

December 18, 2008
6th Floor Conference Room
County Tower Building

The December 18, 2008 Regular Meeting of the Jackson County Employees' Retirement System Board of Trustees was called to order at 8:30 a.m. by Chairperson Barrett. The following Trustees were present: Barrett, Best, Cyrocki, Murch, Shotwell, Steele. Absent: Mahoney. Quorum present. Also in attendance were Matt Augustine – Smith Barney; Kelli Collier - Pension Coordinator; Steve Lutenski – Smith Barney; Jack Timmony - VanOverbeke Michaud & Timmony; Randy Treacher – County Administrator.

PUBLIC COMMENT: None.

MOTION: Moved by Best, supported by Murch to receive the minutes of November 20, 2008 as presented. Motion carried.

MOTION: Moved by Shotwell, supported by Best to receive the Comerica Bank Custodial Statements of Account for November. Motion carried.

MOTION: Moved by Steele, supported by Best to approve the following Applications for Refund of Accumulated Contributions as presented:

- 8425 Angela Galvin - 911
- 8426 Tammy Peterson - Dept. on Aging
- 8427 Dody Thrun - Youth Center
- 8428 Elaine Alexander - MCF
- 8429 Mary Jewett - MCF
- 8430 Natasha Neill - MCF
- 8431 Lanisha Owens - MCF
- 8432 Candice Pierson - MCF
- 8433 Christy Sayles - MCF

Motion carried.

MOTION: Moved by Shotwell, supported by Cyrocki to approve the following Distributions of Deferred Retirement Option Plan (DROP) funds as presented:

- 84 Sherry Eva - Health Dept.
- 85 Ann Hammond - Health Dept.
- 86 Betty Sibson - Health Dept.
- 87 Jane Zomer - Airport
- 88 Barbara Hancock - Equalization
- 89 Annette Barnett - Health Dept.

Motion carried

MOTION: Moved by Shotwell, supported by Cyrocki to approve the following Application for entrance into the Deferred Retirement Option Plan (DROP):

Karen Tucker – Human Resources
Effective 1/1/09

Motion carried.

MOTION: Moved by Best, supported by Steele to receive the Statements Paid report dated 11/20/08 – 12/17/08 as presented. Motion carried

MOTION: Moved by Best, supported by Murch to receive the following correspondence:

- A. State Street Global Advisors
Re: Account Summaries 10/31/08
- B. Mary Guy – State Street Global Advisors
Re: Relationship Manager
- C. Paul Zorn – Gabriel Roeder Smith & Co.
Re: News Scan and Research Memos
- D. Kelli Collier – JCERS
Re: FOIA Response to Holly Klaft 11/19/08
- E. Lazard Asset Management
Re: Account Summary 10/31/08
- F. Holly Klaft – Jackson Citizen Patriot
Re: Letter 12/15/08 re: DROP and Pension for Elected Officials
- G. Dan Heyns – Jackson County Sheriff
Re: Email 12/15/08 regarding DROP distribution and Pension

Motion carried.

John Steele reported on behalf of the Investment Manager Review Committee regarding manager NWQ. As NWQ had been placed on Watch Status by Smith Barney, the Committee will continue to monitor their status and returns.

Jack Timmony, Board Legal Counsel, updated the Trustees regarding his preparation of proposed employment contracts between the County and the Retirement Board for Retirement Board employees. A letter from Darrell A. Lindman, County Legal Counsel, dated December 17, 2008 regarding the Collier Employment Contract was distributed to the Board members. It was Mr. Lindman's opinion that the County and Retirement Board could not enter into an employment contract for employees of the Retirement System.

MOTION: Moved by Shotwell, supported by Steele to receive the letter from Darrell Lindman of Fraser Trebilcock Davis & Dunlap P.C., dated December 17, 2008 regarding Collier Employment Contract. Motion carried.

Correspondence "F" above was discussed by the Board and determined to be a request under the Freedom of Information Act (FOIA).

MOTION: Moved by Shotwell, supported by Murch to refer the December 15, 2008 letter from Holly Klaft of the Jackson Citizen Patriot to the Retirement Board's Legal Counsel and Pension Coordinator for an appropriate response under the Michigan Freedom of Information Act. Motion carried.

Correspondence "G" above was discussed by the Board. The Pension Coordinator was instructed to put the issue as well as the July 18, 2008 Opinion Letter from Board Legal Counsel Jack Timmony on the same subject on the Agenda for the Board's regular meeting in January for a formal response and to notify Dan Heyns regarding the January Agenda.

Matt Augustine and Steve Lutenski of Smith Barney gave several handouts to the Trustees regarding the current market and interest rates. The Jackson County Asset Allocation was discussed as well as a handout regarding the steps for Portfolio Rebalancing. The recommendation from Smith Barney was to begin 2009 with the assets allocated at the targets set in the Retirement Board's Investment Policy.

MOTION: Moved by Steele, supported by Shotwell to follow the recommendation from Smith Barney to rebalance the Fund's portfolio based on the report presented, with the rebalance to be accomplished by December 31, 2008. Motion carried.

MOTION: Moved by Murch, supported by Shotwell to receive the Smith Barney portfolio update as presented. Motion carried.

The discussion regarding hiring an Administrative Assistant for the Retirement office was put over until January as employment issues regarding future employees of the Retirement Board of Trustees still have to be resolved. Extensive discussion was held regarding the employment status of the Pension Coordinator and determining who is the employer of the Pension Coordinator, the County or the Retirement Board of Trustees. It was determined by the Trustees that the Employment Committee should meet with the Board's Legal Counsel and **County** representation and make a recommendation to the full Board in January regarding future employees of the Retirement Board.

MOTION: Moved by Murch, supported by Shotwell to request that the Retirement Board's Legal Counsel, Chairperson of the Retirement Board, County's Legal Counsel, County Administrator and the Chairman of the Board of Commissioners meet and determine solutions for all the stated concerns of the Board of Trustees regarding current and future employees of the Retirement System and to bring back recommendations to the full Board at their January 2009 meeting. Motion carried.

Shotwell left the meeting at 10:50 a.m.

The Pension Coordinator notified the Board of three Disability Retirees that meet the criteria of the Board's Policy and Retirement System Bylaws regarding reexamination and certification for continued Disability Retirement. It was requested that the Pension Coordinator locate a physician willing to conduct the examinations and bring that physician's name to the Board for approval.

MOTION: Moved by Murch, supported by Best to request reexamination and certification of continued Disability Retirement status through a physician selected by the Retirement System for Russell Bradley, Joseph Johnston and Stacey Penn. Motion carried.

MOTION: Moved by Steele, supported by Cyrocki to approve the 2009 Pension Coordinator Office Budget as presented with an additional line-item of \$5,000.00 for Computer Software, with amendments throughout the year as necessary due to unresolved personnel issues. Motion carried.

MOTION: Moved by Murch, supported by Steele to adjourn at 11:05 a.m. Motion carried.