

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

A regular meeting of the Monroe County Employees Retirement System Board of Trustees was held on December 12, 2011 in the Board of Commissioners Meeting Room at 125 East Second Street, Monroe, Michigan.

PRESENT: James Davies (arrived at 5:08), Michael Grodi, Joseph Hudson, Henry Lievens (arrived at 5:06) Anne McCarthy, James Morgan, William Myers, and William Sisk (arrived at 5:11)

ABSENT: Nancy Colpaert (excused)

ALSO PRESENT: Sandy Calkins, Retirement Specialist, Royce Maniko, Retirement Secretary, Michael Cho, Investment Consultant 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 Michael Grodi, supported by Anne McCarthy to approve the minutes of the November 28, 2011 regular meeting. Motion carried.

Motion by William Myers, supported by Michael Grodi to approve the agenda as submitted. Motion carried.

Citizens Time – None

Presentations – None

Motion by Joseph Hudson, supported by Anne McCarthy to approve the consent agenda as listed below.

A. Retirements

Nancy Colpaert, Library	December 15
Lois White, Library	December 17
David Davison, Sheriff's Office	December 31
Joseph Lambert, Sheriff's Office	December 31
Daniel Stefanski, Drain Commission	December 31
Ronald Stevens, Buildings & Grounds	December 31

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B. Financial Reports – On File with Retirement Specialist

1. Comerica Bank Securities Lending Statement for October 2011.

C. Communication

1. Robbins Geller Rudman & Dowd Settlement Report for December 2011.

Motion Carried.

Invoices

Motion by Michael Grodi, supported by Anne McCarthy to approve for payment the following invoices, subject to house audit:

1. Invoice dated November 30, 2011 in the amount of \$60.00 from Comerica Commercial Card Service for the MAPERS One Day Educational Seminar for Anne McCarthy.
2. MAPERS 2012 Membership dues in the amount of \$100.00.
3. Invoice #20111115001947 dated September 30, 2011 in the amount of \$19,098.01 from NWQ Investment Management Company for investment services rendered for the period of July 1, 2011 – September 30, 2011.
4. Invoice #20111110001481 dated September 30, 2011 in the amount of \$14,948.47 from Tradewinds Global Investors for investment services rendered for the period of July 1, 2011 – September 30, 2011.
5. Reimbursement in the amount of \$53.84 to Michael Grodi for expenses incurred for the MAPERS one day educational seminar.

Motion carried.

Refunds

Motion by Michael Grodi, supported by Anne McCarthy to approve the following refunds:

- | | |
|---|-------------|
| 1. Douglas Lovell, Mental Health (deferred) | \$12,563.61 |
| 2. Chad Metz, Sheriff's Office | \$ 851.96 |

Motion carried.

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Retirement Payments

Motion by Michael Grodi, supported by William Myers to approve the following retirement payments:

- | | |
|---|-----------|
| 1. Phyllis Kinkead, Mental Health (deferred)
**November \$215.73 | \$ 596.34 |
| 2. Douglas Lovell, Mental Health (deferred)
**November \$51.93 | \$ 571.29 |

Motion carried.

Communications

1. Communication dated November 17, 2011 from Howard Penrod, Managing Director of the Monroe County Road Commission concerning issuance of 13th checks for 2011.

Motion by Michael Grodi, supported by Anne McCarthy to accept, place on file and issue 13th checks. Motion carried.

2. Communication dated November 16, 2011 from Nancy Colpaert, Director of the Monroe County Library System concerning issuance of 13th checks for 2011.

Motion by Michael Grodi, supported by Anne McCarthy to accept, place on file and issue 13th checks. Motion carried.

Proposed Resolutions

Motion by Anne McCarthy, supported by Michael Grodi to accept and place on file the following Deferred Retirement resolutions:

1. Phyllis Kinkead, Mental Health
2. Douglas Lovell, Mental Health

Motion carried.

Attorney Report

No formal legal report, but Mr. Michaud would like to wish everyone Happy Holidays.

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Consultant Report

Mr. Cho reviewed the valuation report for the month ending November 30, 2011. The fund is valued at \$167,617,624.61 down \$3,047,485.16 from the previous month. The Total Fund was down 1.40%. The current asset allocation includes 46.63% in equity, 45.87% in fixed income, and 7.51% in cash.

Anne McCarthy questioned how Emerging Markets are doing. Mr. Cho stated Lazard is down 2.77% vs. the benchmark, which is down 6.77%. He stated comparatively Emerging Markets are doing better than the benchmark.

James Morgan inquired about Diamond Hill. He would like to know where Morgan Stanley is at with them because the previous recommendation was to terminate them. Mr. Cho stated Diamond Hill will be addressed at the next board meeting.

Anne McCarthy addressed a Monthly Universe Report. Mr. Cho stated that will not be a problem if that is what the board would like.

Henry Lievens questioned Alpine. Mr. Cho stated when Alpine was hired the fund was valued at \$4 Million. Now they are valued at about half. It is another fund that will be addressed next month.

Old Business

- Morgan Stanley Smith Barney Contract

Mr. Michaud is comfortable with the updated language. Mr. Cho stated Graystone Group will conduct the due diligence.

All the Trustees were not able to review the updated contract therefore it will be placed on January's agenda.

- Audit Retirement Files

Mr. Michaud provided a sample RFP. He asked the Trustees to please review and let him know if they have any changes. Once complete, the RFP will be sent out.

- Recording Retirement Board Meetings

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James Davies stated he would like the recordings to be kept for three years. Henry Lievens stated he would like the recordings to be kept for six years because of state statute. Mr. Michaud stated in that case, they should be kept for seven years.

Motion by Michael Grodi, supported by William Sisk to retain recordings for seven years and have the Retirement Specialist as the keeper of the record. Motion carried.

New Business

- MAPERS Update – SB 797

The amendments to PA 314 have been introduced in the Senate. The Senate has assigned the bill SB-797. MAPERS would like Trustee support. Please contact your legislator.

- Set Meeting Schedule and Administrative Calendar for 2012

Motion by Joseph Hudson, supported by James Davies to set meeting schedule and administrative calendar for 2012. Motion carried.

Trustee Comments

James Morgan, James Davies, Michael Grodi, Anne McCarthy and William Sisk thanked William Myers for his service and dedication to the Retirement Board.

William Myers stated George Jondro will be taking over for him on the Retirement Board. He thanked the Trustees for their support.

Vice Chairman Morgan presented William Myers with a framed resolution as appreciation for his service to the Retirement Board.

Motion by Joseph Hudson, supported by Anne McCarthy to adjourn. Motion carried. Meeting adjourned at 5:50 P.M.

Respectfully Submitted,

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