

August 27, 2009
6th Floor Conference Room
County Tower Building

The August 27, 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 (9:30 a.m.), Murch, Raymond, Shotwell, 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.

PUBLIC COMMENT: None.

INVESTMENT MANAGER UPDATE: None.

MOTION: Moved by Shotwell, supported by Best to receive the minutes of July 27, 2009 as corrected. Motion carried.

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

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

- A. Receive Comerica Bank Custodial Statements of Account for July 2009
- B. Approve Refunds of Contributions #8465-8468
- F. Receive Statements Paid report for 7/30/09-8/27/09
- G. Receive Correspondence:
 - 1. SSGA (6/30/09) Account Summary
 - 2. Lazard Asset Management (8/4/09) Form ADV Part II
 - 3. Calamos (6/30/09) Quarterly Performance Report
 - 4. NWQ (7/23/09) Account Update
 - 5. DHJ&A (7/28/09) Performance Update
 - 6. Randy Treacher (7/24/09) Actuarial Valuation
 - 7. Sandra Rodwan (8/6/09) Valuation Information

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

John Steele reported on behalf of the Investment Manager Review Committee regarding their review of C.S. McKee. He stated that all reports indicated that C.S. McKee was clearly outstanding in their performance for the fund and relative to their peer managers, and were productive for the System with less risk than other managers. For these reasons, the Committee recommended to the full Board that the relationship with C.S. McKee be continued.

Matt Augustine and Steve Lutenski of Morgan Stanley Smith Barney presented the 2nd Quarter Investment Manager Monitor Report, stating the Board's asset allocation appears acceptable at this time.

The recommended changes to the Investment Objectives were presented and reviewed by Mr. Augustine and Mr. Lutenski. Trustee Shotwell requested clarification regarding the goal of a 9% Annualized Rate of Return, and this goal was discussed at length. A roll call vote was requested for adoption of changes to the Investment Policy.

MOTION: Moved by Cyrocki, supported by Murch to adopt the amendments to the Statement of Investment Objectives, Policies and Guidelines as recommended by Morgan Stanley Smith Barney. Roll call vote. Motion carried unanimously, 6 – yes.

MOTION: Moved by Shotwell, supported by Cyrocki to receive the 2nd Quarter Investment Manager Monitor Report as presented by Morgan Stanley Smith Barney. Motion carried.

Mr. Augustine and Mr. Lutenski conducted a discussion with the Trustees regarding the blend of International Equity Managers in the Board's portfolio. At this time, they do not find a compelling reason to consider replacing one of the current managers.

9:30 Trustee Mahoney arrived.

Board Legal Counsel Jack Timmony requested that the Board enter into Closed Session to discuss his report regarding Securities Lending under the Attorney/Client privilege.

MOTION: Moved by Mahoney, supported by Murch to enter into Closed Session to discuss information regarding the Board's Securities Lending Comerica contract with Board Legal Counsel Jack Timmony under Attorney/Client privilege at 9:40 a.m. Roll call vote. Motion carried. 6 - yes, Shotwell-no.

MOTION: Moved by Mahoney, supported by Murch to return to Open Session at 9:55 a.m. Motion carried.

MOTION: Moved by Mahoney, supported by Cyrocki to receive and file the information received from Board Legal Counsel Jack Timmony during Closed Session. Motion carried.

The meeting was adjourned at 10:00 a.m. by Chairperson Steele.

Chairperson

Pension Coordinator