

**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 28, 2008 at 5:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Clayton Charron, Nancy Colpaert, George Jondro, Pamela Jones, Henry Lievens, Jim Morgan, William Sisk (arrived at 5:25) and David Thompson

ABSENT: Jim Davies

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 5:07 P.M.

Jim Morgan nominated David Thompson for the position as Chairman, supported by Nancy Colpaert. Motion by Henry Lievens supported by George Jondro to close nominations and cast a unanimous ballot for David Thompson. All in favor, motion carried. David Thompson is Chairman of the Monroe County Employees Retirement System Board of Trustees for 2008.

George Jondro nominated Jim Morgan as Vice Chairman, supported by Clayton Charron. Motion by Clayton Charron, supported by Pam Jones to close nominations and cast a unanimous ballot for Jim Morgan. All in favor, motion carried. Jim Morgan is Vice Chairman of the Monroe County Employees Retirement System Board of Trustees for 2008.

Motion by Pam Jones, supported by George Jondro to approve the minutes of the December 17, 2007 meeting as submitted. All in favor, motion carried.

Motion by George Jondro, supported by Clayton Charron to approve the agenda as submitted with the exception of Item 7-1. On the agenda it is listed as Item 7-1 but on the computer it is listed as 7A-1. Should be 7-1. All in favor, motion carried.

Citizens Time – none

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Presentations - none

Motion by Pam Jones, supported by Jim Morgan to approve consent agenda as submitted below:

Deceased Retirees – 2007

| | |
|--|-------------|
| Nellie Coss, Extension | January 5 |
| Clayton Libstorff, Road Commission | January 9 |
| Walter Glinski, Road Commission | January 15 |
| Thomas Keegan, District Court (survivor pension) | January 24 |
| Sharon Goins, Youth Center | February 3 |
| Esther Marth, County Health | February 20 |
| Ronald Blouch, Buildings & Grounds | May 4 |
| Dorothy Marshall, Probate Court | May 7 |
| Sue Rodich, Historical Museum | July 20 |
| Barbara Binkley, County Health | August 13 |
| Fred Richardson, Mental Health | August 23 |
| Evelyn Obenchain, Library | October 5 |
| Harry Ellis Jr., Road Commission | October 9 |
| John Neely, Sheriff's Office | October 25 |
| Estelle Barrow, County Health | November 13 |
| James Paz, Sheriff's Office | November 13 |
| William Miller, Road Commission | December 13 |
| Barbara Pendleton, Extension | December 23 |

A. **Retirements** - Kathy Irvin, Youth Center, deferred December 18

B. Financial Reports – On File with Retirement Specialist

1. Comerica Bank Consolidated Statement, Cash Account Statement, Alliance Capital Management, Anchor Capital Advisors, Boyd Watterson Asset Management, Brandywine Asset Management Global, Brandywine Asset Management Large Cap, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Templeton Portfolio Advisors for period 12/01/07 through 12/31/07 and Securities Lending Statement for November, 2007.
2. Alpine Investor Statement for 2007.

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3. Boyd Watterson client statement for period ending November 30, 2007 and December 31, 2007.
4. Brandywine Global Investment Management – Global Fixed and Large Cap Value (PCG) Portfolio for December 2007.
5. Morgan Stanley Vision Account for AllianceBernstein Regent, Anchor Capital Advisors, Brandywine Global Fixed Income, NWQ LCV, NWQ International and Templeton Private Client Group for period ending December 31, 2007.
6. Pacific Income portfolio appraisal for period ending December 31, 2007.

C. Communication

1. Boyd Watterson Quarterly Investment Outlook, January 2008.
2. Coughlin Stoia Geller Rudman & Robbins newsletter, January 2008.
3. Franklin Templeton Proxy Voting Summary report for 4th quarter 2007.
4. GRS News Scan, December 2007 and Research Memorandum.

All in favor, motion carried.

Invoices

Motion by George Jondro, supported by Nancy Colpaert to approve for payment the following invoices, subject to house audit:

1. Invoice #22353 dated December 14, 2007 in the amount of \$36,591.00 from Boyd Watterson Asset Management for investment management services for period 09/01/07 through 11/30/07.
2. 2008 MAPERS Membership dues in the amount of \$50.00.
3. Invoice #1055 dated December 27, 2007 in the amount of \$19,140.39 from Monroe County Finance Department for services rendered to the retirement board by Debra Elmore for 4th quarter 2007.

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4. Invoice #1066 dated January 3, 2008 in the amount of \$14.54 from Monroe County Finance Department for December 2007 postage.
5. Invoice #335796 - \$14,915.01 and Invoice #335797 - \$3,506.87 from Comerica Bank for custodial service fees for 4th quarter 2007.

All in favor, motion carried.

Refunds - none

Retirement Payments

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

1. Kathy Irvin, Youth Center deferred \$759.57
(Dec – 236.31; Jan – 523.26)

All in favor, motion carried.

Communications

1. Letter dated January 7, 2008 from Gabriel, Roeder, Smith & Co. regarding proposed fees for the December 31, 2007 actuarial valuation.

Motion by Pam Jones, supported by Nancy Colpaert to accept, place on file and approve Gabriel, Roeder, Smith & Co. to do the December 31, 2007 actuarial valuation. All in favor, motion carried.

2. MAPERS One Day Seminar on Alternative Investments to be held on February 7, 2008 in Ypsilanti, Michigan.

Motion by Clayton Charron, supported by George Jondro to approve sending Trustees, Retirement Specialist and Secretary. All in favor, motion carried.

3. 2008 NCPERS Annual Conference to be held May 16-22, 2008 in New Orleans, LA.

Motion by Clayton Charron, supported by Nancy Colpaert to approve sending Trustees, Retirement Specialist and Secretary. All in favor, motion carried.

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4. Application dated January 14, 2008 from Vincent Badalamente, Sheriff's Office requesting to purchase four years of military service time.

Motion by Nancy Colpaert, supported by Jim Morgan to accept, place on file and refer to legal counsel to determine if he meets the time period to purchase service time. All in favor, motion carried.

Proposed Resolutions

Motion by George Jondro, supported by Clayton Charron to accept and place on file the following resolutions:

1. Connie Carroll, ETD – Application for Deferred Retirement
2. Kathy Irvine, Youth Center – Deferred Service Retirement

All in favor, motion carried.

Attorney Report

Mr. Michaud would like to have a record request for Barnes & Noble. The Board holds stock with Anchor Capital. This is just a request to look at their records and will be no cost to the Board. Motion by Jim Morgan, supported by George Jondro to authorize legal to request this. All in favor, motion carried.

Mr. Michaud reported on a request from Retirement Specialist to refund contributions and interest to Bruce Weeks, a former Monroe County Road Commission employee who terminated in 1994 but does not have enough service time to collect a pension. Mr. Michaud stated that the Retirement Board cannot just send him a check without him requesting his contributions but can send a letter to let him know that he is not vested and does not qualify for the Reciprocal Retirement Act.

Motion by Jim Morgan, supported by Pam Jones to send him the letter. A friendly amendment was added by Henry Lievens to include in the letter that the Board was doing an end of the year review and saw that he was not vested and had contributions in the system. All in favor, motion carried.

Mr. Michaud provided the Retirement Specialist with a copy of an EDRO for a former Probate Court Judge who will be eligible to collect his pension in February 2008.

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Legal advised the Board that the IRS has finally posted guidelines for the Pension Protection Act of 2006 that allows retired Public Safety Officers to exclude up to \$3,000 annually from federal taxation for distributions made from an eligible governmental plan to pay premiums for qualified health insurance or long-term care. Mr. Michaud would like the Board to send a letter to all qualified retirees advising them of the tax break. Motion by Pam Jones, supported by Clayton Charron to authorize legal to draft a letter to send to eligible retirees. All in favor, motion carried.

Consultant's Report

Mr. Galanis reviewed the evaluation update for the period ending December 31, 2007. The Retirement System was down \$1,396,820.46 out of which \$431,552.09 went to pay monthly bills and retirement payments from previous month. Fund is now valued at \$187,673,916.24. Large cap value is out of favor right now but bond managers held their own.

Mr. Galanis advised the Retirement Board of the need to transfer money into the cash account for future bills and retirement payments. He suggests taking \$1,000,000.00 from Brandywine Large Cap Value and \$1,000,000.00 from NWQ Large Cap Value. Motion by George Jondro, supported by Bill Sisk to go with recommendation of Consultant and make the transfer. All in favor, motion carried.

Mr. Galanis also recommends that the Board take a look at the 130/30 equity funds. He would like to bring in two managers for the February 25 meeting for the Board to listen to. The Board can invest \$2 - \$5 million (1%) without going over their 5% limit. Motion by Jim Morgan, supported by George Jondro to allow Mr. Galanis to bring in two managers for February meeting, as long as there is no obligation for the Board to hire either manager. All in favor, motion carried.

Old Business

- Disability Retirement Re-examinations
 - David Webb, Road Commission – his pension check has been suspended and will send him for a re-examination in April, when the rest of the disability retirees go.
- FOIA Resolution dated August 27, 2007 – Chairman Thompson said he would get the Administrative Committee to meet

New Business

- Set interest rate for employee contributions

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Motion by George Jondro, supported by Pam Jones to set the interest rate at 5%. All in favor, motion carried.

Trustee Comments

Nancy Colpaert would like to congratulate Dave Thompson and Jim Morgan for being re-elected as Chairman and Vice Chairman, respectively.

Jim Morgan would like to thank Deb for putting back on the agenda that his term as Trustee will be up for election in December. It was omitted from the Administrative Calendar adopted at the December 17, 2007 meeting.

Administrative Calendar

Mr. Cho advised the Board that Anchor Capital cannot make it for their September 22 presentation so Anchor will be moved to the June 23 meeting and NWQ will be on the agenda for the September 22 meeting. The Board does not have a problem with that.

Motion by Jim Morgan, supported by George Jondro to adjourn. All in favor, motion carried. Meeting adjourned at 6:00 P.M.

Respectfully Submitted,

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