

**MINUTES OF
JACKSON COUNTY EMPLOYEES' RETIREMENT SYTEM**

Thursday July 24, 2014
6th Floor Room 604

The July 24, 2014 Regular Meeting of the Jackson County Employee's Retirement System Board of Trustees was called to order at 8:30 a.m. by Pension Coordinator Debby Gorz. The following Trustees were present: Best, Burton Elwell, Huttenlocker, Maurer, Shotwell, Wandell. Absent: None Also in attendance: Matt Augustine – Morgan Stanley; Crystal Gallagher – Pension Coordinator Assistant; Debby Gorz - Pension Coordinator; James Latham – Finance Officer; Steven Lutenski – Morgan Stanley and Frank Judd - VanOverbeke Michaud and Timmony.

SPECIAL ORDER:

MOTION: Moved by Best, supported by Maurer to nominate Steve Shotwell as Chairman of the Jackson County Retirement Board. Roll call vote. Motion carried unanimously, 6 – yes.

Trustee Burton arrived at the meeting at 8:33

MOTION: Moved by Best, supported by Maurer to nominate Marce Wandell as Vice-Chairperson of the Jackson County Retirement Board. Roll call vote. Motion carried unanimously, 7 – yes.

Approval of Agenda:

MOTION: Moved by Best, supported by Burton to approve the Agenda with the addition of the Morgan Stanley Memorandum regarding C.S. Lewis as item 7.D.1. Motion carried.

PUBLIC COMMENT: None

Meredith Martens of Wentworth, Hauser and Violich (WHV) presented a portfolio update to the Board.

MOTION: Moved by Best, supported by Burton to receive the Investment Portfolio update report from WHV as presented. Motion carried.

Approval of Minutes:

MOTION: Moved by Elwell, supported by Maurer to receive the minutes of June 17, 2014 meeting as presented. Motion carried.

Monthly Financial Statement:

MOTION: Moved by Elwell, supported by Best to receive the Monthly Financial Statements for June 2014 as presented by James Latham. Motion carried.

Consent Agenda:

MOTION: Moved by Elwell, supported by Maurer to concur with the Consent Agenda:

- A. Receive Comerica Bank Custodial Statements of Account for
June 2014
- B. Purchase of Service
- None
- C. Approve Refunds of Contributions –
8788 - \$698.31
8789 - \$89.81
8790 - \$4,477.80
8791 - \$48.51
- D. Approve Distribution of DROP –
192 – \$71,504.59
- E. Approve Application for Retirement
- None
- F. Approve Application(s) for entrance into the Deferred Retirement
Option Plan (DROP):
- None
- G. Approve Statements Paid for **06/17/2014 – 07/23/2014**
 - 1. *Attached credit card statement*
- H. Receive Correspondence:
 - 1. *Broker Commission Summary Report (6/30/14)*
 - 2. *Robbins Geller Rudman & Dowd Monitoring Rpt (6/14/14)*
 - 3. *Robbins Geller Rudman & Dowd Monitoring Rpt (7/5/14)*
 - 4. *Robbins Geller Rudman & Dowd Settlement Rpt (6/17/14)*
 - 5. *Robbins Geller Rudman & Dowd Settlement Rpt (7/5/14)*
 - 6. *SSGA Performance & Analysis (6/30/14)*
 - 7. *WHV Portfolio Review (7/15/14)*
- I. Pension Coordinator Monthly Report

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

There was no Investment Review or Policy Committee meeting last month.

Matt Augustine of Morgan Stanley Wealth Management reported although there wasn't an Investment Review Committee last month, Wentworth, Hauser and Violich (WHV) was under Manager Review. He went to say he is comfortable with their current performance, and reported WHV is currently outperforming. He reported the Committee has been reviewing Calamos, and states he is comfortable with their current performance, and will review them next month after 2nd quarter performance reviews are in.

Legal Counsel Frank Judd had no prepared comments for the meeting.

Steve Lutenski of Morgan Stanley Wealth Management handed out a Memorandum regarding 144A debt securities. Lutenski discussed with the Board the need to specify to C.S. McKee that 144A debt securities are an allowable investment for the Jackson County Retirement System.

MOTION: Moved by Elwell, supported by Huttenlocker to receive C.S. McKee Memorandum dated July 18, 2014, and that Morgan Stanley Wealth Management will confirm to C.S. McKee that 144A debt securities are an allowable investment for the Jackson County Employees' Retirement System. Motion carried.

Trustee Best had to leave at 9:40 am.

MOTION: Moved by Burton, supported by Huttenlocker to approve rebalancing the Garcia Hamilton account per suggestion of Morgan Stanley. The asset transfers are to transfer \$1,000,000 from State Street S&P 400 and \$1,000,000 from State Street S&P 500 accounts and \$2,000,000 from the NWQ account – transferring to the Garcia Hamilton Fixed income account by July 30, 2014. Roll call vote. Motion carried unanimously, 6 – yes.

Trustee Kent Maurer asked that the Policy Committee review the Disability Retirement Policy as he notes some changes administratively would shorten the timetable and efficiency of the process.

MOTION: Moved by Huttenlocker, supported by Elwell to approve the Resolution for Disability Retirement Application submitted by Kimberly Stahl:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
RESOLUTION**

Adopted: July 24, 2014

Re: Disability Retirement Application Submitted by Kim Stahl

WHEREAS, the Board of Trustees is in receipt of an application for disability retirement dated July 1, 2014 from Kim Stahl, and

WHEREAS, pursuant to the pension provisions, the Member must be medically examined by a physician appointed by the Retirement System Board of Trustees, which physician will certify to the Board of Trustees whether the Member is mentally or physically totally incapacitated for continued employment by the County, whether the incapacity is likely to be permanent and, whether the Member should be retired, and

WHEREAS, the pension provisions require the Board of Trustees to review the certification of the examining physician, and to make a determination whether the Board concurs with the certification of the appointed physician, therefore be it

RESOLVED, that the Board of Trustees shall appoint a physician to be determined as the physician to examine, per the Jackson County Employees' Retirement System Board of Trustees, the Member's medical reports which are the basis for this Disability Retirement Application, and it is further

RESOLVED, that the Member is hereby requested to immediately provide the Board with any and all copies of medical reports which the Member's treating physician(s) have authored relative to the Member's claimed disability, and it is further

RESOLVED, that the Board will provide any and all said medical reports to the physician appointed to make examination of the Member's medical reports, and it is further

RESOLVED, that the appointed physician fulfill its duties and report to the Board its findings and certifications, and it is further

RESOLVED, that copies of this resolution be forwarded to Kim Stahl and to the appointed physician.

Motion carried.

MOTION: Moved by Maurer, supported by Wandell to approve the 2014 – 2015 Board of Trustee Regular Meeting Dates, with changes. Motion carried.

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES

120 West Michigan Avenue
Jackson, Michigan 49201
(517) 788-4339

County Tower Building
Fax (517) 768-6713

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM 2014-2015 Board of Trustee Regular Meeting Dates

July 24, 2014	February 26, 2015
August 28, 2014	March 26, 2015
September 25, 2014	April 23, 2015
October 23, 2014	May 28, 2015
November 20, 2014 (✦)	June 25, 2015
December 18, 2014 (✦)	July 23, 2015 Organizational Meeting
January 22, 2015	

✦ Note: These dates are not the 4th Thursday of the month. ✦
Meetings are held in the 6th Floor, Room 604 at the Tower Building
at 8:30 a.m. on the 4th Thursday of each month unless otherwise noted.

MOTION: Moved by Elwell, supported by Mauer to reaffirm Pension Coordinator Debby Gorz as the Jackson County Employees Retirement System’s FOIA Coordinator.
Motion carried.

Trustee Huttenlocker will not be at the next meeting as he has work training.

Trustee Kent Maurer discussed determining if the DROP benefit is cost neutral. There was much discussion by the Board regarding the issue and if there is a cost to the Retirement System.

MOTION: Moved by Huttenlocker, supported by Maurer to let Human Resources know and to ask Gabriel Roeder Smith to see if the DROP is cost neutral to the Retirement System or is there an underlying cost the Retirement System is subsidizing.
Motion carried.

Chairperson Shotwell adjourned the meeting at 10:15 a.m.

Chairperson

Pension Coordinator