

**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 September 22, 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, Henry Lievens (arrived at 5:10) and Jim Morgan.

ABSENT: William Sisk 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 George Jondro, supported by Pam Jones to approve the minutes of the August 25, 2008 meeting as submitted. All in favor, motion carried. Henry Lievens absent.

Motion by Jim Davies, supported by Nancy Colpaert to approve the agenda as submitted with addendum for Items 7-12 through 7-16. All in favor, motion carried. Henry Lievens absent.

**Citizens Time** – none

**Presentations** – Lisa George, NWQ Investment Management and Tradewinds Global

Ms. George gave an overview of the accounts through August 31, 2008. NWQ market value as of 12/31/2007 was \$16,693,000. There was a withdrawal of \$3,000,000 and the market value at the end of August was \$11,354,000. This was a loss of \$2,341,000. Performance for second quarter 2008 the account was down 1.4% as opposed to their benchmark (S&P/Citigroup 500 Value) which was down 7.8%. NWQ Large Cap value returns outperformed the value index 16 of 18 calendar years.

Tradewinds Global had a market value of \$24,028,000 as of 12/31/2007. Market value as of 08/31/2008 was \$21,949,000 which was a net loss of \$2,082,000. Second

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quarter performance was up at 1.5% while their benchmark (MSCI EAFE) was down at 2.3%.

Motion by Jim Davies, supported by George Jondro to approve consent agenda as submitted below:

**A. Retirements** Michael Holt, Road Commission September 4

**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 LCV, NWQ Investment Management and International Value Equity, Pacific Income Advisors and Templeton Portfolio Advisors for period 08/01/08 through 08/31/08 and Securities Lending for July, 2008.
2. AllianceBernstein portfolio summary for period ending June 30, 2008.
3. Boyd Watterson Client Statement for period August 31, 2008.
4. Brandywine Global Fixed Income and Large Cap Value portfolio for August 2008.
5. Morgan Stanley vision account for Anchor Capital Management, Brandywine Global, NWQ International and LCV, Renaissance Group and Smith Asset Management Group for period ending August 31, 2008.
6. Pacific Income Advisors portfolio appraisal for period ending August 31, 2008.
7. Tradewinds Global Investors investment portfolio for period ending June 30, 2008.

**C. Communication**

1. Brandywine Global Investment August 2008 Market Commentary.
2. Brandywine Global Update dated September 15, 2008.

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3. Letter dated August 21, 2008 from Franklin Templeton Investments concerning a check in the amount of \$1,917.92 from the Settlement Fund for the Imperial Chemical Securities Litigation.
4. Announcement from James Kansier stating he has joined Forte Wagenberg Investment Consulting Group of Wachovia Securities.
5. Tradewinds Global Investors Second Quarter Update.

All in favor, motion carried.

**Invoices**

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

1. Invoice #20080630-10668-A dated September 3, 2008 in the amount of \$26,875.21 from AllianceBernstein for investment management services for 2<sup>nd</sup> quarter 2008.
2. Invoice #23675 dated September 13, 2008 in the amount of \$37,587.00 from Boyd Watterson Asset Management for investment management services for 06/01/08 through 08/31/08.
3. Invoice #49030608 dated August 18, 2008 in the amount of \$10,508.47 from Brandywine Global Investment Management (traditional) for investment management services for 2<sup>nd</sup> quarter 2008.
4. Invoice dated August 29, 2009 in the amount of \$1,000.00 from Comerica Commercial Card Service for registration for five trustees to attend the 2008 MAPERS Fall Conference.
5. Invoice #105816 dated August 29, 2008 in the amount of \$3,162.00 from Gabriel, Roeder, Smith & Co. for the Pension Administration Web Hosting Fee for 08/01/08 through 07/31/09.
6. Invoice #1231 dated September 2, 2008 in the amount of \$10.31 from Monroe County Finance Department for August 2008 postage.

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7. Invoice #20080818000786 dated August 1, 2008 in the amount of \$17,202.06 from NWQ Investment Management Company for investment management services for 2<sup>nd</sup> quarter 2008.
8. Invoice #20080818000877 dated June 30, 2008 in the amount of \$37,033.86 from Tradewinds Global Investors for investment management services for 2<sup>nd</sup> quarter 2008.
9. Reimbursement to Debra Elmore in the amount of \$398.39 for expenses from the 2008 MAPERS Fall Conference.
10. Reimbursement to James Morgan in the amount of \$388.14 for expenses from the 2008 MAPERS Fall Conference.
11. Reimbursement to William Sisk in the amount of \$383.55 for expenses from the 2008 MAPERS Fall Conference.
12. Reimbursement to Clayton Charron in the amount of \$378.54 for expenses from the 2008 MAPERS Fall Conference.
13. Reimbursement to Nancy Colpaert in the amount of \$369.87 for expenses from the 2008 MAPERS Fall Conference.
14. Reimbursement to George Jondro in the amount of \$428.38 for expenses from the 2008 MAPERS Fall Conference.
15. Reimbursement to Pamela Jones in the amount of \$412.67 for expenses from the 2008 MAPERS Fall Conference.
16. Reimbursement to Charles Londo in the amount of \$23.71 for expenses from the 2008 MAPERS Fall Conference.

George Jondro wanted to correct his mileage to 600 miles, not 650 so his reimbursement will be \$399.13. All in favor, motion carried.

**Refunds** - none

**Retirement Payments** - none

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**Communications**

1. Communication from Franklin Templeton regarding participation in litigation settlement with respect to securities currently or formerly held in portfolio.

Mr. Michaud advised the Board that Comerica Bank files claims on behalf of Monroe County already. Motion by Pam Jones, supported by Jim Davies to accept and place communication on file. All in favor, motion carried.

2. Certification of Earnings for Disability Retirees for 2007.

Motion by George Jondro, supported by Clayton Charron to accept, place on file and adjust the retirement payments for those who have exceeded their final average compensation in 2007. Adjustments to start with the October 31, 2008 pension checks. 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. Michael J. Holt, Road Commission – Application for Service Retirement

All in favor, motion carried.

**Attorney Report**

Mr. Michaud wanted to thank the Board for attending the 2008 MAPERS Fall Conference and if they need any of the material that was presented or had any questions please let him know.

**Consultant's Report**

Mr. Galanis reviewed the valuation report for month ending August 31, 2008. The fund is valued at \$173,059,788.61 down \$1,453,238.73 from previous month. Alpine International Real Estate, Brandywine Global Fixed, Tradewinds/NWQ and Templeton were all down for the month. Diamond Hill, the 130/30 manager has not been affected by the short selling since they have no short securities.

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Mr. Galanis told the Board that the Board of Trustees needs to transfer money into the cash account to pay the monthly bills and retirement payments. He suggests taking \$2,000,000 from Tradewinds Global to accomplish this.

The Board discussed the hiring of two international growth-style managers. Newberger Berman is out of the running since they are part of Lehman Brothers. That leaves Eagle Global Advisors and Renaissance Investment Management.

After discussion a motion was made by Jim Davies and supported by George Jondro to transfer \$2,000,000 from Tradewinds Global into the cash account, hire Eagle Global Advisors and Renaissance Investment Management, combine the balance of the money that is in Tradewinds Global and Templeton Portfolio and divide the money up between the four managers, giving each manager approximately \$10,000,000 each. Nancy Colpaert, Jim Davies, George Jondro, Pam Jones, Henry Lievens and Jim Morgan supporting the motion with Clayton Charron opposed. Motion carried.

**Old Business**

- Updated Policies & Procedures – legal done, waiting on disc
- Disability Retiree Re-exams
  - David Funk – setting up appointment
- Certification of Earnings for Disability Retirees – waiting on Roger Lambert to send his certification back. Second request has gone out and is due October 10.

**New Business**

Ms. Elmore discussed the security issues in her office by not having locking file cabinets. All the records for current employees and retirees are in her office. There is not a lock on her door and anyone has access to her office if she is out. There are medical records and confidential information in those files. She is requesting authorization to purchase three locking file cabinets to replace the non-locking ones that are currently in her office.

Motion by Henry Lievens, supported by Nancy Colpaert to authorize Ms. Elmore to purchase three locking, fire proof file cabinets for her office. All in favor, motion carried.

Ms. Elmore also made the Board of Trustees aware that a person in the Finance Department has the password to the Pension Software System. Mr. Londo explained that it was necessary so that the Health Care Module portion of the program could be updated with actuarial information.

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**Trustee Comments**

Vice Chairman Morgan asked the Board to move up the December 22 meeting to December 15 since the original date was close to Christmas. Motion by Pam Jones, supported by George Jondro to move the meeting to December 15. All in favor, motion carried.

Motion by George Jondro, supported by Pam Jones to adjourn. All in favor, motion carried. Meeting adjourned at 6:15 P.M.

Respectfully Submitted,

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