

**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 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, Jim Davies, George Jondro, Pam Jones (arrived at 5:30), Henry Lievens, Jim Morgan, William Sisk and David Thompson.

ABSENT: none

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 Jim Morgan, supported by Bill Sisk to approve the minutes of the June 23, 2008 meeting as submitted. All in favor, motion carried.

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

**Citizens Time** – none

**Presentations** – Presentations by International Growth Managers

Joe Bruening and Michael Fedorovich from Renaissance Investment gave the first presentation. The Company was founded in 1978 and is located in Cincinnati, Ohio. They manage \$500 million in assets.

Gretchen Deignan and Walter Lynch from Neuberger Berman were next. Neuberger Berman is a division of Lehman Brothers Asset Management. The company was founded in 1939 and they manage \$285 billion in assets.

Thomas Hunt from Eagle Global Advisors was the last presenter. The company is based in Houston, Texas and was founded in 1996. The team has been together since 1993. They manage \$4 billion in assets.

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Mark Rappaport from Alpine Mutual Funds gave the Board a report on the International Real Estate portfolio. As of June 30, 2008 the market value was at \$2,967,409.94 as opposed to \$3,816,911.41 at the beginning of the year.

Motion by Jim Davies, supported by Bill Sisk to approve consent agenda as submitted below:

**A. Retirements** Kay Moore, Animal Control June 23

**B. Financial Reports – On File with Retirement Specialist**

1. Comerica Bank Consolidated Statement, Cash Account Statement, AllianceBernstein Capital Management, Anchor Capital Advisors, Boyd Watterson Asset Management, Brandywine Asset Management Global, Brandywine Asset Management LCV, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Templeton Portfolio Advisors for period 06/01/08 through 06/30/08 and Securities Lending for May, 2008.
2. Alpine Mutual Fund portfolio at a glance for period of January 1, 2008 through June 30, 2008.
3. Boyd Watterson Client Statement for period ending May 31 and June 30, 2008.
4. Brandywine Global Fixed Income and Large Cap Value portfolio for June 2008 and 2<sup>nd</sup> quarter 2008.
5. Morgan Stanley vision account for AllianceBernstein, Anchor Capital Management, Brandywine Global, NWQ International and LCV for period ending June 30, 2008.
6. Pacific Income portfolio appraisal for period ending May 31 and June 30, 2008 and fixed income quarterly report for June 30, 2008.

**C. Communication**

1. Boyd Watterson Quarterly Investment Outlook, June 2008.
2. Proxy voting summary report for 2<sup>nd</sup> quarter 2008 from Franklin Templeton Companies.

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3. Commentary from Tradewinds Global Investors.

All in favor, motion carried.

**Invoices**

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

1. Invoice #23223 dated June 19, 2008 in the amount of \$37,197.00 from Boyd Watterson for investment management fees for period 03/01/2008 through 05/31/08.
2. Invoices in the amount of \$2,750.00 (\$550.00 each exam) from Dr. Steven Dovitz for IMEs for disability retiree re-examinations for Ronald Bitz, Scott Ferguson, Linda Salanick, Jerome VanSlambrouck and Marie Zion.
3. Invoice #105207 dated June 26, 2008 in the amount of \$15,187.00 from Gabriel, Roeder, Smith & Co. for actuarial services for 2<sup>nd</sup> quarter 2008.
4. Invoice #1191 dated July 1, 2008 in the amount of \$21,408.55 from Monroe County Finance Department for services rendered to the Retirement Board by Debra Elmore for 2<sup>nd</sup> quarter 2008.
5. Invoice #1190 dated July 1, 2008 in the amount of \$18.50 from Monroe County Finance Department for June 2008 postage.
6. Invoice dated July 17, 2008 in the amount of \$68,095.24 from Morgan Stanley for consultant management fees of vision accounts for 3<sup>rd</sup> quarter 2007.
7. Invoice dated July 3, 2008 in the amount of \$700.00 from Dr. J. Steven Howell, North Alabama Bone & Joint Center for IME for re-examination of disability retiree Mark Winter.
8. Invoice dated July 15, 2008 in the amount of \$10,199.00 from Pacific Income Advisers for investment management fees for 2<sup>nd</sup> quarter 2008.

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9. Invoice dated July 22, 2008 in the amount of \$4,448.00 from VanOverbeke, Michaud & Timmony, P.C. for legal services rendered for 2<sup>nd</sup> quarter 2008.
10. Reimbursement to James Morgan in the amount of \$42.31 for expenses incurred at the 2008 Annual NCPERS Conference.
11. Reimbursement to William Sisk in the amount of \$178.29 for expenses incurred at the 2008 Annual NCPERS Conference.

On Item 7-4 George Jondro wanted to know what the central services cost was for. Mr. Londo explained that it is part of the cost allocation plan done by Maximus that allows the County to charge the Retirement Board for overhead costs for the Retirement Specialist. On Item 7-6 Dave Thompson wanted to make sure the 2007 date was correct. Ms. Elmore explained that Morgan Stanley had never submitted the invoice for payment.

All in favor, motion carried.

**Refunds**

Motion by Jim Morgan, supported by Bill Sisk to pay they following refunds:

- |    |   |             |
|----|---|-------------|
| 1. | Michael Bezeau, Road Commission                 | \$61,412.27 |
| 2. | Roxann Satkowski, former County Health employee | \$ 2,626.13 |

All in favor, motion carried.

**Retirement Payments**

Motion by Bill Sisk, supported by Jim Morgan to pay the following retirement payments:

- |    |                                 |            |
|----|---------------------------------|------------|
| 1. | Michael Bezeau, Road Commission | \$2,569.69 |
|----|---------------------------------|------------|

All in favor, motion carried.

**Communications**

Disability retiree re-examination letters from Dr. Steven Dovitz for the following:

1. Ronald Bitz, Road Commission dated June 20, 2008

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2. Scott Ferguson, Youth Center dated June 18, 2008
3. Linda Salanick, Circuit Court dated June 27, 2008
4. Jerome VanSlambrouck, County Agency dated June 27, 2008
5. Mark Winter, Animal Control dated June 30, 2008
6. Marie Zion, Central Dispatch dated June 30, 2008

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

**Proposed Resolutions**

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

1. Georgia Siffer, District Court – Application for Service Retirement
2. Michael Bezeau, Road Commission – Service Retirement
3. Ronald Bitz, Road Comm – Disability Retirant Re-examination
4. Scott Ferguson, Youth Center – Disability Retirant Re-examination
5. Linda Salanick, Circuit Court – Disability Retirant Re-examination
6. Jerome VanSlambrouck, County Agency – Disability Retirant Re-exam
7. Mark Winter, Animal Control – Disability Retirant Re-examination
8. Marie Zion, Central Dispatch – Disability Retirant Re-examination

All in favor, motion carried.

**Attorney Report**

Mr. Michaud reported that the Diamond Hill contract has been reviewed, approved and implemented. He also has the updated policies and procedures. Mr. Michaud suggests the Administrative Committee meet to review and bring back to the full Board for final approval.

**Consultant's Report**

Mr. Galanis reviewed the evaluation update for the period ending June 30, 2008. This was the worst June since 1930. The Retirement System was down \$8,119,332.19 from the previous month and is now valued at \$176,489,368.11. The S & P was down 8.43% for the month of June.

Mr. Galanis discussed with the Board on the hiring of two international growth managers that made presentations at the meeting. He would recommend on hiring Eagle

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Global and Renaissance Investment. Mr. Galanis also recommends on taking \$10 million each from Tradewinds Global and Templeton Portfolio to give to each new manager. Mr. Thompson would like to have more time to make a decision. Mr. Thompson and Mr. Lievens would like for the consultants to provide a spreadsheet before next meeting showing the performance of the three companies that made presentations and the two global money managers that the Board presently has.

Mr. Thompson also wanted to know by hiring two more international managers, how it affects the 20% limit on international money managers. Mr. Galanis said most of the funds are in ADRs and Eagle is a mixture of Foreign Ordinaries and ADRs. He will make sure the Board does not go over the 20% limit.

**Old Business**

- Updated Policies & Procedures – done, Administrative Comm needs to meet
- Disability Retiree Re-exams
  - Ronald Bitz – doctor's report under communication
  - Scott Ferguson – doctor's report under communication
  - Linda Salanick – doctor's report under communication
  - Jerome VanSlambrouck – doctor's report under communication
  - David Funk – received a call from Mr. Funk with an updated address. He wanted to know if the Board could use his Social Security re-exam report. Mr. Michaud advised the Board that they need to do their own medical evaluation.
  - Ronald Whited – report will be on the August 25, 2008 agenda
  - Mark Winter – doctor's report under communication

**New Business**

- Financial Statements for Years ending 2006 and 2007. Motion by George Jondro, supported by Nancy Colpaert to accept and place on file. All in favor, motion carried.

**Trustee Comments**

Mr. Thompson would like to maybe set up a committee to look at the re-exam schedule and review past medical reports to see if the disability retiree needs to have a re-exam.

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Motion by George Jondro, supported by Pam Jones 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