

MINUTES
WASHTENAW COUNTY EMPLOYEES' RETIREMENT COMMISSION
Board of Commissioners Meeting Room 220 N. Main St., Ann Arbor, MI 48107
June 25, 2013 – 10:15 am

Scott Miller called the meeting to order at 12:34 pm

Monica Boote called the roll.

MEMBERS PRESENT: Kelly Belknap, Nancy Heine, Verna McDaniel, Scott Miller, Deb Schmitt, Conan Smith

MEMBERS ABSENT: Dan Smith

OTHERS PRESENT: Monica Boote and Lisa Everton, Human Resources; Brian Green, Graystone Consulting; Tom Michaud, VanOverbeke Michaud & Timmony; Catherine McClary, Treasurer's Office; Roberta Allen, AWARE Representative

Public Participation

None

Approval of Minutes

- A. May 28, 2013 (WCERS Regular Meeting)
- B. May 28, 2013 (WCERS Closed Session)

Verna seconded by Deb Schmitt motion to approve the minutes of May 28, 2013 (WCERS Regular Meeting) and May 28, 2013 (WCERS Closed Session) as presented. All in favor, motion carried.

Approval of Consent and Regular Agendas

Approval of consent and regular agendas moved to the end of the meeting.

Kelly Belknap seconded by Verna McDaniel motion to move into the regular agenda as presented. All in favor, motion carried.

CONSENT AGENDA

A. Communications

- 1. Washtenaw County Finance, STIF report through 5.31.13
- 2. Loomis Sayles, Economic Climate Change & The Long-Term View On Yields
- 3. Robbins Geller Rudman & Dowd, Settlement Report, 6.4.13
- 4. Loomis Sayles, Board Changes Memo, 6.17.13
- 5. Common Sense, Monthly Letter for CSL BPI, May 2013

B. Communications on File

- 1. Common Sense, Statement, as of 5.31.13
- 2. CRM, Portfolio Summary, as of 5.31.13
- 3. Institutional Investor, Magazine, May 2013
- 4. J.P. Morgan, Monthly Market Value Statement, Acct# 133290, as of 5.31.13
- 5. J.P. Morgan, Monthly Transaction Statement, Acct# 133290, as of 5.31.13
- 6. J.P. Morgan, Monthly Flash Report, Acct# 256880, as of 5.31.13
- 7. J.P. Morgan, Monthly Market Value Statement, Acct# 256880, as of 5.31.13
- 8. J.P. Morgan, Monthly Transaction Statement, Acct# 256880, as of 5.31.13
- 9. J.P. Morgan, Monthly Flash Report, Acct# 256890, as of 5.31.13
- 10. J.P. Morgan, Monthly Market Value Statement, Acct# 256890, as of 5.31.13
- 11. J.P. Morgan, Monthly Transaction Statement, Acct# 256890, as of 5.31.13
- 12. J.P. Morgan, Core Bond Fund, Senior Officer Fee Summary Evaluation, 3.18.13
- 13. Loomis Sayles, Monthly Reports, as of 5.31.13
- 14. J.P. Morgan, Income Funds Annual Report, 2.28.13
- 15. Robbins Geller Rudman & Dowd, Portfolio Monitoring Report, 5.31.13
- 16. SEI Trust Company, Monthly Statement, 5.31.13
- 17. Common Sense, 2012 Audited Financial Statement for CSL BPI – Common Sense Long-Biased BPI, Ltd., 6.18.13

C. Payment of Bills

None

D. Service Retirement Application

Name	Department	Employee Group	Date	Type	Eligibility
Azza A. Abdelgadir	Head Start	2733B	7.31.13	Service	Position Elimination
Linda S. Smith-Durham	Probate Court	Deferred	8.1.13	Deferred Vested	Age 60 With 8 Years
Hawa M. Yusuf	Head Start	2733B	8.1.13	Service	Position Elimination
Zahra M. Yusuf	Head Start	2733B	7.31.13	Service	Position Elimination
Michael C. Mazzie	CSTS	2733A	7.27.13	Service	Rule of 75, min age 50

E. Service Retirement Finals

Name	Retirement Date	Employee Group	Type	FAC	Years of Service
Clifford Clark	6.1.13	2733A	Normal	\$52,720.97	13Y 9M
Daniel O'Leary	6.1.13	Non Union	Normal	\$50,320.59	13Y 1M
Maureen Smith	6.1.13	2733B	Normal	\$47,521.71	10Y 10 M
Anne Varieur	5.18.13	MNA1	Normal	\$62,704.96	16Y 5M

F. Intent to Purchase Prior Public / Military Service

1. Prior Public
2. Prior Military

G. Final Purchase Approval Resolutions – Prior Public / Military Service

1. Prior Public
2. Prior Military

H. Application for Refund of Contributions & Termination of Membership

Name	Termination Date	Vested	Approximate Distribution Amount
Shauna M. Aitson	7.31.13	No	\$7,477.40
Nancy Dodson	2.15.13	No	\$19,200.76
Leann M. Freda	6.1.13	No	\$9,750.98
Jill D. Koeppe	7.31.13	No	\$6,003.32
James F. McGhee	5.28.13	No	\$1,298.95
Tracy A. Mercy	5.22.13	No	\$12,111.82
Aaron C. Pressal	7.31.13	No	\$4,489.93
Philip A. Ristenbatt	5.3.13	No	\$12,344.56
Candida M. Roper	5.31.13	No	\$1,976.20
Vanessa Russell	5.23.13	No	\$1,339.48
John L. Schippers	6.4.12	Yes	\$84,922.12
Cassandra C. Sheriff	7.31.13	No	\$17,010.58
Camille A. Woods	5.3.13	No	\$2,998.49
Debra A. Woods	6.14.13	Yes	\$39,471.09
Kiyana S. Horton	8.3.12	No	\$1,958.91

I. Application for Deferred Retirement Benefit

Name	Termination Date	Department	Employee Group	Required Service for Vesting
Marilyn V. Gatewood	7.31.13	Head Start	Non-Union	30 Months +Act 88 Credit Totaling 8 Years

J. Pension Benefit Changes

1. Termination of Benefits

Annie R. Frierson, deceased 5.10.13, retired 1.11.93, Option: Straight Life

2. Life Insurance – Death Benefit

Annie R. Frierson, deceased 5.10.13, beneficiary Roderick J. Frierson

3. Payment to Survivor

None

4. Pop up to Straight Life

Gary Baker, Survivor Beneficiary Pamela Baker deceased 6.11.13, Option 3 – Pop Up to Straight Life

L. EDRO / DRO

None

REGULAR AGENDA

Investment Consultant's Report – Brian Green

A. Expense Overview

Brian Green presented a fee summary schedule as of May 31, 2013 indicating fees are 0.46% of portfolio assets. A 2012 national study found portfolios of similar size were on average 0.59% of assets. Graystone will continue to monitor fees especially with outliers such as WHV and CRM. The higher fees for these managers are due to the complexity of the asset class they manage. The recommended philosophy is to continue to incur fees in areas where the opportunity for excess income or risk aversion make it cost effective.

B. May 2013 Performance Report

Mr. Green reports continued good news across the board with the exception of fixed income.

Other current events discussed related to the federal financial policy and the federal government's continuance or discontinuance of purchasing bonds. Mr. Green stated that from a performance standpoint, the JPM Core Bond Fund approach is concerning because of possible rising interest rates. Graystone is interviewing internally 5 to 6 various firms that represent a number of options to generate positive returns in a rising interest rate environment. Mr. Green recommends pausing on hedge funds until an asset allocation study can be completed from a core fixed income standpoint. Mr. Miller questioned if rates rise should WCERS' be prudent in buying into a particular bond with a higher rate of return instead of being in a bond fund that is subject to price fluctuations. Mr. Green stated that WCERS may want to freeze their JP Morgan Core Bond fund instead. Fixed income is a necessary component of this plan's investing strategy. The market events dictate fixed income. With no federal intervention and as interest rates rise we may need to take action before the Federal Government does.

Legal Advisor's Report – Tom Michaud

None

Other Advisor's Comments

None

Unfinished Business

A. Education Policy

B. AWARE Liaison Resolution

Monica Boote reported that Conan Smith, Tom Michaud and she had a conference call to discuss the education policy and AWARE liaison resolution. Ms. Boote was asked to confer with the AWARE group by Mr. C. Smith in regards to sharing educational opportunity expense since the group has a major stake in the representative's education and

reporting. In the interim Human Resources has offered to provide reimbursement for the one-day MAPERS educational opportunities in the interest of the AWARE representative attending. Ms. Boote reported that more consultation with AWARE is needed and the sub-committee will prepare a policy and resolution for the trustees consideration at the July or August regular meeting.

New Business

None

Retirement Administrator's Report – Monica Boote

None

Ms. Boote reported that she will not be attending July's meeting but will have a representative available at the meeting.

Report of the Chair

Mr. Miller reported that since hedge fund opportunities will be on hold given the current market, he would like to proceed with another asset allocation study and defer manager interviews until August or September.

(Kelly Belknap exited at 12:54 pm)

Issues, Concerns and Trustee Comments

None

Approval of Consent and Regular Agendas

Verna McDaniel seconded by Conan Smith motion to approve the Consent and Regular Agendas as amended to include the Supplemental Agenda as presented. All in favor, motion carried

Adjournment:

Verna McDaniel seconded by Conan Smith motion to adjourn at 12:56 pm. All in favor, motion carried.

Upcoming Board Meeting

- Regular Meeting, July 23, 2013 at 8:30 am
BOC Conference Room,
220 North Main Street, Ann Arbor, MI.