counsel

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 Neely to approve the agenda as amended, adding item 13-2 New Meeting Start Time. Supported by Trustee Koras. All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Osment to approve the minutes of the October 22, 2018 regular meeting, and waive the reading of the minutes. Supported by Trustee Koras. All in favor. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 26, 2018 – Page 2

6. Citizens Time

No citizens in attendance.

7. Consent Agenda

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

1. Financial Reports
 - a. Comerica Bank cash account statement for September 2018.
 - b. Comerica Bank consolidated account statement for September 2018.
 - c. Comerica Bank account statements for October 2018.
2. Communication
 - a. Robbins Geller Rudman & Dowd international portfolio monitoring report for October 26, 2018.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for October 26, 2018.
 - c. Robbins Geller Rudman & Dowd settlement report for settlement report October 26, 2018.
 - d. Robbing Geller Rudman & Dowd Litigation Report for third quarter 2018.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice in the amount of \$228.09 from Comerica Commercial Card Service for monthly QuickBooks online fee, MAPERS Fall conference, and NCPERS conference.
2. Invoice #445644 in the amount of \$1,898.46 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
3. Invoice #445641 in the amount of \$1,163.22 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
4. Invoice #445647 in the amount of \$1,126.96 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
5. Invoice #445643 in the amount of \$1,287.16 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
6. Invoice #445646 in the amount of \$7,893.98 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
7. Invoice #445642 in the amount of \$1,017.11 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
8. Invoice #445648 in the amount of \$1,145.93 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
9. Invoice #445649 in the amount of \$1,312.30 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 26, 2018 – Page 3

10. Invoice #445650 in the amount of \$1,236.58 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
11. Invoice #444628 in the amount of \$1,832.92 from Comerica Bank for custodial services rendered for the period of July 1, 2018 – September 30, 2018.
12. Invoice dated October 31, 2018 in the amount of \$100.00 from Steven Dovitz, M.D. for an independent medical evaluation review performed for Stephanie Evans.
13. Invoice in the amount of \$3,000.00 from Gabriel, Roeder, Smith & Company for software maintenance for the month of October.
14. Reimbursement in the amount of \$624.85 to Michael Grodi for expenses incurred for the NCPERS Public Safety conference.

Roll call for approval of the bills as follows:

AYES: Michael Grodi Bob Neely
 Jeff Koras Jason Turner
 Annamarie Osment

NAYS: None

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

All in favor. Motion carried.

8A. Refunds

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

- | | |
|--|--------------|
| 1. Vincent Badalamente, Sheriff's Office | \$ 33,220.23 |
| 2. Mary Johnson, General County | \$ 1,355.52 |
| 3. Jimmie Woodward, Mental Health | \$ 1,820.82 |

8B. Retirement Payments

- | | |
|--|-------------|
| 1. Vincent Badalamente, Sheriff's Office | \$ 4,543.29 |
| October \$1,342.38, November \$3,200.91 | |
| 2. Mary Johnson, General County | \$ 1,135.62 |
| October \$1,665.58, November \$1,135.62 | |
| 3. Linda Monroe, Mental Health | \$ 1,121.27 |
| October \$687.23, November \$1,121.27 | |
| 4. Jimmie Woodward, Mental Health | \$ 3,386.53 |
| September \$1,919.13, October \$3,386.53 | |
| September \$1,341.64 | |

9. Communications

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 26, 2018 – Page 4

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

1. **Application for Service Retirement**
Kathryn Hotchkiss, General County

2. **Application for Deferred Service Status**
William Nichols, General County

3. **Medical Report**
Stephanie Evans, General County
4. Scott Goins, Central Dispatch

5. Communication dated October 19, 2018 from Lisa Sanders, Deputy Clerk for Monroe County Board of Commissioners regarding reappointment of Bob Neely as the Citizen-At-Large member on the Monroe County Employees Retirement System Board.

6. Communication dated October 15, 2018 from Alidade Capital regarding capital call.

7. Communication dated November 13, 2018 from Alidade Capital regarding notice of distribution.

8. Communication dated October 19, 2018 from Boyd Watterson regarding impact of hurricane Michael.

9. Communication dated October 25, 2018 from Boyd Watterson regarding 3rd quarter distribution related to interest in the fund.

10. Communication dated November 13, 2018 from TerraCap regarding distribution of interest.

10. Resolutions

Motion by Trustee Neely to accept and place on file the following resolutions. Supported by Trustee Koras. All in favor. Motion carried.

1. **Application Service Retirement**
Kathryn Hotchkiss, General County

2. **Service Retirement**
Vincent Badalamente, Sheriff's Office
3. Jimmie Woodward, Mental Health
4. Linda Monroe, Mental Health

5. **Deferred Retirement**
Mary Johnson, General County

6. **Disability Re-examination**
Scott Goins, Central Dispatch

7. **Medical Reports**
Stephanie Evans, General County

11. Consultant's Report

1. 2018 3rd Quarter Performance Report

Mr. Green noted the following comments regarding the 2018 3rd quarter performance:

- Total fund results for the quarter of +2.53% outperformed the policy index return of +2.40%. Returns for the quarter ranked in the 65th percentile. The primary driver of rankings below median for the quarter and calendar year was underperformance from Seizert Small/Mid, Clarkston Small Mid and Lazard Emerging Markets.
- Domestic Equity was the primary driver of positive returns, though all domestic equity managers underperformed their benchmarks for the quarter with the exception of Seizert Large Value.
- Within International Equity, both Lazard and Cambiar underperformed for the quarter. Renaissance outperformed by a small margin.
- Fixed income was strong across the board, with Boyd Watterson and Brandywine both outperforming their benchmark and peers.
- Within Real Estate, the core allocation to Intercontinental and Titanium both had strong quarters, outperforming their benchmarks and peers. The newly incepted allocations to Alidade and TerraCap reflect the lag on returns associated with startup fees and initial investments.
- Corbin outperformed their hedge fund of funds benchmark and peers.
- As of 9/30/18, the portfolio was in compliance with the Investment Policy Statement and Public Act 314, as amended.

Trustee Neely questioned if there was a benefit to showing six to eight consecutive quarters when reviewing performance.

Mr. Green stated that he is able to pull that information up during the board meeting if there are ever any questions.

Trustee Neely questioned if it could be added for the funds on the manager compliance checklist.

Mr. Green stated that he could definitely add the information.

2. Monthly Valuation for period ending October 31, 2018

Mr. Green reviewed the valuation report for the month ending October 31, 2018. The fund is valued at \$197,068,131 down \$9,957,425 from the previous month. The current asset allocation includes 61% in equities, 18% in fixed income, 1% in cash, 6% in alternative investments, and 14% in real estate. The Total Fund was down 4.66% for the month and down 4.14% for the quarter.

3. Investment Policy Statement Draft

Mr. Green reviewed the investment policy statement draft.

Motion by Trustee Turner to accept the investment policy statement with noted corrections. Supported by Trustee Koras. All in favor. Motion carried.

4. Updated Liquidity Plan

Mr. Green reviewed the liquidity funding strategy for January 2019 to May 2019.

Motion by Trustee Osment to approve the liquidity funding strategy. Supported by Trustee Koras. All in favor. Motion carried.

12. Old Business

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 26, 2018 – Page 6

1. Trustee Election

Motion by Trustee Osment to certify the election results and declare Jeffrey Pauli the winner. Supported by Trustee Koras. All in favor. Motion carried.

13. New Business

1. Tuition Reimbursement

Chairman Grodi reviewed education expenses incurred for 2018. The courses taken, grades received, and amount to be covered by reimbursement to the retirement specialist were discussed.

Motion by Trustee Neely to approve reimbursement for tuition to the retirement specialist. Supported by Trustee Turner.

Roll call for approval of reimbursement as follows:

AYES: Michael Grodi	Bob Neely
Jeff Koras	Jason Turner
Annamarie Osment	

NAYS: None

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

All in favor. Motion carried.

2. New Start Time for Meetings

Chairman Grodi discussed changing the board meeting time to 1:00 p.m. for 2019.

Trustee Neely suggested implementing the change for the December meeting.

Motion by Trustee Neely to change the time of the retirement board meetings to 1:00 p.m. beginning in December. Supported by Trustee Turner. All in favor. Motion carried.

14. Attorney's Report

1. Accumulated Member Contribution Refunds

Motion by Trustee Osment to go into closed session at 5:52 p.m. Supported by Trustee Turner. All in favor. Motion carried.

Roll call for approval of closed session as follows:

AYES: Michael Grodi	Bob Neely
Jeff Koras	Jason Turner
Annamarie Osment	

NAYS: None

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 26, 2018 – Page 7

ABSENT: George Jondro, Henry Lievens and James Morgan excused

Motion by Trustee Turner to open session at 5:58 p.m. Supported by Trustee Osment. All in favor. Motion carried.

Motion by Trustee Osment to authorize and implement the annuity withdrawals as specified in the agreement. Supported by Trustee Koras. All in favor. Motion carried.

2. Eligible Rollover Distributions

Motion by Trustee Turner to adopt the update for eligible rollover distributions. Supported by Trustee Neely. All in favor. Motion carried.

3. Income Withholding Order – Shari Weber-Cross

Motion by Trustee Osment to accept and implement the income withholding order for Shari Weber-Cross. Supported by Trustee Neely. All in favor. Motion carried.

4. Closed Session – Securities Litigation

Motion by Trustee Koras to go into closed session at 6:02 p.m. Supported by Trustee Neely. All in favor. Motion carried.

Roll call for approval of closed session as follows:

AYES: Michael Grodi	Bob Neely
Jeff Koras	Jason Turner
Annamarie Osment	

NAYS: None

ABSENT: George Jondro, Henry Lievens and James Morgan excused.

All in favor. Motion carried.

Motion by Trustee Turner to open session at 6:06 p.m. Supported by Trustee Neely. All in favor. Motion carried.

Motion by Trustee Osment to authorize legal to take action. Supported by Trustee Koras. All in favor. Motion carried.

15. Trustee Comments

Trustee Osment questioned how the NCPERS conference was and how much the national conferences differ from the state conferences.

Chairman Grodi stated the national conferences give you a national perspective on pension systems. One of the sessions that really stuck out for him was on life insurance policies being purchased on retirees. There were sessions on social security and Medicare as well. Also, the national conference sessions are set up as round tables.

Trustee Neely suggested an email be sent to let everyone know that the December meeting will be held at 1:00 p.m.

16. Administrative Calendar

Chairman Grodi stated the next meeting is December 17, 2018 at 1:00 P.M.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**
November 26, 2018 – Page 8

17. Adjourn

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

Meeting adjourned at 6:12 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System