

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 Wednesday, October 27, 2021

1. Call to Order

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was called to order at 1:00 PM on October 27, 2021 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	Jonathan Jones	Jeff Pauli, arrived at 1:30 p.m.
Cynthia LaBudie	Bob Neely	Matt Snell
George Jondro		

ABSENT:

Sharon Hill, excused
Randy Richardville, absent

ALSO PRESENT:

Joey Becker, Retirement Specialist
Michael Bosanac, Retirement Secretary
Brian Green, Investment Consultant
Thomas Michaud, Legal Counsel
Lewis Lachowicz, Mental Health Retiree

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 Vice Chairman Jondro to approve the agenda as submitted. Supported by Trustee Snell. All in favor. Motion carried.

5. Approval of Minutes

Motion by Trustee LaBudie to approve the minutes of the September 9, 2021 special meeting and waive the reading of the minutes. Supported by Trustee Neely. All in favor. Motion carried.

6. Citizens Time

No citizens wished to address the board.

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7. Consent Agenda

Motion by Vice Chairman Jondro to approve the consent agenda as listed below. Supported by Trustee LaBudie.

1. Retirements
 - a. Donald Duncan, Sheriff's Office August 12
 - b. Michelle Marcero, General County August 7
 - c. Mark Hammond, General County September 12
 - d. Allison Arnold, General County October 25
 - e. Jane Steed, Library October 2
2. Financial Reports
 - a. Comerica Bank consolidated account statement for June 2021.
 - b. Comerica Bank consolidated account statement for July 2021.
 - c. Comerica Bank consolidated account statement for August 2021.
 - d. Comerica Bank line item account statement for June 2021.
 - e. Comerica Bank line item account statement for July 2021.
 - f. Comerica Bank line item account statement for August 2021.
 - g. Comerica Bank account statements for July 2021.
 - h. Comerica Bank account statements for August 2021.
 - i. Comerica Bank account statements for September 2021.
3. Communication
 - a. Robbins Geller Rudman & Dowd litigation report for Q2 2021.
 - b. Robbins Geller Rudman & Dowd settlement report for July 30, 2021.
 - c. Robbins Geller Rudman & Dowd settlement report for August 27, 2021.
 - d. Robbins Geller Rudman & Dowd settlement report for September 24, 2021.
 - e. Robbins Geller Rudman & Dowd portfolio monitoring report for July 30, 2021.
 - f. Robbins Geller Rudman & Dowd portfolio monitoring report for August 27, 2021.
 - g. Robbins Geller Rudman & Dowd portfolio monitoring report for September 24, 2021.
 - h. Robbins Gellar Rudman & Dowd international portfolio monitoring report for July 30, 2021.
 - i. Robbins Gellar Rudman & Dowd international portfolio monitoring report for August 27, 2020.
 - j. Robbins Gellar Rudman & Dowd international portfolio monitoring report for September 24, 2021.
 - k. Robbins Gellar Rudman & Dowd Q3 2021 repose report.

8. Approval of Bills

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

1. Invoice in the amount of \$84.10 from Comerica Commercial Card Service for monthly QuickBooks online fee and certificate of mailings.
2. Invoice in the amount of \$940.00 from Comerica Commercial Card Service for monthly QuickBooks online fee and Fall MAPERS reservations.
3. Invoice in the amount of \$469.57 from Comerica Commercial Card Service for monthly QuickBooks online fee and MAPERS conference - LaBudie.
4. Invoice #471663 in the amount of 17,599.62 from Comerica Bank for custodial services rendered for the period of July 1, 2021 through September 30, 2021.
5. Invoices totaling \$1,100.00 from Steven Dovitz, M.D. for medical evaluation reports for Crary and Romanowski.
6. Invoice dated July 28, 2021 in the amount of \$550.00 from Steve Dovitz, M.D. for medical evaluation report for Lajiness.

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7. Invoice dated August 30, 2021 in the amount of \$550.00 from Steve Dovitz, M.D. for medical evaluation report for Chudnicki.
8. Invoice #40869 dated September 2, 2021 in the amount of \$306.25 from H.E.L.P Printers, Inc. for 2,500 #10 regular envelopes.
9. Invoice #6024 dated July 27, 2021 in the amount of \$23,981.09 from Monroe County Library System for retirement services through June 30, 2021.
10. Invoice #6037 dated October 19, 2021 in the amount of \$21,039.97 from Monroe County Library System for retirement services through September 30, 2021.
11. Invoice #12526 dated October 4, 2021 in the amount of \$275.00 from NCPERS for 2022 membership dues.
12. Invoice #0169495 dated July 31, 2021 in the amount of \$750.00 from Nyhart for benefit certifications.
13. Invoice #0169496 dated July 31, 2021 in the amount of \$850.00 from Nyhart for monthly installment for nyPAS.
14. Invoice #0170037 dated September 13, 2021 in the amount of \$850.00 from Nyhart for monthly installment for nyPAS.
15. Invoice #0170502 dated September 30, 2021 in the amount of \$850.00 from Nyhart for monthly installment for nyPAS.
16. Invoice #0170501 dated September 30, 2021 in the amount of \$1,750.00 from Nyhart for benefit certifications.
17. Invoice #2031529 dated July 29, 2021 in the amount of \$1,750.00 from Plante Moran for professional services rendered.
18. Invoice #2002446 dated May 5, 2021 in the amount of \$20,250.00 from Plante Moran for professional services rendered.
19. Invoice #5449 dated September 22, 2021 in the amount of \$3,888.00 from Unions Services Agency for cyber liability insurance.
20. Reimbursement in the amount of \$164.45 to Michael Grodi for expenses incurred for the MAPERS Fall conference.
21. Reimbursement in the amount of \$157.55 to Cynthia LaBudie for expenses incurred for the MAPERS Fall conference.

Roll call for approval of the bills as follows:

AYES:	Michael Grodi	George Jondro	Bob Neely
	Cynthia LaBudie	Jonathan Jones	Matt Snell

NAYS: None

ABSENT: Sharon Hill, excused
Jeff Pauli, arrived at 1:30 p.m.
Randy Richardville, absent

All in favor. Motion carried.

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8A. Refunds

Motion by Vice Chairman Jondro to approve the following refunds and retirement payments. Supported by Trustee Neely.

1. Nicholas Abate, Sheriff's Office
2. Christopher Allor, General County
3. Caitlyn Barton, General County
4. Travis Boggs, General County
5. Amy Boisvenue, General County
6. Katie Caswell, Sheriff's Office
7. Jill Cousino, General County
8. Kimberly Dorsey, Road Commission
9. Donald Duncan, Sheriff's Office
10. Lana Finley, General County
11. Charles Galloway, Sheriff's Office
12. Jerah Hamblin, Sheriff's Office
13. Lianna Hedrick, General County
14. Michelle Marcero, General County
15. David Nagy, Central Dispatch
16. Madonna Osborne, General County
17. John Parrish, Sheriff's Office
18. Justus Schaffer, Sheriff's Office
19. Mitchell Smith, Sheriff's Office

8B. Retirement Payments

1. Christine Croley, Mental Health
2. Donald Duncan, Sheriff's Office
3. Lana Finely, General County
4. Jeffrey Koras, Mental Health
5. Michelle Marcero, General County
6. Madonna Osborne, General County
7. Kathleen Vanderbush, General County

All in favor. Motion carried.

9. Communications

Motion by Trustee LaBudie to receive and file the following communications. Supported by Vice Chairman Jondro.

- Application for Service Retirement**
 1. Allison Arnold, General County
 2. Mark Hammond, General County
 3. Beth Larner, Library
 4. Jane Steed, Library
 5. Frank Westenkirchner, Road Commission
- Application for Deferred Retirement Status**
 6. Jenna Morse, General County
- Medical Reports**
 7. Sherie Chudnicki, Mental Health
 8. Bradd Cray, Sheriff's Office
 9. Craig Lajiness, Road Commission
 10. Shelly Romanowski, Sheriff's Office

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11. Communication dated August 20, 2021 from Raven regarding distribution to investors.
12. Communication dated September 30, 2021 from Raven 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 Snell.

Application for Service Retirement

1. Allison Arnold, General County
2. Mark Hammond, General County
3. Beth Larner, Library
4. Jane Steed, Library
5. Frank Westenkirchner, Road Commission

Application for Deferred Retirement

6. Christine Croley, Mental Health

Service Retirement

7. Donald Duncan, Sheriff's Office
8. Lana Finely, General County
9. Jeffrey Koras, Mental Health
10. Michelle Marcero, General County
11. Madonna Osborne, General County
12. Kathleen Vanderbush, General County

Deferred Service Retirement

13. Christine Croley, Mental Health

Disability Retirant Re-examination

14. Sherie Chudnicki, Mental Health
15. Bradd Crary, Sheriff's Office
16. Craig Lajiness, Road Commission
17. Shelly Romanowski, Sheriff's Office

11. Consultant's Report

1. 9/30/2021 Performance Report

US equity markets experienced disparate returns during the 3rd quarter of 2021. The primary factors that drove the market performance during the period were concerns related to rising inflation and potential changes in the Fed's monetary policy. Despite rising US interest rates, growth oriented companies maintained their market leadership relative to value. For the period, large cap companies returned 0.6%, compared to -0.9% for mid-caps and -4.4% for small company stocks.

Similar to domestic markets, broad international equity markets also posted disappointing returns for the 3rd quarter. While concerns related to the spread of COVID began to wane, the key drivers of performance were rising inflation, rising interest rates, and the potential default of Evergrande in China. During the period, the MSCI EAFE Index posted a return of -0.4% while the MSCI Emerging Markets Index returned a weak -8.1%.

For the quarter, bond market returns were muted as interest rates across the yield curve remained largely unchanged. While the Bloomberg (BB) US Aggregate Index returned 0.1%, the outlier was US TIPS which returned 1.8% on concerns about potential rising inflation.

Returns over the trailing 1-year were strong across all broad US equity markets. The continuation of supportive monetary policy from the Fed and the reopening of local economies as the pandemic receded were the primary performance drivers

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during the period. Domestic small cap stocks posted highest return for the trailing 1-year period, returning 47.7%. US large cap performance was also stellar with a return of 30.0% over the trailing 1-year period.

International markets also performed well but lagged relative to their domestic counterparts. Over the trailing 1-year period, the MSCI EAFE Index returned 25.7% while the MSCI Emerging Markets Index returned a lower 18.2%. The combination of rising inflation and developed market interest rates were the primary headwinds during the period.

Bond market returns over the trailing 1-year period were muted with the Bloomberg US Aggregate Index returning -0.9%. US TIPS continued to lead the way as investors remain concerned about the potential for rising inflation. The TIPS Index returned 5.2% for the period while investment grade corporate bonds returned 1.7%.

2. Liquidity Schedule / Portfolio Rebalance

Trustee Neely questioned if performance was taken into consideration regarding the rebalance.

Mr. Green stated both target variance and performance are taken into consideration.

Motion by Trustee Neely to accept the recommendation to rebalance \$2m from Fidelity Extended Market, \$2m from Seizert Large Value, \$1m from Winslow Large Growth, and \$750k from Seizert Mid Cap to Cash. Supported by Vice Chairman Jondro. Motion carried.

3. Investment Policy Statement Draft

Motion by Vice Chairman Jondro to accept the investment policy statement. Supported by Trustee Neely. All in favor. Motion carried.

4. 2022 Calendar Discussion

Mr. Green requested the Board consider shifting meetings to the 2nd month of each quarter, which would allow for greater data aggregation for the quarterly report.

5. AndCo 2022 Consulting Fee Update

Mr. Green reviewed the notification of the implementation of the contractual fee increase of 3% effective January 1, 2022. No motion needed.

12. New Business

1. Summary Annual Report

Motion by Vice Chairman Jondro to accept, place on file, and post to the retirement website. Supported by Trustee Snell. All in favor. Motion carried.

2. Set Meeting Schedule and Calendar

Motion by Trustee Neely to approve the meeting schedule and administrative calendar for 2022. Supported by Trustee Pauli. All in favor. Motion carried.

3. Adopt Training Budget – According to Policy

Motion by Vice Chairman Jondro to approve the training budget according to policy. Supported by Trustee Neely. All in favor. Motion carried.

4. Trustee Election

Motion by Vice Chairman Jondro to certify the election results and declare Jonathon Jones the winner. Supported by Trustee Neely. All in favor. Motion carried.

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Motion by Vice Chairman Jondro to re- appointment Robert Neely as the Citizen-at-Large representative. Supported by Trustee Jones. All in favor. Motion carried.

13. Attorney's Report

1. TerraCap Partners V (Institutional) LP Compliance with Public Act 314 of 1965, as amended

Motion by Trustee Pauli to approve opinion. Supported by Trustee Jones. All in favor. Motion carried.

15. Trustee Comments

Trustee LaBudie stated she enjoyed the MAPERS conference and it was very informative.

Trustee Jones stated he appreciates the opportunity to be on the board and is looking forward to getting to know everyone.

Trustee Neely welcomed new members and wished everyone a Happy Thanksgiving and Merry Christmas.

Vice Chairman Jondro welcomed new members to the board and stated the conferences are very informative. He also wished everyone a Happy Holiday.

Trustee Pauli apologized for being tardy.

Chariman Grodi reminded everyone of the upcoming MAPERS one day seminar coming up. He welcomed Trustee Jones and Congratulated Trustee Snell on the birth of his son. He also thanked Trustee Neely for his continued service on our board and the library for their help on the Summary Annual Report.

16. Administrative Calendar

17. Adjourn

Meeting adjourned at 2:26 P.M.

Respectfully Submitted,

Michael Grodi, Chairman
Monroe County Employees Retirement System