

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, April 27, 2020

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 1:05 PM on April 27, 2020 via Zoom meeting.

2. Roll Call

Roll call as follows:

PRESENT:

Michael Grodi

George Jondro, arrived at 1:08 p.m.

Jeff Koras

Annamarie Osment

James Morgan

Bob Neely

Jeff Pauli

Jason Turner

ABSENT:

Henry Lievens – excused

ALSO PRESENT:

Joey Becker, Retirement Specialist

Michael Bosanac, Retirement Secretary

Thomas Michaud, Legal Counsel

Brian Green, Investment Consultant

William Joly, Sheriff's Office

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

3. Pledge of Allegiance

The retirement specialist led the Pledge of Allegiance.

4. Approval of Agenda

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

5. Approval of Minutes

Motion by Trustee Osment to approve the minutes of the January 27, 2020 regular meeting and the February 19, 2020 special meeting and waive the reading of the minutes. Supported by Trustee Pauli. All in favor. Motion carried.

6. Citizens Time

No citizen wished to address the board.

7. Consent Agenda

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

1. Retirements
 - a. Dolores Mandujano, General County February 28
 - b. Brenda Shopshire, General County February 28
 - c. Robin Collingsworth, General County March 6
 - d. Shawn Satterfield, Road Commission March 10
 - e. William Joly, Sheriff's Office April 12
 - f. Jeffrey Perkins, County Agency April 12

2. Financial Reports
 - a. Comerica Bank consolidated account statement for December 2019.
 - b. Comerica Bank line item account statement for December 2019.
 - c. Comerica Bank account statements for January 2020.
 - d. Comerica Bank consolidated account statement for January 2020.
 - e. Comerica Bank line item account statement for January 2020.
 - f. Comerica Bank account statements for February 2020.
 - g. Comerica Bank consolidated account statement for February 2020.
 - h. Comerica Bank line item account statement for February 2020.
 - i. Comerica Bank account statements for March 2020.

3. Communication
 - a. Robbins Geller Rudman & Dowd litigation report for Q4 2019.
 - b. Robbins Geller Rudman & Dowd settlement report for January 31, 2020.
 - c. Robbins Geller Rudman & Dowd portfolio monitoring report for January 31, 2020.
 - d. Robbins Gellar Rudman & Dowd international portfolio monitoring report for January 31, 2020.
 - e. Robbins Geller Rudman & Dowd settlement report for February 28, 2020.
 - f. Robbins Geller Rudman & Dowd portfolio monitoring report for February 28, 2020.
 - g. Robbins Gellar Rudman & Dowd international portfolio monitoring report for February 28, 2020.
 - h. Robbins Geller Rudman & Dowd settlement report for March 27, 2020.
 - i. Robbins Geller Rudman & Dowd portfolio monitoring report for March 27, 2020.
 - j. Robbins Gellar Rudman & Dowd international portfolio monitoring report for March 27, 2020.
 - k. Robbins Gellar Rudman & Dowd Q1 2020 repose report.

All in favor. Motion carried.

8. Approval of Bills

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

1. Invoice #34746 in the amount of \$26,250.00 from AndCo for consulting services and performance evaluation rendered for the period of January 1 – March 31, 2020.

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2. Invoice in the amount of \$46.85 from Comerica Commercial Card Service for monthly QuickBooks online fee and certified mail - Schwartz.
3. Invoice in the amount of \$140.00 from Comerica Commercial Card Service for monthly QuickBooks online fee and MAPERS one day registration - Koras.
4. Invoice in the amount of \$241.60 from Comerica Commercial Card Service for monthly QuickBooks online fee and office supplies.
5. Invoice #455892 in the amount of \$1,709.82 from Comerica Bank for custodial services rendered for the period of October 1 through December 31, 2019.
6. Invoice in the amount of \$550.00 for Steven Dovitz, M.D. for medical evaluation on Timothy Goins.
7. Invoice #0157506 dated January 31, 2020 in the amount of \$7,200.00 from Nyhart for final billing of experience study.
8. Invoice #0157505 dated January 31, 2020 in the amount of \$833.00 from Nyhart for monthly installment for nyPAS.
9. Invoice #R157504 dated January 31, 2020 in the amount of \$1,500.00 from Nyhart for benefit certifications.
10. Invoice #0157855 dated February 29, 2020 in the amount of \$500.00 from Nyhart for benefit calculation and benefit certification.
11. Invoice #0157856 dated February 29, 2020 in the amount of \$833.00 from Nyhart for monthly installment for nyPAS.
12. Invoice #0518945 dated March 31, 2020 in the amount of \$750.00 from Nyhart for benefit certifications.
13. Invoice #0158946 dated March 31, 2020 in the amount of \$833.00 from Nyhart for monthly installment for nyPAS.

Roll call for approval of the bills as follows:

AYES: Michael Grodi
George Jondro
Jeff Koras

James Morgan
Bob Neely
Annamarie Osment

Jeff Pauli
Jason Turner

NAYS: None

ABSENT: Henry Lievens, excused

All in favor. Motion carried.

8A. Refunds

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

1. Eliot Garcia, Mental Health
2. Kelly Goins, General County

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3. Timothy Goins, Road Commission
4. Ruby Miles, Sheriff's Office
5. Dolores Mandujano, General County
6. Alexandria Minney, General County
7. Lemuel Sherman, Sheriff's Office
8. Michael Thibault, General County
9. Katlyn Thompson, Central Dispatch
10. Shaun Young, Sheriff's Office

8B. Retirement Payments

1. Donna Cherba, General County
2. Eliot Garcia, Mental Health
3. Timothy Goins, Road Commission
4. Pamela Giarmo, General County
5. Dolores Mandujano, General County

All in favor. Motion carried.

9. Communications

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

Application for Service Retirement

1. Robin Collingsworth, General County
2. William Joly Sr., Sheriff's Office
3. Jeffrey Perkins, County Agency
4. Brenda Shopshire, General County
5. Kelly Stiles, Sheriff's Office

Application for Deferred Retirement

6. Veronica Herkimer, General County
7. Lisa Keehn, General County
8. Catherine Witherow, Mental Health
9. Communication dated March 3, 2020 from AndCo Consulting regarding market volatility and COVID-19.
10. Communication dated January 28, 2020 from Alidade Capital regarding capital call.
11. Communication dated February 20, 2020 from Alidade Capital regarding leadership changes.
12. Communication dated January 24, 2020 from Boyd Watterson regarding 4th quarter 2019 distribution.
13. Communication dated February 18, 2020 from Brandywine Global regarding acquisition by Franklin Templeton.
14. Communication dated February 11, 2020 from Raven Capital Management regarding capital call.

All in favor. Motion carried.

10. Resolutions

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

Application for Service Retirement

1. Robin Collingsworth, General County

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2. William Joly, Sheriff's Office
3. Jeffrey Perkins, County Agency
4. Brenda Shopshire, General County
5. Kelly Stiles, Sheriff's Office

Service Retirement

6. Donna Cherba, General County
7. Eliot Garcia, Mental Health
8. Dolores Mandujano, General County

Deferred Service Retirement

9. Pamela Giarmo, General County

Disability Retirement

10. Timothy Goins, Road Commission

All in favor. Motion carried.

11. Consultant's Report

1. 1st Quarter 2020 Performance Report

Overall Summary:

The first quarter of 2020 marked a return of a bear market across all parts of the equity markets. The S&P 500 peaked on February 20th before falling 33.8% to its low on March 23. For the quarter, the S&P 500 fell -19.60%. Mid cap stocks (-27.1%) and small cap stocks (-30.6%) were punished more severely as investors shunned the riskier segments of the markets. International markets also collapsed with the developed markets falling -22.8% (MSCI EAFE) and the emerging markets declining -23.6% (MSCI Emerging Markets). Treasuries provided a refuge during the equity market chaos, rising 8.2% as rates dropped. Corporate bonds traded in concert with the equity markets and generated negative returns, as Investment Grade Corporates fell -3.6% and High Yield fell -12.7%. The Federal Reserve responded swiftly to stem the bleeding, using their GFC playbook and quickly deploying programs in that took months to design back in 2008. The response has been enormous with five times more liquidity being deployed now than in 2008. Additionally, a unified political response resulted in a \$2 trillion stimulus package for US consumers and businesses. These actions seem to have stabilized market functions and allowed stocks to reverse some losses from earlier in the month. Much of the commentary around individual manager performance seeks to provide context, not consolation. Overall portfolio outperformed the policy index (-15.08% vs. -15.61%). All holdings but TerraCap, Raven and Alidade were updated through quarter end.

2. 2020 Liquidity Schedule

Mr. Green reviewed the liquidity schedule, recommended a rebalance of \$4m from Boyd Watterson to Cash, and enter redemption of \$2.6m from Corbin to Cash for October.

Mr. Bosanac questioned the timing of the liquidation.

Mr. Green stated the cash would be used to pay pension payments for the next 3-4 months. Rates have decreased so significantly on fixed income and are not expected to earn much. Boyd recommended a lump sum liquidation, as opposed to, piece mailing it out.

Motion by Trustee Neely to accept the recommendation to rebalance \$4m from Boyd Watterson to Cash and enter redemption of \$2.6m from Corbin to Cash for October. Supported by Trustee Turner. All in favor. Motion carried.

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12. Old Business

1. Disaster Recovery Plan

Chairman Grodi stated all files have been scanned.

2. Experience Study

Motion by Trustee Morgan to accept and place on file. Supported by Vice Chairman Jondro. All in favor. Motion Carried.

3. Schedule Investment Managers Presentations

Chairman Grodi stated investment manager presentations would be scheduled for October.

13. New Business

1. Certification of Earnings for Disability Retirants

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

2. Disability Re-examinations

Motion by Trustee Morgan to follow the disability retirement procedure and schedule the disability re-examinations. Supported by Trustee Pauli. All in favor. Motion carried.

3. Fiduciary Liability Insurance

Motion by Vice Chairman Jondro to approve the policy and bind the coverage. Supported by Trustee Turner. All in favor. Motion carried.

4. Service Provider Disclosure Policy

Motion by Vice Chairman Jondro to send out the request according to policy. Supported by Trustee Morgan. All in favor. Motion carried.

14. Attorney's Report

1. Remote Participation in Public Meetings
2. Freedom of Information Act Requests During State of Emergency
3. Remote Public Meetings – Executive Order 2020-48

Mr. Michaud stated to try to keep business as usual and he will continue to keep the board up to date on state and federal level. If any questions, please contact him.

15. Trustee Comments

Chairman Grodi stated that the Spring MAPERS conference has been cancelled. The MAPERS Fall conference is still scheduled.

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16. Administrative Calendar

Chairman Grodi stated the next meeting is July 27, 2020 at 1:00 P.M.

17. Adjourn

Motion by Vice Chairman Jondro to adjourn. Supported by Trustee Osment. All in favor. Motion carried.

Meeting adjourned at 1:53 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System