

**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 February 28, 2011 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan. The meeting was called to order by Chairman Colpaert at 5:00 P.M.

PRESENT: James Davies, Michael Grodi, Henry Lievens, Anne McCarthy, James Morgan, William Myers and William Sisk

ABSENT: Nancy Colpaert and Joseph Hudson (excused)

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

Motion by Anne McCarthy, supported by William Myers to approve the minutes of the January 24, 2011 regular meeting. Motion carried.

Motion by William Sisk, supported by James Davies to approve the agenda as submitted. Motion carried.

Citizens Time – None

Presentations – Craig Maxwell, Templeton Portfolio

Mr. Maxwell introduced himself as the Regional Director for Templeton Portfolio Advisors. He stated he has been with the company for 18 years, and will be replacing Michael Wasz. Templeton Investments was founded in 1947 and is a dedicated investment management organization with the ability to offer six distinct investment management platforms from a single source. Templeton Portfolio currently manages 6.9 billion in assets. Mr. Maxwell stated there have been no changes to the Templeton Management Team.

Next, Mr. Maxwell discussed the period ended December 31, 2010. He stated the numbers are good, but Templeton Portfolio did slightly underperform. The fund was up 7.4% compared to the benchmark 8.2% at the end of 2010. He also stated that year to date the fund is up 5.0% compared to the benchmark 4.7%.

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Finally, Mr. Maxwell discussed the Sector Weightings, Geographic Weightings, Top 10 Holdings as well as the Portfolio Characteristics. He stated he is comfortable with the current stock selections heading in 2011 and is looking forward to working with the Retirement Board and the Trustees.

Motion by James Davies, supported by William Sisk to approve the consent agenda as listed below.

A. Retirements - None

B. Financial Reports – On File with Retirement Specialist

1. Alpine Annual Report for the period ended October 31, 2010.
2. Anchor Capital Advisors Portfolio Summary for the period ended December 31, 2010.
3. Boyd Watterson Asset Management Quarterly Investment Outlook for the period ended December 2010.
4. Brandywine Global Investment Management Global Fixed Income Portfolio for the period ended January 2011.
5. Comerica Bank Securities Lending Statement for December 2010.
6. Eagle Global Advisors Quarterly Investment Portfolio Appraisal for the period ended December 31, 2010.
7. Lazard Asset Management Portfolio Review for the period ended 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 and Smith Group Asset Management for the period ended January 31, 2011.
9. NWQ Investment Management Portfolio Summary for the period ended December 31, 2010.
10. Pacific Income Advisers Portfolio Appraisal for the period ended December 31, 2010.

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11. Pacific Income Advisers Fixed Income Quarterly Report for the period ended December 31, 2010.
12. Smith Group Asset Management Quarterly Portfolio Summary for the period ended December 31, 2010.
13. Tradewinds Global Investors Portfolio Summary for the period ended December 31, 2010.

C. Communication

1. Robbins Geller Rudman & Dowd Settlement Report for the period ended February 2011.
2. Robbins Geller Rudman & Dowd Litigation Report for the Quarter ended December 31, 2010.
3. Robbins Geller Rudman & Dowd Portfolio Monitoring Report for the Quarter ended September 30, 2010.

Motion Carried.

Invoices

Motion by Michael Grodi, supported by William Myers to approve for payment the following invoices, subject to house audit:

1. Invoice dated January 1, 2011 in the amount of \$17,440.74 from Anchor Capital Advisors for investment services rendered for the period of September 30, 2010 – December 31, 2010.
2. Invoice #80331210 dated January 31, 2011 in the amount of \$24,729.16 from Brandywine Global Investment Management for investment services rendered for the period of October 1, 2010 – December 31, 2010.
3. Invoice dated January 31, 2010 in the amount of \$489.07 from Comerica Commercial Card Service for the MAPERS one day educational seminar and Staples.
4. Invoice #369218 in the amount of \$13,625.12 from Comerica Bank for custodial services rendered for the period of October 1, 2010 – December 31, 2010.

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5. Invoice #369246 in the amount of \$4,210.70 from Comerica Bank for custodial services rendered for the period of October 1, 2010 – December 31, 2010.
6. Invoice #1871 dated January 20, 2011 in the amount of \$122.27 from County of Monroe for December 2010 Postage and Federal Express charges.
7. Invoice #XF6F81PM2 in the amount of \$248.33 from Dell for a printer in the Retirement Specialist office.
8. Invoice in the amount of \$15,307.00 from Eagle Global Advisors for investment services rendered for the period of October 1, 2010 – December 31, 2010.
9. Invoice dated January 20, 2011 in the amount of \$16,373.45 from Franklin Templeton Investments for investment services rendered for the period ending December 31, 2010.
10. Invoice dated January 21, 2011 in the amount of \$61,179.29 from Morgan Stanley Smith Barney for Management fees for the period of October 1, 2010 – December 31, 2010.
11. Invoice dated January 31, 2011 in the amount of \$8,970.00 from Pacific Income Advisers for investment services rendered for the period of October 1, 2010 – December 31, 2010.
12. Invoice dated January 14, 2011 in the amount of \$12,495.01 from Renaissance Investment Management for investment services rendered for the period of October 1, 2010 – December 31, 2010.
13. Final invoice dated January 28, 2011 in the amount of \$3,961.35 from Renaissance Investment Management for investment services rendered for the period of January 1, 2011 – January 27, 2011.
14. Invoice dated January 14, 2011 in the amount of \$15,475.96 from Renaissance Investment Management for investment services rendered for the period of October 1, 2010 – December 31, 2010.
15. Invoice in the amount of \$6,919.62 from Smith Group Asset Management for investment services rendered for the period of October 1, 2010 – December 31, 2010.

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16. Final invoice in the amount of \$1,181.66 from Smith Group Asset Management for investment services rendered for the period of December 31, 2010 – January 21, 2011.

Motion carried.

Refunds

Motion by Anne McCarthy, supported by James Davies to approve the following refunds:

1. Bonnie DeSloover, Sheriff's Office	\$43,006.52
2. Louis Galloro, Sheriff's Office	\$33,916.54
(PNC Bank: FBO Louis Galloro)	\$49,819.42
3. Letha Higham, Sheriff's Office	\$30,213.86
(Edward Jones: FBO Letha Higham)	\$40,321.86
4. Dale Lockwood, Prosecuting Attorney	\$ 4,401.64
(Raymond James: FBO Dale Lockwood)	\$17,130.79
5. Dale Malone, Sheriff's Office	\$37,933.92
(Jackson National: FBO Dale Malone)	\$53,682.57
6. Mark Mignano, Friend of the Court	\$ 2,764.24
7. Daniel Motylinski, Sheriff's Office	\$38,049.82
(LPL Financial: FBO Daniel Motylinski)	\$49,077.23
8. Theresa Musgrove, District Court	\$ 3,291.45
9. Gregory Ruch, Sheriff's Office	\$29,783.22
(Pershing IRA: FBO Gregory Ruch)	\$23,614.67
10. David Thompson, Sheriff's Office	\$30,536.87
(Morgan Stanley: FBO David Thompson)	\$33,685.53
11. Barbara Verran, Employment & Training	\$ 1,786.27
(American Equity: FBO Barbara Verran)	\$ 4,138.85

Motion carried.

Retirement Payments

Motion by William Sisk, supported by Anne McCarthy to approve the following retirement payments:

1. Bonnie DeSloover, Sheriff's Office	\$ 4,845.92
**January \$2,422.96	
2. John Fowler, Board of Commissioners	\$ 564.12
**January 282.06	

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3. Louis Galloro, Sheriff's Office	\$ 7,941.36
**January \$3,970.68	
4. Letha Higham, Sheriff's Office	\$ 8,357.40
**January \$4,178.70	
5. Susan Ivey, Health Department	\$ 3,601.04
**January \$1,800.52	
6. George Jondro, Buildings & Grounds	\$ 8,084.26
**December \$252.64, January \$3,915.81	
7. Dawn Kurtz, Youth Center	\$ 4,039.16
**January \$2,019.58	
8. Dale Lockwood, Prosecuting Attorney	\$ 5,133.74
**January \$2,566.87	
9. Dale Malone, Sheriff's Office	\$ 8,177.32
**January \$4,088.66	
10. Floreine Mentel, Board of Commissioners	\$ 1,190.90
**January \$595.45	
11. Mark Mignano, Friend of the Court	\$ 6,422.14
**January \$3,211.07	
12. Daniel Motylinski, Sheriff's Office	\$ 8,993.26
**January \$4,496.63	
13. Theresa Musgrove, District Court	\$ 3,163.76
**January \$1,581.88	
14. Robert Peven, Planning	\$ 7,770.00
**January \$3,885.00	
15. Gregory Ruch, Sheriff's Office	\$ 4,822.30
**January \$2,411.15	
16. David Thompson, Sheriff's Office	\$ 7,881.68
**January \$3,940.84	
17. Barbara Verran, Employment & Training	\$ 9,138.50
**January \$4,569.25	
18. Kathleen Willets, Fairview	\$ 2,918.78
**January \$1,459.39	
19. Dale Zorn, Board of Commissioners	\$ 1,650.27
**December \$76.17, January \$787.05	

Motion carried.

Communications

Motion by Henry Lievens, supported by Michael Grodi to accept and place on file the following Application for Purchase of Military Service Time:

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1. R. LaMar Frederick, Board of Commissioners

Motion carried.

Proposed Resolutions

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

1. Bonnie DeSloover, Sheriff's Office
2. John Fowler, Board of Commissioners
3. Louis Galloro, Sheriff's Office
4. Letha Higham, Sheriff's Office
5. Susan Ivey, Health Department
6. George Jondro, Buildings & Grounds
7. Dawn Kurtz, Youth Center
8. Dale Lockwood, Prosecuting Attorney
9. Dale Malone, Sheriff's Office
10. Floreine Mentel, Board of Commissioners
11. Mark Mignano, Friend of the Court
12. Daniel Motylinski, Sheriff's Office
13. Theresa Musgrove, District Court
14. Robert Peven, Planning
15. Gregory Ruch, Sheriff's Office
16. David Thompson, Sheriff's Office
17. Barbara Verran, Employment & Training
18. Kathleen Willets, Fairview
19. Dale Zorn, Board of Commissioners

Motion carried.

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

20. Leland Jordan, Sheriff's Office
21. Dale Lockwood, Prosecuting Attorney
22. Susan Maier, Finance
23. Daniel Stefanski, Drain Commission

Motion carried.

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Attorney Report

Mr. Michaud discussed legislative updates. There appears to be a lot of activity in Lansing regarding proposals for web pages, reporting expenses and taxation of public pensions. He recommends contacting your representative.

Consultant Report

Mr. Galanis reviewed the valuation report for month ending January 31, 2011. The fund is valued at \$177,542,747.99 up \$787,438.38 from the previous month.

The Total Fund was up .53%. The current asset allocation includes 43.95% in fixed income, 42.53% in equity, and 13.52% in cash.

Mr. Galanis also reviewed the Fourth Quarter Investment Manager Performance Report. He stated in the fourth quarter, markets continued to benefit from intervention by governments and central banks, marking a second year of recovery from the financial crisis. Moving forward, there is every indication that the recovery could become an expansion. The total fund for the fourth quarter was up 4.01%. Year to date the total fund is up 10.81%.

Old Business

- Fiduciary Liability Insurance

Mr. Maniko informed the Retirement Board that the information has gone to market for review. We will hopefully have some quotes back by the next Retirement Board meeting.

- Set Interest Rate for 2011

Mr. Maniko recommends this information be forwarded to the administrative policy committee for review.

New Business

Motion by Henry Lievens, supported by William Sisk to allow Trustees, Retirement Secretary and Retirement Specialist to attend NCPERS and MAPERS. Motion carried.

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Trustee Comments

Michael Grodi expressed his concerns regarding the Legislation in Lansing.

James Davies stated politically there are a lot of changes. He requested Mr. Michaud keep the Retirement Board updated.

Motion by William Sisk, supported by William Myers to adjourn. Motion carried. Meeting adjourned at 6:30 P.M.

Respectfully Submitted,

James Morgan, Vice Chairman
Monroe County Employees Retirement System
Board of Trustees