

**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 April 28, 2008 at 4:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Clayton Charron, Nancy Colpaert, Jim Davies, Pam Jones, Henry Lievens (arrived at 5:20), Jim Morgan and William Sisk.

ABSENT: George Jondro and David Thompson, excused.

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, Vice Chairman Morgan called the meeting to order at 5:00 P.M.

Motion by Pam Jones, supported by Bill Sisk to approve the minutes of the March 24, 2008 meeting as submitted. All in favor, motion carried.

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

Citizens Time – none

Presentations

Mr. Cho advised the Board that AllianceBernstein, who was supposed to do their yearly report to the Board at this meeting, is terminating their contract with the Monroe County Employees Retirement System. They want to have a soft dollar arrangement instead of the zero commission policy by trading through Morgan Stanley.

Morgan Stanley has done a search to replace Alliance Bernstein with another large growth manager. With the Monroe County Employees Retirement System criteria, Morgan Stanley narrowed it down to 15 firms. Below is a list of criteria that the 15 firms need to meet in order to qualify to make a presentation to the Board:

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The benchmark is the Russell 1000 Growth

- Overall Performance: Trailing Rates of Return: Quarter 1, 3, 5 and 7 years – field narrowed to 12 firms.
- Consistency of Performance: Rolling 1 and 3 – year returns – field narrowed to 6 firms.
- 3, 5 and 7 year Batting Averages: field narrowed down to 4 firms
- Rolling 5 – year Upside & Downside Capture Ratios – field narrowed to 3 firms
- 5 – Year Rolling Correlation Coefficients – field narrowed down to the 2 firms who will make a presentation to the Board

Motion by Jim Davies, supported by Bill Sisk to have Renaissance and the Smith Group to make a presentation at the May 12, 2008 meeting. All in favor, motion carried.

Jim Morgan suggested that the May meeting begin at 4:00 due to a large agenda. After discussion, motion by Pam Jones, supported by Bill Sisk to move up the starting time to 4:00 P.M. All in favor, motion carried.

Motion by Pam Jones, supported by Clayton Charron to approve consent agenda as submitted below:

- A. Retirements - Sharyn Milliman, Central Dispatch** April 26
- 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 03/01/08 through 03/31/08 and Securities Lending Statement for February 2008.
 2. Alpine Investor Statement for 1st quarter 2008.
 3. Boyd Watterson Client Statement for period ending February 29, and March 31, 2008.
 4. Brandywine Global Investment Management – Global Fixed Income and Large Cap Value (PCG) Portfolio for March 2008 and 1st Quarter 2008.

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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 March 31, 2008.
6. Pacific Income portfolio appraisal for period ending February 29 and March 31, 2008.

C. Communication

1. Boyd Watterson Quarterly Investment Outlook, April 2008.
2. Franklin Templeton Proxy Voting Summary Report for 1st Quarter 2008.
3. GRS News Scan, March 2008.
4. Tradewinds Global Investors “Welcome to the Hotel California” report.

All in favor, motion carried.

Invoices

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

1. Invoice #22785 dated March 17, 2008 in the amount of \$37,584.00 from Boyd Watterson Asset Management for investment management fees for period 12/01/07 through 02/29/08.
2. Invoice dated March 31, 2008 in the amount of \$1,000.00 from Comerica Commercial Card Service for registration for one trustee for the NCPERS 2008 Annual Conference.
3. Invoice #339117 - \$12,504.15 and Invoice #339156 - \$2,877.27 dated March 31, 2008 from Comerica Bank for custodial services rendered for 1st quarter 2008.
4. Invoice dated April 15, 2008 in the amount of \$550.00 from Steven Dovitz, M.D. for the independent medical evaluation of Richard Barkenquast, disability retiree applicant.

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5. Invoice #104317 dated March 25, 2008 in the amount of \$4,313.00 from Gabriel Roeder Smith & Co. for regular actuarial services performed for 1st quarter 2008, including the December 31, 2007 actuarial valuation.
6. Invoice #104574 dated April 15, 2008 in the amount of \$900.00 from Gabriel Roeder Smith & Co. for EDRO calculations for Alternate Payee's Benefit in the matter of Participant James M. Seitz and alternate Payee Virginia A. Seitz.
7. Invoice #104598 dated April 17, 2008 in the amount of \$8,850.00 from Gabriel Roeder Smith & Co. for annual maintenance fee on Pension Software Program for 2008.
8. Invoice #1096 dated March 28, 2008 in the amount of \$20,139.42 from Monroe County Finance Department for services rendered to the Retirement Board by Debra Elmore for 1st quarter 2008.
9. Invoice #1099 dated April 2, 2008 in the amount of \$18.66 from Monroe County Finance Department for March 2008 postage.
10. Invoice dated April 18, 2008 in the amount of \$10,300.00 from Pacific Income Advisers for investment management services for 1st quarter 2008.
11. Reimbursement in the amount of \$329.00 to Nancy Colpaert for airfare for the 2008 NCPERS Annual Conference in New Orleans, LA.

Charles Londo had a question concerning Item 7-6. He asked if the Retirement System pays for the cost of the calculation of an EDRO or if it is supposed to be paid by the participant and spouse. Deb Elmore explained to the Board that Ms. Seitz had already paid the \$900.00 to the Retirement System for the calculation and now the Retirement System will pay the invoice from GRS.

All in favor, motion carried.

Refunds - none

Retirement Payments

Motion by Nancy Colpaert, supported by Jim Davies to pay the following retirement payments:

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|----|---|------------|
| 1. | Susan Montri-Haft, Mental Health, deferred
(pro-rated for April) | \$ 741.88 |
| 2. | Virginia Seitz, Probate Court, deferred
EDRO - James M. Seitz, participant
(Feb – 516.12; Mar – 2,494.49; Apr – 2,494.49) | \$5,505.10 |
| 3. | Dawn Shock, Library | \$2,274.58 |
| 4. | James VanDevelde, Road Commission
(March – 179.82; April – 1,858.18) | \$2,038.00 |

All in favor, motion carried.

Communications

1. Application for Deferred Service Status from Ronald Berns, former Central Dispatch employee.
2. Application for Deferred Service Status from Laura Jones, former Mental Health employee.

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

3. Medical report dated April 15, 2008 from Steven Dvotiz, M.D. concerning disability retiree applicant Richard Barkenquast.

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

Proposed Resolutions

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

1. Richard Barkenquast, Central Dispatch – Disability Retirement
3. Dawn M. Shock, Library – Service Retirement
4. James VanDevelde, Road Commission – Service Retirement
5. Seitz, Virginia v. James – EDRO Retirement

All in favor, motion carried.

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Motion by Pam Jones, supported by Clayton Charron to accept and place on file the following resolution with correction from Employment & Training Department to Mental Health:

2. Susan Montri-Haft, Mental Health – Deferred Service Retirement

All in favor, motion carried.

Attorney Report

Mr. Michaud has reviewed the EDRO dated March 17, 2008 in the matter of Edward Francis Swinkey v. Julia Ann Bodell and is of the opinion that it is consistent with the provisions of the Retirement System and applicable law. Motion by Pam Jones, supported by Bill Sisk to approve as provided. All in favor, motion carried.

Mr. Michaud also discussed the FAC calculations of a deferred employee from Mental Health. This employee worked for Mental Health from 1978 until 1988. He then was re-employed from 1994 through 1997. With the time span from 1988 and 1994 and coming back to lower wages, his FAC is \$10,000.00 less than what it would have been if he had not come back to work. He believes his FAC should be based on his first round of employment with Mental Health. Mr. Michaud says the ordinance clearly states the terms of figuring the FAC. Therefore, the FAC calculation begins with 1997 and goes back the 36 months out of the last 10 years.

Consultant's Report

Mr. Galanis reviewed the evaluation update for the period ending March 31, 2008. The Retirement System was down \$3,002,592.17. Fund is now valued at \$179,343,748.54.

Old Business - none

New Business

- Disability Retiree re-examinations

Motion by Bill Sisk, supported by Clayton Charron to have Retirement Specialist set up appointments for those disability retirees who are due to undergo a re-examination this year. All in favor, motion carried.

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Trustee Comments

Bill Sisk liked the way Jim Morgan zipped through the meeting.

Motion by Jim Davies, supported by Henry Lievens to adjourn. All in favor, motion carried. Meeting adjourned at 5:30 P.M.

Respectfully Submitted,

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