

May 28, 2009
6th Floor Conference Room
County Tower Building

The May 28, 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, Murch, Shotwell, Steele. Absent: Mahoney. Quorum present. Also in attendance were Matt Augustine – Smith Barney; Kelli Collier – Pension Coordinator; Debby Gorz – Pension; Steve Lutenski – Smith Barney; Paula Raymond – Trustee-Elect; Jack Timmony – VanOverbeke Michaud and Timmony; Randy Treacher – County Administrator.

PUBLIC COMMENT: None.

MOTION: Moved by Best, supported by Murch to receive the minutes of April 23, 2009 as presented. Motion carried.

MOTION: Moved by Shotwell, supported by Best to receive the Closed Session minutes of April 23, 2009 as presented. Motion carried.

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

Sandra Rodwan of Rodwan Consulting Company presented the December 31, 2008 Annual Actuarial Valuation.

MOTION: Moved by Shotwell, supported by Murch to receive and approve the 12/31/08 Annual Actuarial Valuation as presented by Rodwan Consulting and to certify to the three employer units the employer contribution rates due effective 1/1/10 per the Valuation. Motion carried.

MOTION: Moved by Shotwell, supported by Best that the Board of Trustees of the Jackson County Employees' Retirement System confirms that the System provides for payment of the required contribution as described in Section 20m of Michigan Public Act No. 314 of 1965, as amended by Public Act No. 728 of 2002 and adopts the contribution rates in the actuarial report for the year December 31, 2008. Motion carried.

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

- A. Receive Comerica Bank Custodial Statements of Account for April 2009.
- B. Approve Refunds of Contributions #8452-8454.
- C. Approve distribution of Deferred Retirement Option Plan (DROP) funds #100.
- D. Approve Application(s) for Retirement:
 - Kelly Fleming, General, Eff. 6/1/09
- E. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
 - David Luce, General, Eff. 6/1/09
 - Barbara Gibbs, General, Eff. 6/1/09
 - Teresa Hawkins, General, Eff. 6/1/09
- F. Receive Statements Paid Report dated 04/23/09-05/27/09.

- G. Receive Correspondence:
1. Davis Hamilton Jackson & Assoc. (April 2009) Re: Newsletter
 2. Gabriel Roeder Smith & Co. (April/May 2009) Re: GRS News Scan
 3. SSGA (3/31/09) Re: Account Summary
 4. Lazard Asset Management (3/31/09) Re: Account Summary, 1Q Statistical Issue Report, and Vote Summary Report
 5. Wells Capital Management (3/31/09) Re: Holding Summary & Quarterly Review
 6. Calamos Asset Management (3/31/09) Re: Quarterly Performance
 7. Jack Timmony letter to Randy Treacher (4/21/09) Re: Pension Coordinator
 8. Hirayama Investments/Wentworth Hauser Violich (4/23/09) Re: 1Q '09 Review
 9. Davis Hamilton Jackson & Assoc. (4/27/09) Re: Performance Update 3/31/09
 10. NWQ (5/1/09) Re: Investment Update
 11. C.S. McKee (5/4/09) Re: 1st Quarter Update
 12. Randy Treacher letter to Jack Timmony (5/14/09) Re: Pension Coordinator

Roll Call vote. Motion carried unanimously, 5 – yes.

Dan Berd and Gary Failla of Comerica Bank presented an update on Securities Lending through Comerica Bank. Extensive discussion was held regarding the Securities Lending program and performance within the past year, with specific discussion regarding Sigma Finance. The Trustees requested that the Board's Legal Counsel review the Securities Lending contract in place with Comerica Bank to determine if this program is being conducted within the parameters set in the contract.

MOTION: Moved by Shotwell, supported by Cyrocki to receive the Comerica Bank Securities Lending update as presented. Motion carried.

Board Legal Counsel Jack Timmony informed the Trustees that his office is currently reviewing the Securities Lending issues relating to Sigma Finance and that he would report to the Board on the results of that review.

Regarding the employment issues related to the Pension Coordinator being discussed by the Trustees for several months, Mr. Timmony reported that a letter had been received from Randy Treacher on behalf of the County acknowledging the Pension Coordinator's current status as a county employee and regarding membership in the Retirement System. Mr. Timmony determined upon his further discussions with Mr. Treacher that the County is willing to continue acting as the paying agent for the Pension Coordinator under the current arrangement, maintaining the Non-Union status and provision of fringe benefits commensurate with the current Non-Union benefit level for the Pension Coordinator with no additional contract for services necessary.

MOTION: Moved by Shotwell, supported by Murch to concur with the recommendation of Board Legal Counsel Jack Timmony that the Board accept the County's offer to continue acting as the paying agent for the employees of the Retirement System; that the employment, pay and benefit status for the current Pension Coordinator remains the same, maintaining the current Non-Union fringe benefit levels and Membership in the Jackson County Employees' Retirement System; and that future employees of the Retirement System will be hired under the Non-Union benefits level and provisions of the County in place at the time of hire. Motion carried.

MOTION: Moved by Murch, supported by Best to hire Debra Gorz effective May 24, 2009 as a part-time Administrative Assistant for the Retirement Office at 30 hours per week and at entry-level for Pay Grade 8. Motion carried, No – Shotwell.

Matt Augustine and Steve Lutenski of Smith Barney reported to the Board regarding adjustments made to the 4th Quarter 2008 Performance Report as a result of an internal audit of year-end trades. The 1st Quarter 2009 Investment Manager Monitor report was presented by Mr. Lutenski. At the June meeting of the Board, updates to the Board's Investment Policy statement will be proposed. Mr. Augustine addressed the Securities Lending issues discussed earlier with Comerica and addressed Securities Lending within the State Street Global Advisor's S&P 500 account.

MOTION: Moved by Shotwell, supported by Cyrocki to receive the report by Smith Barney to amend the 4th Quarter 2008 Investment Manager Monitor Report previously received by the Board in February 2009. Motion carried.

MOTION: Moved by Cyrocki, supported by Best to receive the Smith Barney 1st Quarter 2009 Investment Manager Monitor report as presented. Motion carried.

The meeting was adjourned at 11:00 a.m. by Chairperson Steele.

Chairperson

Pension Coordinator