

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

Thursday September 25, 2014
6th Floor Room 604

The September 25, 2014 Regular Meeting of the Jackson County Employee's Retirement System Board of Trustees was called to order at 8:30 a.m. by Chairperson Shotwell. The following Trustees were present: Best, Elwell, Huttenlocker, Maurer, Shotwell, Wandell. Absent: Burton. 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 Jack Timmony - VanOverbeke Michaud and Timmony.

Approval of Agenda:

MOTION: Moved by Best, supported by Wandell to approve the Agenda. Motion carried.

Trustee Huttenlocker arrived at the meeting

PUBLIC COMMENT: None

James Galbreath and Lisa George of NWQ presented a portfolio update to the Board.

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

Michael Mullane and Lisa George of Tradewinds presented a portfolio update to the Board.

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

Phil Deeney of State Street Global presented a portfolio update to the Board.

MOTION: Moved by Best, supported by Maurer to receive the Investment Portfolio update report from State Street Global as presented. Motion carried.

Approval of Minutes:

MOTION: Moved by Best, supported by Wandell to receive the minutes of August 28, 2014 meeting with grammatical corrections. Motion carried.

Monthly Financial Statement:

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

Consent Agenda:

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

- A. Receive Comerica Bank Custodial Statements of Account for
August 2014
- B. Purchase of Service
 - **Donald Atwood, JCDOT – union, 1 year 3 months**
 - **Bryan Huttenlocker, General – COAM, 4 years**
 - **Kathy Meister, MCF – non-union, 2 year**
 - **Mallory Fullerton, Genera – POLC, 1 year**
- C. Approve Refunds of Contributions –
 - 8798 - \$16,258.93**
 - 8799 - \$31,475.77**
 - 8800 - \$368.00**
 - 8801 - \$171.40**
 - 8802 - \$670.78**
 - 8803 - \$123.17**
 - 8804 - \$1,851.58**
 - 8805 - \$1686.81**
- D. Approve Distribution of DROP –
#194 –36,099.92
- E. Approve Application for Retirement
 - **Arlyn Blattner, General, Union, Effective 10/1/2014**
- F. Approve Application(s) for entrance into the Deferred Retirement
Option Plan (DROP):
 - **Jody Benson, General, Union, Effective 10/1/2014**
- G. Approve Statements Paid for **08/28/14 – 09/24/14**
 - 1. *Attached credit card statement*
- H. Receive Correspondence:
 - 1. *GRS re: DROP (9/2/2014)*
 - 2. *GH&A August 2014 Newsletter*
 - 3. *GH&A, Letter dated 8/18/2014*
 - 4. *Robbins Geller Monitoring Report (8/29/2014)*
 - 5. *Robbins Geller Settlement Report (8/29/2014)*
- I. Pension Coordinator Monthly Report

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

Investment Review Committee finished their review of State Street Global and reported they are right on target.

Policy Committee presented *Policy #18; Pension Coordinator Evaluation Review Policy* to the Board with updates to reflect the Service Contract in place with the Retirement Board and the County of Jackson, with regards to the Performance Review of the Pension Staff.

MOTION: Moved by Elwell, supported by Best to accept the updated *Policy #18, Pension Coordinator Evaluation Review Policy.*

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: February 28, 2008

Re: Pension Coordinator Performance Evaluation Reviews Updated: September 25, 2014

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, including a Pension Coordinator as contracted through Jackson County Human Resources, and

WHEREAS, the Board deems it prudent to periodically review the costs and services offered by the Pension Coordinator, and

WHEREAS, the Jackson County Human Resources Director has requested Board Chair and Vice Chair input for the annual Pension Coordinator performance review, now therefore be it

RESOLVED, that the Board of Trustees Chair and Vice Chair shall provide input at least annually to the Jackson County Human Services Director regarding Pension Coordinator performance in his/her duties to the Board, and further

RESOLVED, that each Trustee will be given an opportunity to provide input to the Board Chair and Vice Chair regarding Pension Coordinator performance, and further

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

RESOLVED, that a copy of this resolution be forwarded to the Jackson County Human Services Director, Pension Coordinator and legal counsel to the Retirement System.

Motion carried.

Board Legal Counsel Jack Timmony discussed the request regarding the Johnson refund check, and reported more library time is needed regarding this issue. Additionally, the Pension Coordinator will continue to investigate the matter through different avenues.

Jack Timmony referred to the Robbins Geller Settlement Report, and this Board is eligible to participate in two open Class Action cases, Comerica Bank routinely processes the proof of points in those cases.

Board Legal Counsel Jack Timmony discussed the letter received from Francois Pieterse, Consulting Actuary of Gabriel Roeder & Smith. The letter was regarding the impact on the Retirement System and whether it is cost neutral.

Board Chairperson Shotwell reported after discussion with Francois Pieterse of Gabriel, Roeder & Smith, at Michigan Association of Public Employee Retirement System's (MAPERS) Fall Conference he has learned; a study can be done relatively inexpensive going forward which will determine if the DROP plan is cost neutral now or how to make it cost neutral for the future.

MOTION: Moved by Wandell, supported by Elwell to request the Pension Coordinator to draft a letter to the County Administrator that suggests looking into the DROP. The goal is to be cost neutral. Gabriel Roeder & Smith and the Retirement Board Legal Counsel are available to the County if they need or want any information regarding this issue. Motion carried.

MOTION: Moved by Elwell, supported by Huttenlocker to go into Closed Session at 10:22 am regarding the Application for Disability Retirement for Kimberly Stahl. Roll call vote. Motion carried unanimously, 6 – yes.

MOTION: Moved by Maurer, supported by Elwell to come out of Closed Session at 10:35 am. Motion carried.

MOTION: Moved by Maurer, supported by Elwell to postpone the decision regarding the Disability Retirement Application. Motion carried.

Steve Lutenski of Morgan Stanley Wealth Management reported that Dan Berd of Comerica will be at that October 23rd Board Meeting to discuss the Cash Account.

Lutenski went on to report Morgan Stanley Wealth Management held a Trustee Seminar last week at their office. The Trustees that attended were Burton, Huttenlocker, Maurer and Assistant Pension Coordinator Crystal Gallagher.

Trustees Maurer and Wandell will not be present at the next Retirement Board Meeting. Board Legal Counsel will not be present but someone from his firm will attend.

Chairperson Shotwell adjourned the meeting at 10:50 a.m.

Chairperson

Pension Coordinator