

**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 July 27, 2009 at 5:00 P.M. in the Board of Commissioner's Meeting Room at 125 E. Second St., Monroe, Michigan.

PRESENT: Nancy Colpaert, James Davies, John Fowler, George Jondro, Anne McCarthy, Jim Morgan, Bill Myers, Bill Sisk and David Thompson.

ABSENT: none

ALSO PRESENT: Debra Elmore, Retirement Specialist; Sandy Calkins, Retirement Specialist, 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 Jim Davies to approve the minutes of the June 22, 2009 regular meeting. A few corrections needed to be made. James Davies was excused for the meeting, was listed as absent. Under Proposed Resolutions, Nancy Colpaert was listed as absent but was present. All in favor, motion carried.

Motion by Bill Sisk, supported by John Fowler to approve the agenda as submitted. All in favor, motion carried.

Citizens Time – none

Presentations – Lisa George – NWQ & Tradewinds

Ms. George advised the Board that NWQ hired two analysts. The market value as of June 30, 2009 was \$9,683,000.00 for a net gain of \$709,000.00. Year to date up 4.3% while the benchmark (Russell 1000 Value) was down 2.9%.

Ms. George also explained to the Board the change in personnel at Tradewinds. The Board should not see any difference in how the portfolio is managed. The market value for Tradewinds as of June 30, 2009 was \$7,736,000.00 for a net gain of \$636,000.00 Year to date was at 9.0% while the benchmark (MSCI EAFE) was at 8.0%.

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

July 27, 2009 – Page 2

Motion by Jim Davies, supported by Anne McCarthy to approve consent agenda as listed below:

A. Retirements Charles A. Londo, Finance July 1

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, Eagle Global Advisors, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Renaissance Investment Company and International Equity, Smith Group Asset Management and Templeton Portfolio Advisors for period 06/01/09 through 06/30/09 and Securities Lending Statement for May 2009.
2. Alpine Investor Statement for period 01/01/09 through 06/30/09.
3. Boyd Watterson Asset Management Client Statement for period ending June 30, 2009.
4. Brandywine Global Fixed Income Portfolio for May and June 2009.
5. Diamond Hill Funds Statement for period 04/01/09 through 06/30/09.
6. J.P. Morgan Quarterly Statement for period 04/01/09 through 06/30/09.
7. Morgan Stanley Vision Account for Anchor Capital Advisors, Eagle Global Advisors, NWQ LCV and International, Renaissance Investment Advisors and International, Smith Asset Management Group and Templeton Portfolio Advisors for month ending June 30, 2009.
8. Pacific Income Advisors portfolio appraisal for month ending May 31 and June 30, 2009.
9. Smith Group Asset Management Quarterly portfolio summary for 2nd quarter 2009.
10. Templeton Portfolio Advisors performance results of equity strategies as of May 31, 2009.

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

July 27, 2009 – Page 3

C. Communication

1. Smith Group Market Perspective for July 2009.
2. Tradewinds Global Investors Firm Update dated June 17, 2009

All in favor, motion carried.

Invoices

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

1. Invoice dated June 25, 2009 in the amount of \$5,818.75 from VanOverbeke, Michaud, & Timmony, P.C. for legal services rendered for 1st quarter 2009.
2. Invoice #353998 - \$12,051.11 and Invoice #353999 - \$2,734.54 from Comerica Bank for custodial services rendered for 2nd quarter 2009.
3. Invoice dated June 30, 2009 in the amount of \$2,489.25 from Comerica Commercial Card Service for hotel deposits for the 2009 MAPERS Fall Educational Seminar and two Trustee Books.
4. Invoice #3-09 dated July 6, 2009 in the amount of \$1,594.00 from Debra Elmore for retirement specialist services for June 2009.
5. Invoices dated June, 2009 in the amount of \$2,200.00 from Dr. Steven Dovitz for independent medical evaluation on the following disability retirees: Richard Barkenquast, Sheila Casey, Nicholas Musulin and Jerome VanSalmbrouck.
6. Invoice #108713 dated June 30, 2009 in the amount of \$4,550.00 from Gabriel, Roeder, Smith & Co. for regular actuarial services performed for 2nd quarter 2009.
7. Invoice #1438 dated July 1, 2009 in the amount of \$26.84 from Monroe County Finance Department for June 2009 postage.

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

July 27, 2009 – Page 4

8. Invoice #1439 dated July 1, 2009 in the amount of \$3,357.43 for services rendered to the Retirement Board by the Retirement Specialist for April 1 through April 10, 2009 and Central Services for 2nd quarter 2009.
9. Invoice #0006-576-22 dated July 10, 2009 in the amount of \$119.66 from Monroe County Printing for envelopes.
10. Invoice dated July 16, 2009 in the amount of \$10,627.56 from Renaissance Investment Management for investment management services of International Equity Portfolio for 2nd quarter 2009.
11. Invoice dated July 16, 2009 in the amount of \$9,177.80 from Renaissance Investment Management for investment management services of the Large Cap Growth Portfolio for 2nd quarter 2009.
12. Invoice dated June 30, 2009 in the amount of \$7,346.94 from Smith Group Asset Management for investment management services for 2nd quarter 2009.

Anne McCarthy questioned legal regarding billing for March 10, 2009 since it was not a Retirement Board meeting. The reason for the charge was due to an Administrative Policy Meeting. She also questioned the billing timeliness since the billing period is for 1st quarter 2009 and we are currently in the 3rd quarter 2009.

All in favor, motion carried.

Refunds

Motion by George Jondro, supported by William Myers to approve the following refunds:

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| 1. | Frank Atkinson Jr., Sheriff's Office | \$42,391.01 |
| 2. | Monroe Co. Community Credit Union
(FBO Frank Atkinson, Jr., Sheriff's Office) | \$63,199.94 |

All in favor, motion carried.

Retirement Payments

Motion by William Sisk, supported by John Fowler to pay the following retirement payments:

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

July 27, 2009 – Page 5

- | | | |
|----|--|------------|
| 1. | Frank Atkinson Jr., Sheriff's Office | \$4,102.82 |
| 2. | Charles A. Londo, Finance | \$3,244.26 |
| 3. | Anna L. Maurice, ETD
(pro-rated for June \$275.77; July \$719.30) | \$ 995.07 |

All in favor, motion carried.

Communications

1. Application for Deferred Service Status from Laurie Smith, Sheriff's office.

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

2. Medical report dated June 12, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Richard Barkenquast.

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

3. Medical report dated June 19, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Sheila Casey.

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

4. Medical report dated June 25, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Nicholas Musulin.

Motion by George Jondro, supported by Jim Morgan to accept and place on file. All in favor, motion carried.

5. Medical report dated June 18, 2009 from Steven Dovitz, M.D. regarding re-examination of disability retiree Jerome VanSlambrouck.

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

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

July 27, 2009 – Page 6

Mr. Thompson recommends reviewing previous year's medical report before sending disability retiree for a re-examination. Legal recommends asking Medical Advisor's opinion on whether or not disability retiree's condition will improve.

Proposed Resolutions

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

1. Frank Atkinson, Jr., Sheriff's Office – Service Retirement
2. Charles A. Londo, Finance – Service Retirement
3. Anna L. Maurice, ETD – Service Retirement
4. Richard Barkenquast, Central Dispatch – Disability Retirant Re-exam
5. Sheila Casey, Sheriff's Office – Disability Retirant Re-exam
6. Nicholas Musulin, Buildings & Grounds – Disability Retirant Re-exam
7. Jerome VanSlambrouck, South County – Disability Retirant Re-exam

All in favor, motion carried.

Attorney Report

Mr. Michaud submitted an opinion on the following issues:

- Disability retiree offset of Sheila Casey – will work with Retirement Specialist on what the offsets will be

Motion by Jim Morgan, support by Jim Davies to accept and place on file. All in favor, motion carried.

- Domestic Relations Order for retiree Tim Trout – due to the receipt of a Stipulation and Order Amending Judgement of Divorce entered June 5, 2009. Mr. Trout's retirement benefit should be converted to a straight-life retirement allowance with no survivor benefits. This adjustment is for future pension payments only.

Motion by Jim Morgan, supported by William Myers to accept, place on file and make the necessary changes to his pension check and send copy of letter to both parties. All in favor, motion carried.

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

July 27, 2009 – Page 7

- Richard Rod's request for an amended 1099-R – Mr. Rod requested an amended 1099-R due to a litigation settlement of health care payments. As the Retirement System does not pay health care benefits, Mr. Rod's 1099-R accurately reflects the additional pension amounts as taxable and the Board does not have the discretion to issue an amended 1099-R as requested.

Motion by Jim Davies, supported by John Fowler to accept, place on file and send a copy of the letter to Mr. Rod. All in favor, motion carried.

- Judge Jack Vitale – Coordination of County and State Judicial Pension – Due to the fact that Judge Vitale can not collect a pension from both County and State his contributions and interest should be refunded to him.

Motion by Jim Davies, supported by John Fowler to accept, place on file and refund contributions and interest. All in favor, motion carried.

Consultant Report

Mr. Galanis reviewed the valuation report for month ending June 30, 2009. The fund is valued at \$151,549,927.97 up \$303,503.11 from the previous month. Brandywine Global and Renaissance Large Growth were the top performing managers.

Old Business

- Disability Retiree Re-exams
- Ronald Bitz, Road Commission
- Scott Ferguson, Youth Center
- David Funk, Sheriff's Office
- Denise Smith, Sheriff's Office
- Robert Vanisacker, Road Commission
- David Webb, Road Commission – Appointment June 30 waiting on Doctor's report

All retirees have been notified of appointments

- Retirement Specialist replacement status
Sandy Calkins has been awarded the position

The position will be a Rye Grade 8 and will revert to original position with the Retirement Board paying 100% of Wages and Benefits.

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

July 27, 2009 – Page 8

A new contract will need to be drafted for The Board of Commissioners and the Retirement Board to sign. This contract will mirror the previous contract except the Retirement Board will pay no central services. There was a contract previously submitted in 1999 but never signed. Mr. Thompson would like a motion authorizing the Chairman and Vice-Chairman to sign a contract that will be drafted by Legal. He is requesting this to be sent to The Board of Commissioners for approval and signatures.

The Trustees would like Legal to draft a contract and have a special meeting to vote on the same.

Motion by George Jondro, supported by William Sisk to have a special meeting Tuesday, August 4, 2009 at 5:00 p.m. to review the contract and approve before signing. All in favor, motion carried.

- Legal Contract

Anne McCarthy requested an RFP for Legal Counsel. This is important for transparency. The Board of Commissioners did the same for their Legal Counsel.

Mr. Thompson stated the Board sent out an RFP in the 1990's. VanOverbeke, Michaud & Timmony P.C. were hired but a contract was never signed.

Motion by Anne McCarthy, supported by Jim Davies to send out an RFP for Legal Counsel. A roll-call was taken on the motion with Jim Davies, John Fowler, Anne McCarthy, William Myers and William Sisk voting in favor, Nancy Colpaert, George Jondro, Jim Morgan and David Thompson voting no. Motion carried.

- Nancy Feick – She is asking for retirement benefits under the Reciprocal Retirement Act. She was a Prosecutor Office employee who terminated with 7 years and 4 months of retirement service credit. She terminated before the County of Monroe adopted the Reciprocal Retirement Act therefore she is not entitled.

Motion by George Jondro, supported by Jim Morgan to accept and place on file. All in favor, motion carried.

New Business

- Monroe County Retirement System Financial Statements

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

July 27, 2009 – Page 9

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

Trustee Comments

Jim Morgan stated he is still having password problems. IT will be notified. George Jondro welcomed Sandy Calkins as the new Retirement Specialist.

Mr. Thompson will pass out meal tickets for Trustees not staying at the Grand Hotel. He will be there early to check everyone in. Mr. Thompson also is checking with Comerica Bank about reimbursement checks being direct deposited for Trustees. He would like to get all retirees on direct deposit.

Motion by Jim Morgan, supported by George Jondro to adjourn. All in favor, motion carried. Meeting adjourned at 7:15 P.M.

Respectfully Submitted,

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