

July 30, 2009
6th Floor Conference Room
County Tower Building

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

Collier opened the floor for nominations for 2009-2010 Chairperson for the Board of Trustees.

Best nominated Steele, supported by Shotwell.

MOTION: Moved by Murch, supported by Shotwell to close the nominations and cast a unanimous ballot for John Steele for 2009-2010 Chairperson for the Board of Trustees. Motion carried.

John Steele assumed the Chair and opened the nominations for 2009-2010 Vice-Chairperson for the Board of Trustees.

Shotwell nominated Cyrocki, supported by Best.

MOTION: Moved by Shotwell, supported by Best, to close the nominations and cast a unanimous ballot for Gerard Cyrocki for 2009-2010 Vice-Chairperson for the Board of Trustees. Motion carried.

PUBLIC COMMENT: None

An Investment Update for NWQ was presented by Chip Bailey and Lisa George.

MOTION: Moved by Best, supported by Shotwell to receive the Investment Update as presented by NWQ. Motion carried.

MOTION: Moved by Best, supported by Mahoney to receive the minutes of June 25, 2009 as presented. Motion carried.

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

- A. Receive Comerica Bank Custodial Statements of Account for June 2009.
- B. Approve Refunds of Contributions #8457-8464.
- E. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
 - Susan Zellman, General, Eff. 7/1/09
 - Everett Perry, General, Eff. 8/1/09
- F. Receive the Statements Paid report for 5/28/09-7/29/09.
- G. Receive Correspondence:
 - 1. SSGA (5/31/09) Account Summary
 - 2. Lazard Asset Management (5/31/09 & 6/30/09) Account Summary
 - 3. Lazard Asset Management (6/30/09) 2Q 09 Stat Issue Summary
 - 4. C.S. McKee (7/22/09) 2Q 09 Investment Review
 - 5. Comerica Bank (6/30/09) 2Q 09 Broker Commission Report
 - 6. Wells Capital Management (6/30/09) 2Q 09 Investment Review
 - 7. Davis Hamilton (July 2009) Newsletter
 - 8. SSGA (6/29/09 email) Update Re: Wells Notice/SEC Investigation

Roll Call vote. Motion carried unanimously, 7 – yes.

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

Board Legal Counsel Jack Timmony informed the Trustees that the State Street SEC issues have nothing to do with any products provided to Jackson County and that the email of June 29, 2009 from SSGA would suffice as written notification of same.

Mr. Timmony stated that his firm continues to finalize their opinion of the Securities Lending/SIGMA Financial issue noting that the additional time taken in finalizing this opinion will assure that any allegations made would be based on sound, credible evidence. He expects to report to the Board on this matter at the August meeting.

Matt Augustine and Steve Lutenski of Smith Barney gave the Trustees the following handouts:

- Annual Inflation Rates
- Prime Rate History
- Investment Objectives
- Current Asset Allocation
- Traditional Asset Classes – Strategic Allocations
- Traditional Asset Classes – Tactical Recommendations

In regards to the Investment Objectives, Mr. Augustine and Mr. Lutenski recommended that the Trustees consider increasing the International Equity Target to 16 – 20% of the total fund, offsetting this increase with a decrease in the Targets for the fixed managers. Additionally, it was suggested that the Board review the 9% expected Rate of Return on page 6 and determine if that percentage should be lowered. Various other language changes were suggested by Smith Barney. The Trustees requested that the Statement of Investment Objectives be submitted to them in “mark-up” format for their review prior to the August meeting for possible approval at that time.

Mr. Augustine stated that he will provide an analysis of Lazard Asset Management to the full board at the August meeting. The Investment Manager Review Committee will take up the review of the International Equity Target and will bring a recommendation to the full Board in August or September.

CHANGED TO READ:

Mr. Augustine stated that he will provide an analysis of the fund’s Asset Allocation to the full board at the August meeting. The Investment Manager Review Committee will take up the review of the International Equity Target and will bring a recommendation to the full Board in August or September.

MOTION: Moved by Best, supported by Cyrocki to receive the 2nd Quarter 2009 Administrative Expense Report as presented by Pension Coordinator Collier. Motion carried.

MOTION: Moved by Mahoney, supported by Murch to approve the 2009 – 2010 Meeting Schedule for the Board as proposed. Motion carried.

MOTION: Moved by Shotwell, supported by Cyrocki to name Kelli Collier as the Freedom of Information Act (FOIA) Coordinator through July 2010 per the FOIA Policy of the Board. Motion carried.

The meeting was adjourned at 10:25 a.m. by Chairperson Steele.

Chairperson

Pension Coordinator