

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

Thursday, February 25, 2016  
6<sup>th</sup> Floor Room 604

The February 25, 2016 Regular Meeting of the of the Jackson County Employee's Retirement System Board of Trustees was called to order at 8:34 a.m. by Chairperson Shotwell. The following Trustees were present: Best, Elwell, Huttenlocker, Johnson, Maurer, Shotwell, and Wandell. Absent: None. Also in attendance: Matt Augustine – Morgan Stanley; Stephanie Drumhiller – Pension Coordinator Assistant; Debby Gorz - Pension Coordinator; and Jack Timmony – Vanoverbeke Michaud and Timmony.

**Approval of Agenda:**

**MOTION**: Moved by Best, supported by Huttenlocker to approve the Agenda for February 25, 2016. Motion carried.

**PUBLIC COMMENT**: None

**INVESTMENT MANAGER UPDATE**: None.

**MOTION**: Moved by Elwell, supported by Johnson to receive the Minutes of January 28, 2016. Motion carried.

**MOTION**: Moved by Elwell, supported by Johnson to receive the Minutes of February 17, 2016 with addition. Motion carried.

**Monthly Financial Statement:**

**MOTION**: Moved by Best, supported by Wandell to receive the Monthly Financial Statements as presented by James Latham for January 2016. Motion carried.

**Consent Agenda:**

**MOTION**: Moved by Huttenlocker supported by Wandell to concur with the Consent Agenda:

- A. Comerica Bank Custodial Statements of Account for *January* (▶)
- B. Purchase of Service
- C. Refunds of Contributions
- D. Distribution of DROP Balances
- E. Approve Application for Retirement  
-None
- F. Approve Application(s) for entrance into the Deferred Retirement  
Option Plan (DROP):  
- None
- G. Statements Paid

H. Correspondence:

1. Memorandum re: Normal Retirement Age (2/5/16)
2. Brandes Observes (January 2016)
3. Brandes Reviews 4<sup>th</sup> Qrt (December 2015)
4. Brandes 4<sup>th</sup> Qrt Report (2015)
5. C.S. McKee 4<sup>th</sup> Qrt Report (2015)
6. Calamos Qrtly Performance Report (December 31, 2015)
7. GH&A Portfolia Review (December 31, 2015)
8. NWQ 4<sup>th</sup> Qrt Market Commentary and Portfolio Review (2015)
9. SSGA Qrtly Investment Commentary (2015)
10. SSGA Forecast 1<sup>st</sup> Qrt 2016
11. Robbins Geller Settlement/Monitor Rpt. (1/29/16)

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

**Investment Manager Review Committee:**

None

**Policy Committee:**

**MOTION:** Moved by Wandell, supported by Best to approve Policy #10 Verification of Retirant and Beneficiary Data Policy with correction of date amended as presented:

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

**Reviewed: February 25, 2016**

**Re: Verification of Retirant and Beneficiary Data Policy Adopted: July 26, 2007**

**WHEREAS**, Section 10(4) of the Retirement System Bylaws grants the Board of Trustees the authority to request periodic updates and verification of retirant and beneficiary data and the discretion to suspend benefits if the requested information is not furnished, and

**WHEREAS**, the Board of Trustees has reviewed its policies and procedures and notes that it is in the best interest of the Retirement System, its members and beneficiaries to have in place a system whereby the annual verification of data is obtained from retirants and beneficiaries in order to ensure the accuracy of said information, and

**WHEREAS**, the Board has the legal and fiduciary obligation to assure that pension benefit recipients are providing accurate information to the Retirement System annually, and

**WHEREAS**, the Board, in conjunction with its legal counsel, has devised a system whereby the attached form will be sent annually to all retirants and to all beneficiaries who are receiving pension benefits, during the month of May in each calendar year, and



**WHEREAS**, in the event that the retirant or the beneficiary, in the appropriate case, fails to complete and return said form to the Board of Trustees within the sixty (60) day period, then the Board will have the discretion to suspend the payment of benefits until such time as the retirant or beneficiary completes and returns said form, and

**WHEREAS**, if a benefit is suspended pursuant to this resolution, but the required form is subsequently returned, the suspended benefit shall be reinstated and the affected retirant or beneficiary shall receive a single payment equal to the sum of the suspended payments; the amount will not be adjusted for earnings or interest, now therefore it is

**RESOLVED**, that the Board of Trustees hereby approves the verification of retirant and beneficiary data form attached hereto and made a part hereof as though fully set forth, and further

**RESOLVED**, that each May, a copy of this resolution and the verification of retirant and beneficiary data letter and form be prepared and mailed to all retirants and beneficiaries who are receiving benefits in accordance with the foregoing.

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

**MOTION**: Moved by Wandell, supported by Best to approve Policy #16 Effective Date of Retirement & Payment as presented:

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

**Amended: February 25, 2016**

**Revised: January 23, 2014**

**Adopted: February 28, 2008**

**Re: Effective Date of Retirement & Payment**

**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**, Section 8(2) of the Retirement System Bylaws specifies that a Member's effective date of retirement shall be the first day of any month following termination of employment, and authorizes the Board of Trustees to establish procedures by which a Member may make such a designation, and

**WHEREAS**, the Board desires to formalize its procedure for the proper determination of a Member's effective date of retirement, now therefore be it

**RESOLVED**, that the Board of Trustees hereby establishes and formalizes its procedure for the proper determination of a Member's effective date of retirement as follows:

1. A Member shall have terminated and completed their last day of employment prior to the first day of the month designated as the effective date. The Member must have filed with the Pension Coordinator prior to the desired effective retirement written application for retirement setting forth the desired effective date of retirement. The first retirement check will generally issue on the Member's effective date of retirement. Due to administrative delays, in some

circumstances the first check may not issue until the first day of the month following the effective date of retirement. In such a case, the first check will include benefits for the month containing the effective date of retirement.

2. Should a Member be eligible to apply for more than one type of retirement, the application that the Member submits will determine the date that is used for purposes of an effective date of retirement.

and it is further

**RESOLVED**, that a copy of this resolution be forwarded to the Pension Coordinator and legal counsel to the Retirement System.

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

**Legal Counsel:**

Legal Counsel Jack Timmony discussed the Memorandum dated February 5, 2016 regarding proposed regulations by the Internal Revenue Service and normal retirement age/in-service distributions. These regulations are anticipated to be effective no earlier than the first plan year beginning on or after January 2, 2017.

**MOTION:** Moved by Huttenlocker, supported by Johnson to receive and file legal counsel's report. Motion carried.

**Morgan Stanley Wealth Management Update:**

Matthew Augustine gave an update to the Board regarding the transition from WHV to ClearBridge. He reported that the transition will be effective after the end of February 2016, and the WHV assets will be transferred into ClearBridge on March 1, 2016.

Matthew Augustine passed out a draft copy of an amended Statement of Investment Objectives, Policies and Guidelines for the Jackson County Employees' Retirement System. He discussed Morgan Stanley's recommendations with the board.

**MOTION:** Moved by Maurer, supported by Huttenlocker for Policy #36; the draft copy of an Amended Statement of Investment Objectives, Policies and Guidelines be reviewed by the Investment Manager Review Committee and to be brought back to the full Board. Motion carried.

**MOTION:** Moved by Best, supported by Huttenlocker to receive the 4<sup>th</sup> Quarter 2015 Investment Manager Monitor Report from Morgan Stanley Wealth Management as presented. Motion carried.

**MOTION:** Moved by Maurer, supported by Huttenlocker to move into Closed Session at 9:35 a.m. at the request of Legal Counsel Jack Timmony to discuss the Memorandum dated February 18, 2016 regarding BHP Billiton LTd. Motion carried.

**MOTION:** Moved by Maurer, supported by Huttenlocker to return to Open Session. Motion carried.

**MOTION:** Moved by Maurer, supported by Huttenlocker to amend the Agenda to reflect adding 9A to reflect going into closed session for legal review. Motion carried.

**MOTION:** Moved by Maurer, supported by Huttenlocker to accept recommendation of legal counsel to confirm action taken by the Chairman for the Board of Jackson County Retirement Trustees for the Jackson County Employee's Retirement System for the approval of instigating litigation against BHP Billiton Ltd.

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

Chairperson Shotwell adjourned the meeting at 9:50 a.m.

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Chairperson

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Pension Coordinator

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES**

120 West Michigan Avenue  
Jackson, Michigan 49201

County Tower Building  
(517) 788-4339

May 1, 2016

**Verification of Retirant and Beneficiary Data**

Pursuant to the administrative policy of the Jackson County Employees' Retirement System (printed on back), you are required to complete, sign, and return this form **every year** to the Board of Trustees at this address:

Jackson County Employees' Retirement System  
120 W. Michigan Ave.  
Jackson MI 49201

**Failure to properly complete and return this form to the Board of Trustees within thirty (30) days of the above date may result in a suspension of your benefits.** All retirants and surviving beneficiaries receiving benefits must complete this form.

The Board of Trustees will treat this information as confidential to the extent allowed by law. This information is necessary to the continued proper operation of your Retirement System.

**NOTE: THIS FORM DOES NOT ALLOW OR PROVIDE FOR A CHANGE OF YOUR DESIGNATED BENEFICIARY. Please detach bottom portion and mail to the above address. Copies and/or Faxes are not acceptable.**

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Please complete to verify the following information:

1. Name of Retirant  
(or Survivor Beneficiary receiving monthly benefit): \_\_\_\_\_

2. Name of Spouse (if living): \_\_\_\_\_

3. Current Mailing Address of Person receiving benefit:

\_\_\_\_\_ Street

\_\_\_\_\_ City State Zip Code

4. Home Telephone Number: (\_\_\_\_) \_\_\_\_\_

5. If there has been any change in your marital status in the past year, please check the box and provide the date:

Divorce \_\_\_\_\_  Death of Spouse \_\_\_\_\_  Remarriage \_\_\_\_\_

**Signature of Person Receiving Monthly Benefit** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Printed Name:** \_\_\_\_\_

Do Not Write In This Box: Group: _____ Date Received: _____
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