

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, July 29, 2019

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 1:10 PM on July 29, 2019 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	James Morgan
Jeff Koras	Bob Neely
Annamarie Osment	

ABSENT:

George Jondro – excused	Jeff Pauli – excused
Henry Lievens – excused	Jason Turner - excused

ALSO PRESENT:

Joey Becker, Retirement Specialist
Brian Green, Investment Consultant
Rob Abb, Legal Counsel
Nick Meggos, Actuary
Danielle Winegardner, Actuary
Sally Corbin, Agency Owner
Patrick Gleason, Labor Liaison

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

3. Pledge of Allegiance

Trustee Neely led the Pledge of Allegiance.

4. Approval of Agenda

Motion by Trustee Osment to approve the agenda as submitted. Supported by Trustee Neely. All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee Neely to approve the minutes of the June 24, 2019 regular meeting and waive the reading of the minutes. Supported by Trustee Koras. All in favor. Motion carried.

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6. Citizens Time

No citizen were in attendance.

7. Consent Agenda

Motion by Trustee Morgan to approve the consent agenda as listed below. Supported by Trustee Koras.

1. Financial Reports
 - a. Comerica Bank account statements for June 2019.
 - b. Comerica Bank cash account statement for June 2019.
 - c. Comerica Bank consolidated account statement for May 2019.
2. Communication
 - a. Robbins Geller Rudman & Dowd settlement report for June 28, 2019.
 - b. Robbins Geller Rudman & Dowd portfolio monitoring report for June 28, 2019.
 - c. Robbins Gellar Rudman & Dowd international portfolio monitoring report for June 28, 2019.
 - d. Robbins Gellar Rudman & Dowd Q1 2019 repose report.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice in the amount of \$35.00 from Comerica Commercial Card Service for monthly QuickBooks online fee.
2. Invoice dated June 28, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Jacqueline McGhee.
3. Invoice dated June 25, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Richard Haller.
4. Invoice dated June 25, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Martha Falkenberg.
5. Invoice dated June 25, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Craig Lajiness.
6. Invoice dated June 24, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Faith Bashore.
7. Invoice dated June 24, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Christine Krug.
8. Invoice dated July 2, 2019 in the amount of \$550.00 from Steven Dovitz, M.D. for an independent medical evaluation performed on Matthew Torongeau.
9. Invoice #5932 in the amount of \$18,801.12 from Monroe County Library System for retirement services rendered for April 1, 2019 through June 30, 2019.

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Roll call for approval of the bills as follows:

AYES: Michael Grodi James Morgan
 Jeff Koras Bob Neely
 Annamarie Osment

NAYS: None

ABSENT: George Jondro, Henry Lievens, Jeff Pauli, and Jason Turner, excused

All in favor. Motion carried.

8A. Refunds

Motion by Trustee Morgan to approve the following refunds and retirement payments. Supported by Trustee Osment.

- | | |
|---|--------------|
| 1. Deonta Canales, Sheriff's Office | \$ 5,044.71 |
| Thrift Savings Plan FBO Deonta Canales | \$ 5,000.00 |
| 2. Timothy Desloover, Sheriff's Office | \$ 6,501.63 |
| 3. Robert Gelardi, Sheriff's Office | \$ 15,199.57 |
| Edward Jones FBO Robert Gelardi | \$ 22,191.43 |
| 4. Kyle Groven, Road Commission | \$ 1,081.55 |
| 5. Edward Jones FBO Joseph Higham, Sheriff's Office | \$ 39,198.60 |
| Edward Jones FBO Joseph Higham | \$ 50,631.62 |
| 6. Daniel Koczak, Road Commission | \$ 640.32 |

8B. Retirement Payments

- | | |
|-------------------------------------|-------------|
| 1. Robert Gelardi, Sheriff's Office | \$ 2,652.24 |
| June \$1,679.79, July \$2,652.24 | |
| 2. Joseph Higham, Sheriff's Office | \$ 5,742.47 |
| June \$675.60, July \$5,066.87 | |
| 3. Frances Toth, General County | \$ 1,281.58 |
| June \$183.10, July \$1,098.48 | |

All in favor. Motion carried.

9. Communications

Motion by Trustee Neely to receive and file the following communications. Supported by Trustee Koras.

Application for Service Retirement

1. Brian Angerer, Sheriff's Office
2. Judith Murray, Library

Application for Deferred Service Retirement

3. Frances Toth, General County

Disclosure Forms

4. Alidade Capital
5. Boyd Watterson Asset Management
6. Clarkston Capital

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7. Lazard Asset Management
8. Seizert Capital Partners

Medical Reports

9. Faith Bashore, Mental Health
10. Martha Falkenberg, General County
11. Richard Haller, Sheriff's Office
12. Christine Krug, Mental Health
13. Craig Lajiness, Road Commission
14. Jacqueline McGhee, General County
15. Matthew Torongeau, Sheriff's Office

16. Communication dated June 20, 2019 from Michael Bosanac, Administrator/Chief Financial Officer for the County of Monroe regarding the submission of the pension report required under Public Act 202 of 2017.
17. Communication from Boyd Watterson regarding 2nd quarter distribution related to interest in the Fund.
18. Communication from Intercontinental regarding impact of earthquakes in California.

All in favor. Motion carried.

10. Resolutions

Motion by Trustee Osment to accept and place on file the following retirement resolutions. Supported by Trustee Koras.

Application for Service Retirement

1. Brian Angerer, Sheriff's Office
2. Joseph Gore, Sheriff's Office
3. Judith Murray, Library

Application for Deferred Service Retirement

4. Frances Toth, General County

Deferred Service Retirement

5. Frances Toth, General County

Service Retirement

6. Robert Gelardi, Sheriff's Office
7. Joseph Higham, Sheriff's Office

Disability Retirant Re-examination

8. Faith Bashore, Mental Health
9. Martha Falkenberg, General County
10. Richard Haller, Sheriff's Office
11. Christine Krug, Mental Health
12. Craig Lajiness, Road Commission
13. Jacqueline McGhee, General County
14. Matthew Torongeau, Sheriff's Office

11. Presentations

1. Union Services Agency, Sally Corbin and Patrick Gleason

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Ms. Corbin reviewed the current fiduciary liability insurance coverage for the plan.

Trustee Neely questioned if tail insurance was available if the policy was cancelled.

Ms. Corbin stated an extended reporting period could be purchased for up to seven years.

Trustee Neely questioned if Union Services takes the lead or looks to the County's policy first if there is an errors and omission claim.

Ms. Corbin stated they would confirm there is no other policy prior to taking the lead on a claim.

Ms. Corbin reviewed the highlights and benefits of a cyber liability insurance policy.

Trustee Neely questioned how many claims are received for cyber liability.

Ms. Corbin stated many claims are received in the multi-employee space and claims have been increasing in the municipal space.

Chairman Grodi questioned if Nyhart was covered for a data breach.

Mr. Meggos stated Nyhart is covered.

2. Nyhart, Nick Meggos and Danielle Winegarder – Actuarial Report

Mr. Meggos presented the results of the December 31, 2018 Actuarial Valuation. Mr. Meggos discussed census data, assumptions, assets, and plan provision. The total employer contributions amount increased from \$9.2 million to \$9.8 million. The funded ratio decreased from 72.9% to 71.4%. The plan is expected to be fully funded by 2044.

Motion by Trustee Morgan to accept and place on file the Monroe County Employees Retirement System 2018 Actuarial Valuation Report. Supported by Trustee Koras. All in favor. Motion carried.

12. Consultant's Report

1. Raven Credit Fund Follow Up Discussion

Motion to accept the recommendation from the investment policy committee to invest \$5 million in Raven Asset Based Credit Fund by Trustee Koras. Supported by Trustee Neely. All in favor. Motion carried.

2. June 2019 Flash Report

For the month ending June 30, 2019, the fund is valued at \$208,396,780 up \$8,131,614 from the previous month. The current asset allocation includes 61.6% in equities, 17.4% in fixed income, 0.5% in cash, 6.1% in alternative investments, and 14.3% in real estate. The Total Fund was up 4.51% for the month and up 10.92% year to date.

3. Recommended Rebalance/Liquidity Schedule

Chairman Grodi questioned what the recommendation was.

Mr. Green stated \$2 million from Clearbridge and \$2 million from Seizert Large Value to the cash account.

Motion by Trustee Morgan to accept the recommended rebalance of \$2 million from Clearbridge and \$2 million from Seizert Large Value to the cash account. Supported by Trustee Koras. All in favor. Motion carried.

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Mr. Green recommended terminating Renaissance and Cambiar, and consolidating to Vanguard Developed Markets Index fund. The fund is inexpensive and liquid.

Motion by Trustee Neely to accept the recommendation to terminate Renaissance and Cambiar and invest in Vanguard Developed Markets Index fund. Supported by Trustee Osment. All in favor. Motion carried.

13. Old Business

1. Conflict of Interest Statement

Chairman Grodi stated another meeting will be scheduled for the administrative policy committee before making a recommendation to the board.

2. Disaster Recovery Plan

Chairman Grodi stated another meeting will be scheduled for the administrative policy committee before making a recommendation to the board.

3. Education Policy

Motion by Trustee Koras to adopt the education policy. Supported by Trustee Neely. All in favor. Motion carried.

4. Optional Cyber Liability Insurance

Chairman Grodi stated there are more questions to be answered regarding the cyber liability insurance before a decision can be made.

5. RFI – Custodian Services

Mr. Green stated that he has received additional information from Fifth Third and Comerica. He is putting the information together and will forward it to the investment policy committee when complete.

Chairman Grodi stated another meeting will be scheduled for the investment policy committee before making a recommendation to the board.

14. New Business

1. Verification of Retirant and Beneficiary Data

Motion by Trustee Koras to send out the request according to policy. Supported by Trustee Osment. All in favor. Motion carried.

15. Attorney's Report

1. Raven Asset-Based Credit Fund I LP

Mr. Abb stated the legal opinion for Raven Asset-Based Credit Fund I LP is for informational purposes.

16. Trustee Comments

Trustee Neely stated the Spring MAPERS conference was great, very informational.

Trustee Koras stated he hopes everyone enjoys fair week.

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Chairman Grodi stated the board should nominate delegates for the upcoming Fall MAPERS conference.

Motion by Trustee Morgan to appoint Trustee Neely and Trustee Osment as MAPERS delegates. Supported by Trustee Osment. All in favor. Motion carried.

17. Administrative Calendar

Chairman Grodi stated the next meeting is August 26, 2019 at 1:00 P.M.

18. Adjourn

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

Meeting adjourned at 3:18 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System