

**Monroe County Employees Retirement
System Board of Trustees
MINUTES**

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was held on January 24, 2011 at 5:00 P.M. in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

PRESENT: Nancy Colpaert, James Davies, Michael Grodi, Joseph Hudson, Anne McCarthy, James Morgan and William Myers

ABSENT: None

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Royce Maniko, Secretary, Sam Galanis and Michael Cho, Consultants and Thomas Michaud, Legal Counsel

With a quorum being present, Sandy Calkins, Retirement Specialist called the meeting to order at 5:00 P.M.

The first order of business was to elect a Chairman. Motion by James Morgan, supported by William Myers to nominate Nancy Colpaert as Chairman. Sandy Calkins asked three times if there were any other nominations. Seeing none a motion was made by Anne McCarthy, supported by Michael Grodi to close nominations and cast a unanimous ballot for Nancy Colpaert. Motion carried.

The second order of business was to elect a Vice Chairman. Motion by William Myers, supported by James Davies to nominate James Morgan as Vice Chairman. Motion by James Davies, supported by Michael Grodi to close nominations and cast a unanimous ballot for James Morgan. Motion carried.

Motion by Anne McCarthy, supported by William Myers to certify the election results and welcome Michael Grodi and Joseph Hudson as the new Trustees. Motion carried.

Motion by James Davies, supported by William Myers to approve the minutes of the December 20, 2010 regular meeting. Motion carried.

Motion by James Morgan, supported by Anne McCarthy to approve the agenda as submitted. Motion carried.

Citizens Time – None

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 2

Presentations - Brian Gevry and Clyde Bartter, Boyd Watterson Asset Management

Mr. Gevry discussed the Investment Policy. He stated the Investment Objective is to make investments which balance the risk of loss and the opportunity for gain with the purpose of the Retirement System. Mr. Gevry also presented a review of the performance for 2010. Boyd Watterson Asset Management out-performed the benchmark with a 6.5% return year to date. The portfolio consists of a large amount of corporate and finance bonds.

Mr. Bartter concluded with the Current Outlook and Strategy. The forecast calls for a prolonged period of slow economic growth. Although, consumer spending has re-entered positive territory and capital expenditures are improving, it is still a slow road to complete recovery.

Motion by James Morgan, supported by Anne McCarthy to receive the Boyd Watterson Asset Management report and place on file. Motion carried.

Chairman Colpaert requested a moment of silence for all those retirees who passed away in 2010:

Dorothy Assenmacher, Probate Court	January 3
Margarete Miller, Planning	January 4
Hilda Beck, Road Commission (Survivor)	March 5
Virginia Paz, Sheriff's Office (Survivor)	March 14
Eleanor Glinski, Road Commission (Survivor)	April 5
James Kelley, Circuit Court	May 1
Fidencia Martinez, Buildings & Grounds	May 10
Janice Welch, Equalization	June 10
Frank Betley, Animal Control	June 17
Shirley Keehn, Historical Museum	July 1
Larry Suboski, Road Commission	July 5
Anna Essary, Friend of the Court	October 14
Robert St. Pierre, Sheriff's Office	November 10
Rose Yoakum, Central Dispatch	November 18
Ruth Burton, Drain Commission (Survivor)	November 27
Loyd Sype, Road Commission	December 5
Richard Kaiser, Sheriff's Office	December 30

Motion by William Myers, supported by Michael Grodi to approve the consent agenda as listed below.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 3

A. Retirements - 2010

Janet Kish, Library

January 1

B. Financial Reports – On File with Retirement Specialist

1. Alpine Investor Statement for the period of January 1, 2010 – December 31, 2010.
2. Boyd Watterson Asset Management Client Statement for the period ended November 30, 2010.
3. Boyd Watterson Asset Management Client Statement for the period ended December 31, 2010.
4. Brandywine Global Investment Management Global Fixed Income Portfolio for the period ended December 2010.
5. Brandywine Global Investment Management Global Fixed Income Portfolio for the Fourth Quarter 2010.
6. Comerica Bank Securities Lending Statement for November 2010.
7. Diamond Hill Funds Investor Statement for the period of January 1, 2010 - December 31, 2010.
8. Morgan Stanley Smith Barney Client Statement for Anchor Capital Advisors, Eagle Global Advisors, Lazard Asset Management, NWQ LCV and International, Renaissance Investment Advisors and International, Smith Group Asset Management and Templeton Portfolio Advisors for the period ended December 31, 2010.
9. Smith Group Asset Management Monthly Portfolio Summary for the period ended December 31, 2010.

C. Communication

1. Gabriel Roeder Smith & Company News Scan and Research Memorandum.
2. Robbins Geller Rudman & Dowd Settlement Report for the period ended January 2011.

Motion Carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 4

Invoices

Motion by James Davies, supported by James Morgan to approve for payment the following invoices, subject to house audit:

1. Invoice #27992 dated December 15, 2010 in the amount of \$43,517.00 from Boyd Watterson Asset Management for investment services rendered for the period of September 1, 2010 - November 30, 2010.
2. Invoice #1855 dated January 12, 2011 in the amount of \$19,335.19 from County of Monroe Finance Department for services rendered to the Retirement System by Sandy Calkins for the period of October 1, 2010 – December 31, 2010.
3. Invoice #1842 dated December 17, 2010 in the amount of \$35.79 from County of Monroe Finance Department for October 2010 Postage and November 2010 Federal Express charges.
4. Invoice #113920 dated January 11, 2011 in the amount of \$8,850.00 from Gabriel Roeder Smith & Company for 2011 Annual Maintenance Fee.
5. 2011 MAPERS Membership dues in the amount of \$50.00.
6. Invoice dated January 20, 2011 in the amount of \$2,555.00 from Vanoverbeke, Michaud & Timmony for legal services rendered for the period of October 1, 2010 – December 31, 2010.

Motion carried.

Refunds

Motion by William Myers, supported by James Davies to approve the following refunds:

1. James Vanderpool, Youth Center \$ 2,041.43

Motion carried.

Retirement Payments

Motion by James Morgan, supported by Michael Grodi to approve the following retirement payments:

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 5

- | | |
|--|-------------|
| 1. Janet Kish, Library System | \$ 2,055.51 |
| 2. James Lazar, Central Dispatch | \$ 2,425.78 |
| **November \$559.80, December \$932.99 | |
| 3. James Vanderpool, Youth Center | \$12,822.18 |
| **November \$2,699.36, December \$5,061.41 | |

Motion carried.

Communications

Motion by James Davies, supported by Anne McCarthy to accept and place on file the following Applications for Service Retirement:

1. Bonnie DeSloover, Sheriff's Office
2. John Fowler, Board of Commissioners
3. Letha Higham, Sheriff's Office
4. George Jondro, Buildings & Grounds
5. Dale Lockwood, Prosecuting Attorney
6. Daniel Motylinski, Sheriff's Office
7. Gregory Ruch, Sheriff's Office
8. David Thompson, Sheriff's Office

Motion carried.

9. Communication dated January 12, 2011 from Gabriel Roeder Smith & Company regarding the proposed fees for the December 31, 2010 Actuarial Valuation.

Motion by William Myers, supported by James Morgan to accept and place on file. Motion carried.

10. MAPERS One-Day Educational Seminar to be held on Thursday, February 10, 2011 at the Ann Arbor/Ypsilanti Marriott at Eagle Crest in Ypsilanti, Michigan.
11. Communication dated January 12, 2011 from Wells Fargo regarding the Fiduciary Liability Policy.

Motion by William Myers, supported by James Davies to accept, place on file and discuss with Tom Michaud and Royce Maniko. Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 6

Proposed Resolutions

Motion by James Davies, supported by Anne McCarthy to accept and place on file the following Service Retirement resolutions:

1. Felipa Bomia, Friend of the Court
2. Janet Kish, Library
3. James Lazar, Central Dispatch
4. James Vanderpool, Youth Center

Motion carried.

Motion by James Davies, supported by Anne McCarthy to accept and place on file the following Applications for Service Retirement resolutions:

5. Bonnie DeSloover, Sheriff's Office
6. John Fowler, Board of Commissioners
7. Letha Higham, Sheriff's Office
8. George Jondro, Buildings & Grounds
9. Dale Lockwood, Prosecuting Attorney
10. Daniel Motylinski, Sheriff's Office
11. Gregory Ruch, Sheriff's Office
12. David Thompson, Sheriff's Office

Motion by James Davies, supported by Anne McCarthy to accept and place on file the following Purchase of Universal Service Credit resolutions:

13. Bonnie DeSloover, Sheriff's Office
14. John Fowler, Board of Commissioners
15. R. LaMar Frederick, Board of Commissioners
16. Rebecca Head, Health Department
17. Dawn Kurtz, Youth Center
18. Floreine Mentel, Board of Commissioners
19. Robert Peven, Planning
20. Deborah Toro, Treasurer

Motion carried.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 7

Attorney Report

Mr. Michaud welcomed the new Trustees, stating he has information for them and anyone else who would like it. Next, he discussed the legislative update for Act 314. He will keep everyone updated. He recommended a motion to authorize a signatory list.

Motion by James Davies, supported by Michael Grodi to authorize Nancy Colpaert, Chairman and James Morgan, Vice Chairman to sign on behalf of the Retirement Board.

Anne McCarthy questioned the fourth quarter invoice. Mr. Michaud stated that he charges preparation time for each meeting.

Consultant Report

Mr. Galanis reviewed the valuation report for month ending December 31, 2010. The fund is valued at \$176,755,309.61 up \$4,215,867.09 from the previous month.

The Total Fund was up 2.99%. The current asset allocation includes 43.96% in fixed income, 49.47% in equity, and 6.57% in cash.

Mr. Cho stated that Renaissance Large Growth and Smith Group Large Growth were asked to liquidate by January 27, 2011. Winslow will start on February 1, 2011. Also, \$333,000.00 will be transferred from Boyd Watterson Asset Management to Lazard Emerging Markets over the next six (6) months.

Motion by Michael Grodi, supported by James Davies to receive the Morgan Stanley Smith Barney Consultant report and place on file. Motion carried.

Old Business – None

New Business

Motion by Anne McCarthy, supported by James Davies to adopt the following list of Retirement Board Meetings that are scheduled for 2011. Motion carried.

January 24	5:00 P.M.
February 28	5:00 P.M.
March 28	5:00 P.M.
April 25	5:00 P.M.
May 16	5:00 P.M.

**Monroe County Employees
Retirement System Board of
Trustees – Minutes**

January 24, 2011 – Page 8

June 27	5:00 P.M.
July 25	5:00 P.M.
August 22	5:00 P.M.
September 26	5:00 P.M.
October 24	5:00 P.M.
November 28	5:00 P.M.
December 12	5:00 P.M.

Motion by Anne McCarthy, supported by James Davies to adopt the administrative calendar for 2011. Motion carried.

The Retirement Board is responsible for setting the interest rate every year according to the retirement ordinance. In the past it has remained at five (5) percent.

Motion by James Morgan, supported by Anne McCarthy to have the Retirement Specialist work with the Investment Consultants to determine a reasonable interest rate for 2011 and report back to the Retirement Board in February. Motion carried.

Trustee Comments

Michael Grodi stated he has a lot to learn and looks forward to working with everyone. James Davies, Anne McCarthy and William Myers welcomed the new Trustees. James Morgan thanked the Retirement Board for their support for Vice Chairman and welcomed the new Trustees. Royce Maniko congratulated the Chairman and Vice Chairman. Chairman Colpaert also thanked the Retirement Board for their support for Chairman and welcomed the new Trustees.

Motion by William Myers, supported by James Davies to adjourn. Motion carried. Meeting adjourned at 6:00 P.M.

Respectfully Submitted,

Nancy Colpaert, Chairman
Monroe County Employees Retirement System
Board of Trustees