

February 26, 2009
6th Floor Conference Room
County Tower Building

The February 26, 2009 Regular Meeting of the Jackson County Employees' Retirement System Board of Trustees was called to order at 8:30 a.m. by Chairperson Steele. The following Trustees were present: Best, Cyrocki, Mahoney, Murch, Shotwell, Steele. Absent: None. Quorum present. Also in attendance were Matt Augustine – Smith Barney; Kelli Collier – Pension Coordinator; Steve Lutenski – Smith Barney; Randy Treacher – County Administrator.

PUBLIC COMMENT: None.

MOTION: Moved by Best, supported by Cyrocki to receive the minutes of January 22, 2009 as presented. Motion carried.

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

MOTION: Moved by Mahoney, supported by Murch to receive the January Financial Report as presented by Trustee Cyrocki. Motion carried.

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

8437	Mary K. Hanna-Rezmierski - Pros. (Def)
8438	Laura Bailey - MCF
8439	Joseph Cooper - MCF
8440	Keyonna Dempsey - MCF
8441	Keiona Grizzard - MCF
8442	Amber Shephard - MCF
8443	Alexandria Whitehill - MCF
8375A-add	Rhonda Carlisle - MCF
8377A-add	Nancy Lammon - MCF
8388-add	Sherilyn Lewan - MCF
8429-add	Mary Jewett - MCF

Motion carried.

MOTION: Moved by Cyrocki, supported by Best to approve the following Application for Retirement:

Judy Phebus – Medical Care Facility (Deferred)
Effective 4/1/09

Motion carried.

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

Edward Barrett – Road Commission
Effective 2/1/09

David Smith – Road Commission
Effective 3/1/09

Motion carried.

MOTION: Moved by Best, supported by Mahoney to receive the following reports:

- A. Statements Paid 12/18/08 – 01/21/09
- B. Statements Paid 01/22/09 – 02/26/09

Motion carried.

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

- A. Holly Klaf – Cit Pat (1/27/09) re: FOIA
- B. Kelli Collier – JCERS (2/2/09) re: FOIA Extension
- C. Gabriel Roeder Smith & Co. (January) re: News Scan
- D. Wells Capital Management (12/31/08) re: Quarterly review
- E. Calamos Investments (12/31/08) re: Quarterly performance & Calamos Exchange
- F. SSGA (12/31/08) re: 4Q '08 Market Summary and 12/31 Performance Update
- G. C.S. McKee Investment Managers (1/27/09) re: Performance Update
- H. Lazard Asset Management (11/30/08; 12/31/08) re: Portfolio Review
- I. Wentworth, Hauser & Violich (2/3/09 email + att) re: Hirayama, and ADV Part II, 4Q Portfolio Review, etc.
- J. NWQ (1/28/09) re: Portfolio Update
- K. Davis Hamilton Jackson & Assoc. (1/29/09) re: 4Q Portfolio Update
- L. Kelli Collier – JCERS (2/17/09) re: FOIA Response to Klaf

Motion carried.

The Employment Committee (Chair and Vice-Chair) reported that upon the motion made at the January meeting of the Board, the Committee was to bring a recommendation to the full Board regarding hiring an Administrative Assistant for the Pension Coordinator's office. Upon extensive study and discussion, and due to the high cost for the Retirement Board to provide benefits and pay services for one or two employees, the Committee's recommendation to the Board is that the Retirement Board and Jackson County enter into a contract for services wherein the County of Jackson would provide the services of an employee or employees to the Retirement Board for the administration of the Retirement System with the County retaining all supervisory control over the employee or employees. The Retirement Board of Trustees would pay for all services and costs of the employees, but would retain no employer rights toward the employee or employees hired to provide the services. Chairperson Steele suggested that the language and negotiation for such a contract should be undertaken with the County's Legal Counsel and the Board of Trustees' Legal Counsel with input from the Retirement Board members.

MOTION: Moved by Mahoney, supported by Cyrocki to accept the Employment Committee recommendation that the Jackson County Employees' Retirement System Board of Trustees develop a contract with the County of Jackson for provision of administrative services for the Retirement System; that the County of Jackson would become the Employer; and that the Pension Coordinator and Administrative Assistant would become employees of the County subject to all pay and benefit guidelines established under current County policy. Motion carried.

Steve Lutenski and Matt Augustine of Smith Barney presented the 4th Quarter 2008 Investment Manager Monitor Report and answered the questions of the Trustees regarding the report and the current investment environment.

MOTION: Moved by Best, supported by Shotwell to receive the 4th Quarter 2008 Investment Manager Monitor Report as presented by Smith Barney. Motion carried.

Chairperson Steele requested input from the Trustees regarding suggestions for the Agenda and it was suggested that the Board begin to use a Consent Agenda for several of the Agenda items. Trustee Murch suggested that more information be given to the Trustees regarding Applications for Retirement, Applications for DROP and Applications for Refunds of Accumulated Contributions.

The Policy Committee recommended adoption of the Advisor and Consultant Review Policy, which was presented in Draft form.

MOTION: Moved by Murch, supported by Best to adopt the Advisor and Consultant Review Policy as presented. Motion carried.

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM POLICY RESOLUTION

Re: Advisor and Consultant Reviews

WHEREAS, the Retirement Board of Trustees ("Board") is vested with the general administration, management and operation of the Retirement System and for making effective the provisions thereof, and

WHEREAS, in carrying out the administration, management and operation of the Retirement System, the Board retains certain advisors and consultants, and

WHEREAS, the Board deems it prudent to periodically review the costs and services offered by each of its advisors, and

WHEREAS, the Board further deems it prudent to periodically compare the costs and services offered by each of its advisors to those of other comparable advisors and consultants not retained by the Board, and

WHEREAS, the Board recognizes that by reviewing, analyzing, and comparing both existing and prospective advisors by methods including, but not limited to, comparing formal proposals, assessing the effectiveness of returns, determining levels of service, prior performance, market conditions, and the like, the Board may best carry out its advisor review function, and

WHEREAS, the Board desires to formalize its advisor review procedures by developing a regular review schedule so that at least one advisor is reviewed annually, now therefore be it

RESOLVED, that the Board of Trustees shall annually undertake to review the costs and services offered by advisors, and further

RESOLVED, that the Retirement System's investment consultant shall monitor the performance, services and costs of the Retirement System's investment managers and provide periodic reports to the Board, and further

RESOLVED, that consistent with the foregoing, the Board shall undertake periodic advisor reviews and that such reviews shall be conducted by use of a Request for Information ("RFI"), Request for Proposal ("RFP"), or such other method as the Board deems appropriate, and shall include, but not be limited to: (1) actuary; (2) attorney; (3) custodial bank; (4) investment consultant; and (5) medical director, and further

RESOLVED, that in the event that the Board has, for reasons other than the regularly scheduled review, recently reviewed the services of an advisor that is scheduled for regular review, the Board may, in its sole discretion, forego the review of a particular advisor until the next regularly scheduled review, or alternatively may modify the foregoing order in which the reviews are completed, and further

RESOLVED, that in addition to regularly scheduled reviews, the Board, in its sole discretion, may at any time undertake to complete an immediate review of any advisor, and further

RESOLVED, that a copy of this resolution be forwarded to the Retirement System's: (1) actuary; (2) attorney; (3) custodial bank; (4) investment consultant; and (5) medical director so that each may act consistent herewith.

MOTION: Moved by Murch, supported by Mahoney to adjourn at 10:25 a.m. Motion carried.

Chairperson

Pension Coordinator