

October 22, 2009
6th Floor Conference Room
County Tower Building

The October 22, 2009 Regular Meeting of the Jackson County Employees' Retirement System Board of Trustees was called to order at 8:30 a.m. by Vice Chairperson Cyrocki. The following Trustees were present: Best, Cyrocki, Mahoney, Murch, Raymond, and Shotwell. Absent: Steele. Also in attendance were Kelli Collier – Pension Coordinator; Debby Gorz – Pension Coordinator Assistant; Steve Lutenski – Smith Barney; Jack Timmony – VanOverbeke Michaud and Timmony; Randy Treacher – County Administrator/Controller.

PUBLIC COMMENT: None.

INVESTMENT MANAGER UPDATE: Lloyd Stamy of C.S. McKee Investment Managers presented a portfolio update.

MOTION: Moved by Best, supported by Murch to receive the Investment Portfolio Update as presented by C.S. McKee Investment Managers. Motion carried.

MOTION: Moved by Mahoney, supported by Murch to receive the minutes of September 24, 2009 as presented. Motion carried.

MOTION: Moved by Best, supported by Mahoney to receive the Monthly Financial Statement for September as presented by Trustee Cyrocki. Motion carried.

MOTION: Moved by Mahoney, supported by Murch to concur with the Consent Agenda:

- A. Receive Comerica Bank Custodial Statements of Account - September 2009.
- B. Approve Refunds of Contributions #8477-8482
- C. Approve Distribution of DROP Balances #101-104
- D. Approve Application(s) for Retirement:
 - Kathy Youmans, EDRO Alternate Payee, Eff. 10/1/09
 - Susan Vandercook, Prosecutor's Office (Deferred), Eff. 11/1/09
- E. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
 - Liberty Lumabang, MCF, Eff. 11/1/09
- F. Receive Statements Paid report for 9/24/09-10/21/09.
- G. Receive Correspondence:
 - 1. Comerica Bank (9/30/09) Broker Commission Summary Report
 - 2. Lazard Asset Management (8/31/09) Portfolio Review
 - 3. SSGA (7/31/09) Investment Summary
 - 4. Lazard Asset Management (9/30/09) Vote Summary Report & Statistical Issue Summary Report

Roll call vote. Motion carried unanimously, 6 – yes.

Board Legal Counsel Jack Timmony reported an update in the Comerica Securities Lending and Sigma Finance Issue. Comerica filed a Motion to Dismiss on October 13, 2009 and served it on the Plaintiffs in this case. For further discussion, the Motion to Dismiss will be included on the Agenda for the November Board Meeting.

Steve Lutenski of Morgan Stanley Smith Barney presented updates regarding the Retirement System Funds. MSSB is making the following the recommendations:

1. Reduce the present allocation of the State Street S & P 500 Index Fund by 19% (approximately \$2,100,000)
2. Reduce the present allocation of the State Street S & P 400 Index Fund by \$1,000,000
3. Transfer the dollars raised (approximately \$3,100,000) to the Davis, Hamilton, Jackson & Associates Income account

The reasons for this recommendation are as follows:

1. Because of market appreciation the retirement fund is currently at the maximum equity allocation allowed by the investment policy
2. Davis, Hamilton, Jackson is currently under the minimum target allocation that has been established for them as a fixed income manager. (This is primarily due to outflows from the account to pay for required pension distributions)

Mr. Lutenski stated that reducing the exposure to the index funds would be a very cost efficient way to rebalance the portfolio and ensure that the Board is in compliance with the established investment policy.

MOTION. Moved by Shotwell, supported by Best to concur with the following recommendations from Morgan Stanley Smith Barney:

1. Reduce the present allocation of the State Street S & P 500 Index Fund by 19% (approximately \$2,100,000)
2. Reduce the present allocation of the State Street S & P 400 Index Fund by \$1,000,000
3. Transfer the dollars raised (approximately \$3,100,000) to the Davis, Hamilton, Jackson Income account

Roll call vote. Motion carried unanimously, 6 – yes.

Kelli Collier presented the Pension Coordinator Report for September 2009.

MOTION: Moved by Mahoney, supported by Best to adjourn at 9:25 a.m. Motion carried.

Vice-Chairperson

Pension Coordinator