

**Minutes of the Regular Meeting of the
Board of Trustees of the Monroe County
Employees Retirement System**

Regular meeting of the Board of Trustees of the Monroe County Employees Retirement System held on January 26, 2009 at 5:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Nancy Colpaert, Jim Davies, George Jondro, Pam Jones, Bill Myers, Jim Morgan, William Sisk and David Thompson.

ABSENT: Henry Lievens

ALSO PRESENT: Debra Elmore, Retirement Specialist; Charles Londo, Secretary, Sam Galanis and Michael Cho, Consultants and Thomas Michaud, Legal Counsel

With a quorum being present, Chairman Thompson called the meeting to order at 5:00 P.M.

Motion by George Jondro, supported by Bill Sisk to nominate David Thompson as Chairman. Chairman Thompson asked three times if there were any other nominations. Seeing none a motion was made by Nancy Colpaert, supported by Bill Sisk to close nominations and cast a unanimous ballot for David Thompson. All in favor, motion carried.

Motion by Pam Jones, supported by Bill Sisk to nominate Jim Morgan as Vice Chairman. Motion by Jim Davies, supported by George Jondro to close nominations and cast a unanimous ballot for Jim Morgan. All in favor, motion carried.

Motion by Bill Sisk, supported by George Jondro to approve the minutes of the December 15, 2008 meeting. All in favor, motion carried.

Motion by Jim Davies, supported by Nancy Colpaert to approve the agenda as submitted. All in favor, motion carried.

Citizens Time – none

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Presentations – Brian Gevry, Boyd Watterson Asset Management

Mr. Gevry gave a review of the performance of 2008. Boyd Watterson beat their benchmark 1.1% year to date and had a 6.2% return on bonds. That was due primarily to buying securities that no one wanted and buying bonds backed by U.S. Treasury that performed well.

Chairman Thompson requested a moment of silence for all those retirees who passed away in 2008:

Wesley Hicks, Road Commission	January 24
William Houck, Road Commissioner	February 5
Arlyne Babcock, Circuit Court	March 14
Lois Poe, District Court	April 1
Florence Kuron, Commissioner (Survivor Pension)	April 27
Thomas Wilhite, Road Commission	May 1
Pearl Cooley, Treasurer's Office	May 27
Betty Crosley, County Health	July 12
Maggie Carroll, Buildings & Grounds	August 4
Mary Withey, County Library	October 1
V. Lehr Roe, County Commission	October 8

Motion by Nancy Colpaert, supported by Pam Jones to approve consent agenda as listed below:

A. Retirements

Enrico Galimberti, Sheriff's Office	January 3
Paula Gebert, Friend of Court	January 3
Robert Oetjens, Sheriff's Office	January 18
Barbaralee Drodts, Library	January 24
Giles Brockman, Parks & Recreation	January 31
Barbara Dulany, Probate	January 31
Irene Leonard, Probate Juvenile	January 31

B. Financial Reports – On File with Retirement Specialist

1. Comerica Bank Consolidated Statement, Cash Account Statement, Anchor Capital Advisors, Boyd Watterson Asset Management, Brandywine Asset Management Global, Brandywine Asset Management LCV, Eagle Global Advisors Intl. Equity, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Renaissance Investment

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Management & International Equity, Smith Group Asset Management and Templeton Portfolio Advisors for period 12/01/08 through 12/31/08 and Securities Lending for November, 2008.

2. Alpine Investor Statement for 2008.
3. Boyd Watterson Client Statement for period ending November 30, 2008.
4. Brandywine Global Investment Management – Global Fixed Income and Large Cap Value (PCG) portfolio for December 2008.
5. Morgan Stanley Vision Account for Anchor Capital Advisors, Brandywine Global Fixed Income, Eagle Global Advisors, NWQ LCV and International, Renaissance Group and International, Smith Asset Management Group and Templeton Private Client Group for month ending November 30 and December 31, 2008.

C. Communication

1. Letter dated December 18, 2008 from NWQ Investment Management Co. concerning 2008.
2. Letter dated January 14, 2009 from Renaissance Investment Management regarding the proxy report for 4th quarter 2008 on the large cap growth portfolio.
3. Newsletter from Tradewinds Global Investors.

All in favor, motion carried.

Invoices

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

1. Invoice #24149 dated December 16, 2008 in the amount of \$37,602.00 from Boyd Watterson Asset Management for investment management fees for period 09/01/08 through 11/30/08.

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2. Invoice #107128 dated December 31, 2008 in the amount of \$8,850.00 from Gabriel, Roeder, Smith & Co. for 2009 maintenance fee for the Pension Software system.
3. 2009 MAPERS Membership dues in the amount of \$50.00.
4. Invoice #1317 dated December 23, 2008 in the amount of \$16,596.19 from Monroe County Finance Department for services rendered to the Retirement System by Debra Elmore for 4th quarter 2008.
5. Invoice #1335 dated January 2, 2009 in the amount of \$6.96 from the Monroe County Finance Department for December 2008 postage.
6. Invoice #20081119000721 dated September 30, 2008 in the amount of \$28,123.22 from Tradewinds Global Investors for investment management fees for 3rd quarter 2008.

All in favor, motion carried.

Refunds

Motion by Bill Sisk, supported by Pam Jones to approve the following refunds:

- | | | |
|----|---|-------------|
| 1. | Enrico Galimberti, Sheriff's Office | \$36,033.68 |
| 2. | UVest Financial (FBO Enrico Galimberti) | \$43,644.52 |
| 3. | Neil Helfrich, Deferred, Sheriff's Office | \$ 9,397.76 |
| 4. | Comerica (FBO Neil Helfrich) | \$23,772.91 |

All in favor, motion carried.

Retirement Payments

Motion by Pam Jones, supported by Jim Davies to pay the following retirement payments:

- | | | |
|----|--|------------|
| 1. | Jennifer Cline, County Clerk | \$1,971.14 |
| 2. | Enrico Galimberti, Sheriff's Office
(Pro-rated for January) | \$3,677.24 |
| 3. | Paula Gebert, Friend of Court
(Pro-rated for January) | \$2,025.68 |

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Consultant's Report

All in favor, motion carried.

Communications

1. Letter from Clayton Charron thanking the Board of Trustees.

Motion by Bill Myers, supported by Pam Jones to accept and place on file. All in favor, motion carried.

2. Letter dated January 14, 2009 from Gabriel, Roeder, Smith & Co. for proposed fees for the December 31, 2008 Actuarial Valuation of the Monroe County Employee's Retirement System.

Motion by Jim Morgan, supported by Nancy Colpaert to accept, place on file and enter into an agreement to perform the 2008 Actuarial Valuation. All in favor, motion carried.

3. Actuarial study dated November 24, 2008 from Gabriel, Roeder, Smith & Co. for the early retirement window being offered by the County to the General County, Sheriff's Office and Central Dispatch employees.

Motion by William Sisk, supported by Pam Jones to accept and place on file. All in favor, motion carried.

4. Letter dated December 19, 2008 from the Monroe County Board of Commissioners approving the issuance of the 13th check for 2008.

Motion by Pam Jones, supported by Bill Myers to accept, place on file and issue the 13th check. All in favor, motion carried.

5. E-mail dated January 7, 2009 from County legal advisor Tom Graham regarding the Monroe County Retirement Board change/Mental Health Representative.

Motion by Jim Davies, supported by Nancy Colpaert to accept and place on file. All in favor, motion carried.

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6. MAPERS One-day educational seminar to be held on Friday, February 6, 2009 at the Dearborn Inn in Dearborn, Michigan.

Motion by Pam Jones, supported by Bill Sisk to authorize any Trustee, the Board Secretary and the Retirement Specialist to attend. All in favor, motion carried.

7. 2009 Annual NCPERS Educational Conference to be held May 1-7, 2009 in Beverly Hills, California.

Motion by Bill Sisk, supported by Nancy Colpaert to authorize any Trustee, Board Secretary and the Retirement Specialist to attend. All in favor, motion carried.

8. Letter dated January 15, 2009 from Michael Smith, former Road Commission employee concerning his annuity withdrawal.

Motion by Jim Morgan, supported by George Jondro to accept, place on file and refer to Legal Advisor to review and report back to the Board at the February 23, 2009 meeting. All in favor, motion carried.

9. Letter dated January 20, 2009 from William Sisk requesting to purchase previous service credit.

Motion by Pam Jones, supported by Jim Davies to accept, place on file and grant request. Bill Sisk abstains, everyone else in favor. Motion carried.

Proposed Resolutions

Motion by Jim Davies, supported by Nancy Colpaert to accept and place on file the following resolutions:

1. Sharen Bitz, County Clerk – Application for Service Retirement
2. Linda Boberg, District Court – Application for Service Retirement
3. Giles Brockman, Parks & Rec – Application for Service Retirement
4. Cynthia Carsten, Circuit Court – Application for Service Retirement
5. Barbaralee A. Drod, Library – Application for Service Retirement
6. Barbara Dulany, Probate – Application for Service Retirement
7. Paula Gebert, Friend of Court – Application for Service Retirement
8. Joesph Grifka, Fairview – Application for Service Retirement
9. Pamela Jones, Drain – Application for Service Retirement
10. Lorraine L. Koli, County Clerk – Application for Service Retirement
11. Irene Leonard, Probate Juvenile – Application for Service Retirement

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12. Michael McMullen, Road Comm – Application for Service Retirement
13. Theresa Morgan, District Court – Application for Service Retirement
14. Robert Oetjens, Sheriff's Office – Application for Service Retirement
15. Wanda Lee Rumler, District Court – Application for Service Retirement
16. Glenda White, Emergency Mgmt – Application for Service Retirement
17. Jennifer Cline, County Clerk – Service Retirement
18. Enrico Galimberti, Sheriff's Office – Service Retirement
19. Paula Gebert, Friend of Court – Service Retirement

Pam Jones abstains from Item 9-9 everyone else in favor, motion carried.

Attorney Report

On file with the Retirement Specialist:

- Bernstein Litowitz Berger & Grossmann 3rd quarter 2008 Portfolio Monitoring Report
- Grant & Eisenhofer 3rd quarter 2008 Securities Litigation Portfolio Monitoring Report
- Coughlin Stoia Geller Rudman & Robbins 3rd quarter 2008 Class Action Settlements Report
- Coughlin Stoia Geller Rudman & Robbins 3rd quarter 2008 Litigation Report
- Coughlin Stoia Geller Rudman & Robbins 2nd quarter 2008 Portfolio Monitoring Report

Motion by Bill Sisk, supported by Jim Davies to accept and place on file the above reports. All in favor, motion carried.

Mr. Michaud reported back on the two items from the December 15, 2008 meeting.

The first one concerned the request from Fred Wickenheiser, an employee with the Equalization Department to purchase prior service credit from previous employment with the Equalization Department.

Since Mr. Wickenheiser did not purchase that time from one year of re-employment, the Board of Trustees of the Retirement System does not have the authority to reinstate Mr. Wickenheiser's service credit pursuant to Section 5.3 of the Retirement Ordinance. Neither does the Board of Trustees have the authority to waive the one-year requirement of Section 5.3(b) of the Retirement Ordinance as requested by Mr. Wickenheiser. Mr. Wickenheiser may request reinstatement of his service credit from the

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Monroe County Board of Commissioners pursuant to Section 25 of the County Pension Plan Act.

Motion by Jim Morgan, supported by George Jondro to accept, place on file and send a letter to Mr. Wickenheiser denying request. All in favor, motion carried.

The second request came from Daniel Stefanski to purchase prior service credit since he was again elected as County Drain Commissioner effective January 1, 2009.

The Board of Trustees of the Retirement System may reinstate Mr. Stefanski's service credit pursuant to Section 5.3 of the Retirement Ordinance provided he has made a repayment of his withdrawn accumulated contributions plus interest as required by 5.3(a). Payment must be made by December 31, 2009.

Motion by Pam Jones, supported by Nancy Colpaert to accept, place on file and grant request. All in favor, motion carried.

Consultant Report

Mr. Galanis reviewed the valuation report for month ending December 31, 2008. The fund is valued at \$148,965,579.63 up from the \$142,694,202.76 as reported the previous month. The fund was up approximately 4.57%.

Mr. Thompson advised Mr. Galanis that because the County will have quite a few retirements during the next few months due to the Early Retirement Incentive the County is offering, the Board needs to get a handle on cash to pay the retirement payments.

Old Business

- Disability Retiree Re-exams
 - David Funk – hope to have an appointment made for him in February
- Retirement Specialist replacement status – Charles Londo and Dave Thompson were to meet and report back

Chairman Thompson would like Legal to draft a contract. Mr. Spreeman is supposed to have a job description ready by February 12 so the position can be posted. Chairman Thompson would like to have a committee to review contract and job description. Mr. Davies wanted to know who would be doing the hiring. All concerns and ideas need to be e-mailed to Chairman Thompson.

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New Business

- Setting of interest rate on employee contributions for 2009

Dave Thompson said when employees take the annuity withdrawal option at the time of retirement, their pension is reduced. Employee can't take money out before that unless they terminate their employment.

Jim Morgan has asked before how the interest rate is set. Maybe Gabriel, Roeder, Smith & Co. should do a study.

Motion by Jim Morgan, supported by Jim Davies to leave at the current rate of 5% until decided at the February 23, 2009 meeting. All in favor, motion carried.

Trustee Comments

Dave Thompson told the Board that a letter concerning the five-year experience analysis from Gabriel, Roeder, Smith & Co. dated July, 2008 to Mr. Londo never made it on the agenda. CALPERS use a 15 year smoothing method while MERS uses a 10 year smoothing method. Mr. Thompson would like Gabriel, Roeder Smith & Co. do the experience analysis and look at smoothing methods (5, 10, 15 years etc). The data from 2008 would be used. Also to be included would be a suggestion on how to set the interest rate on employee contributions. Mr. Thompson will have GRS update their letter so that it can be on the February 23, 2009 agenda.

Nancy Colpaert would like to welcome the new trustee.

Jim Morgan said that Mr. Sisk's letter to request the purchase of previous service time was too vague. Felt the letter needed more information. Maybe the Retirement System could develop a form to use for people who are requesting to purchase this previous service time.

Bill Sisk would like to welcome his good friend Bill Myers. Thinks he will do a good job and it is nice to have a new face. Also, Mr. Sisk was re-elected as Chairman of the Board of Commissioners so he will be back on the Retirement Board. This is a hard working board he said.

Deb Elmore would like anyone going to the MAPERS One-Day Educational Seminar to let her know by Friday. Also, those attending the 2009 Annual NCPERS Educational Conference should let her know by mid-February.

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Dave Thompson informed the Trustees about the issues that were discussed at the MAPERS Executive Board meeting he attended on Friday. Amendments to Public Act 314 were yanked out at the last minute. The Executive Board is developing letters for Trustees to send to their representatives.

At the 2009 MAPERS Spring Conference, a Roberts Rules of Order Class will be held on Sunday. Also, on Monday, a lobbyist will report on Public Act 314.

Motion by Jim Morgan, supported by Bill Sisk to adjourn. All in favor, motion carried. Meeting adjourned at 6:30 P.M.

Respectfully Submitted,

David Thompson, Chairman
Monroe County Employees Retirement
System Board of Trustees