

**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 October 27, 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, Jim Morgan (left at 5:25), 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 George Jondro, supported by Nancy Colpaert to approve the minutes of the September 22, 2008 meeting as submitted. All in favor, motion carried.

Motion by William Sisk, supported by Pam Jones to approve the agenda as submitted. All in favor, motion carried.

Citizens Time – none

Presentations – Charles Londo, Pension Administration Software Program

Mr. Londo gave a presentation on how the Pension Administration Software Program works, showing the program on the overhead projector. He stated that the software could do more than it does now concerning retiree health care and life insurance. He would like to add some of those responsibilities to the Retirement Specialist.

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

A. Retirements - none

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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, Brandywine Asset Management LCV, NWQ Investment Management and International Value Equity, Pacific Income Advisors, Renaissance Investment Management, Smith Group Asset Management and Templeton Portfolio Advisors for period 09/01/08 through 09/30/08 and Securities Lending for August, 2008.
2. Alpine Mutual Funds investor statement for period 01/01/08 through 09/30/08.
3. Boyd Watterson Client Statement for period September 30, 2008.
4. Brandywine Global Fixed Income and Large Cap Value portfolio for September, 2008 and 3rd Quarter 2008.
5. Diamond Hill funds investor statement for period 01/01/08 through 09/30/08.
6. Morgan Stanley vision account for Anchor Capital Management, Brandywine Global, NWQ International and LCV, Renaissance Group and Smith Asset Management Group for period ending September 30, 2008.
7. Pacific Income Advisors portfolio appraisal for period ending September 30, 2008.

C. Communication

1. Letter dated October 8, 2008 from Comerica Bank concerning Securities Lending Program.
2. Letter dated September 12, 2008 from Franklin Templeton Investments concerning a check in the amount of \$183.10 which represents pro rated share of the Net Settlement Fund from the Checkpoint Software Technologies Securities Litigation.

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3. Letter dated October 17, 2008 from Franklin Templeton Investments concerning a check in the amount of \$75.86 from the Settlement Fund which represents proportionate share of the second distribution from the Asia Pulp & Paper Securities Litigation.
4. GRS News Scan for August/September 2008.
5. Renaissance Investment Management 2008 Annual Offer of ADV Part II.
6. Renaissance Investment Management stock market comments 10/10/08.
7. Tradewinds Global Investors commentary.

All in favor, motion carried.

Invoices

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

1. Invoice dated September 30, 2008 in the amount of \$3,726.44 from Comerica Commercial Card Service for hotel rooms for MAPERS 2008 Fall Educational Seminar.
2. Invoice #1252 dated September 18, 2008 in the amount of \$19,081.60 from Monroe County Finance Department for services rendered to the Retirement Board by Debra Elmore for 3rd quarter 2008.
3. Invoice #1269 dated October 1, 2008 in the amount of \$14.38 from Monroe County Finance Department for September 2008 postage.
4. NCPERS 2009 membership renewal in the amount of \$150.00.

All in favor, motion carried.

Refunds

Motion by George Jondro, supported by Jim Davies to approve the following refunds:

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- | | | |
|----|---|-------------|
| 1. | Michael Holt, Monroe County Road Commission | \$27,180.00 |
| 2. | Anthony Sancrant, Sheriff's Office | \$28,620.02 |

All in favor, motion carried.

Retirement Payments

Motion by Nancy Colpaert, supported by Pam Jones to approve the following retirement payments:

- | | | |
|----|--|------------|
| 1. | Michael Holt, Monroe County Road Commission
(Sept – 1,294.11; Oct – 1,437.99) | \$2,732.10 |
| 2. | Bernard Margolis, Library System, deferred
(pro-rated for October) | \$ 898.89 |

All in favor, motion carried.

Communications

1. Communication dated October 14, 2008 from the Monroe County Road Commission stating that James Morgan is the only candidate who turned in a nominating petition for the Monroe County Road Commission Trustee representative. There will be no election.

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

Proposed Resolutions

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

1. Michael J. Holt, Road Commission – Service Retirement
2. Bernard A. Margolis, Library – Deferred Service Retirement

All in favor, motion carried.

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Attorney Report

Mr. Michaud discussed the 2007 IRS final regulations that addressed “in-service distributions” after normal retirement age. Mr. Michaud stated that the definition of “normal retirement age” by the IRS was geared to the private sector. The ruling is postponed until the meaning is clarified and shouldn’t be implemented until 2011. It does not affect the plan at this point.

Also, Mr. Michaud discussed Communication C-1, securities lending with Comerica Bank. Mr. Michaud is working with Comerica Bank to see how this affects the Retirement System’s income. Mr. Thompson would like a representative from Comerica Securities Lending program to come to the November 24, 2008 meeting to discuss the issue with the Board. He also wants to know how long the Retirement System has participated in the program and how much money was made each year.

Mr. Michaud advised the Board that the two international contracts are ready for signatures. He said Renaissance is now at 65 basis points, down from 75.

He said there are also going to be some proposed changes to Act 314 and will keep the Board informed on that issue.

Consultant’s Report

Mr. Galanis reviewed the valuation report for month ending September 30, 2008. The fund is valued at \$160,705,118.03 down \$12,354,670.58 from the previous month.

Mr. Galanis would like to modify his recommendation of last month concerning the new international money managers. He would recommend taking \$2,000,000.00 each from Tradewinds Global and Templeton Portfolio and give to Diamond Hill and then combine the Tradewinds and Templeton accounts and split the money evenly between Tradewinds, Templeton, Renaissance International and Eagle Global Advisors. Motion by Bill Sisk, supported by Henry Lievens to go with the Consultant’s recommendation. All in favor, motion carried.

Mr. Thompson would like to know the percentage the Retirement Board has in foreign securities for next month’s meeting.

Old Business

- Disability Retiree Re-exams
 - David Funk – setting up appointment

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Having difficulty finding a doctor to do Mr. Funk's re-examination

- Administrative Committee met and reviewed polices and procedures. The following resolutions were adopted:
Motion by George Jondro, supported by Nancy Colpaert to accept and place on file the FOIA Policy Resolution. All in favor, motion carried.
Motion by Bill Sisk, supported by Pam Jones to accept and place on file the Educational Policy. All in favor, motion carried.
Motion by Pam Jones, supported by George Jondro to accept and place on file the Communications Policy. All in favor, motion carried.
Motion by Jim Davies, supported by George Jondro to accept and place on file the Disability Retirement Offset Policy. All in favor, motion carried.
Motion by Nancy Colpaert, supported by Clayton Charron to accept and place on file the Retiree/Beneficiary Verification Policy and Procedure. All in favor, motion carried.
- Purchase of three locking file cabinets for Retirement System.
Ms. Elmore advised the Board that the fireproof locking cabinets were quoted at a cost of \$3,494.14 with a fire rating of 1-2 hours. Non fireproof cabinets were only \$2,615.64. Motion by Bill Sisk, supported by George Jondro to purchase the non fireproof cabinets. All in favor, motion carried.

New Business - none

Trustee Comments

Mr. Davies wanted to congratulate Mr. Morgan on his re-election to the Retirement Board. Mr. Thompson said it was good to be back and updated the Board on his illness. He will be attending the MAPERS Executive Board meeting and will update the Board at the December 15 meeting.

Motion by George Jondro, supported by Pam Jones to adjourn. All in favor, motion carried. Meeting adjourned at 6:45 P.M.

Respectfully Submitted,

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