

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

Thursday, February 27, 2014
6th Floor Room 604

The February 27, 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 arrived at 8:35 a.m., Shotwell, Wandell, Welihan. Also in attendance: Matt Augustine – Morgan Stanley; Crystal Gallagher – Pension Coordinator Assistant; Debby Gorz - Pension Coordinator, Joni Johnson – Deputy Director HR; James Latham – Finance Officer; Steven Lutenski – Morgan Stanley; Mike Overton – County Administrator and Jack Timmony - VanOverbeke Michaud and Timmony; Frank Judd – VanOverbeke Michaud and Timmony arrived at 9:15 a.m.

A Trustee vacancy was created by the following: Trustee Robin Haddix's resignation (Union-Representative).

Approval of Agenda:

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

PUBLIC COMMENT: None

INVESTMENT MANAGER UPDATE: None

Approval of Minutes:

MOTION: Moved by Elwell, supported by Wandell to receive the minutes of January 23, 2014 meeting with grammatical correction. Motion carried.

Monthly Financial Statement:

MOTION: Moved by Best, supported by Welihan to receive the Monthly Financial Statements for January 2014 as presented by James Latham. Roll call vote. Motion carried unanimously, 6 – yes.

Consent Agenda:

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

- A. Receive Comerica Bank Custodial Statements of Account for
January 2014
- B. Purchase of Service
Shannan Carroll – AFSCME – 2 years
- C. Approve Refunds of Contributions –
8761 - \$21,766.87
8762 - \$9,902.02
8763 - \$545.38
8763 - \$371.65

- D. Approve Distribution of DROP –
 - **None**
- E. Approve Application for Retirement
 - **Richard Allen, General, Union, Effective 3/1/2014**
- F. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
 - **None**
- G. Approve Statements Paid for **1/23/14 – 2/26/14**
 - 1. *Attached credit card statement*
- H. Receive Correspondence:
 - 1. *Calamos 3Q Performance Rpt 2013*
 - 2. *Trustee Resignation Ltr*
 - 3. *Robbins Geller Settlement Rpt (1/2014)*
 - 4. *Robbins Geller Monitoring Rpt (1/2014)*
 - 5. *SSGA Forecasts – 1st Quarter 2014*
 - 6. *SSGA Qrtly Commentary (12/31/14)*
 - 7. *SSGA Performance Report*
 - 8. *WHV Adv Package*
 - 9. *4th Qtr 2013 CS McKee*
 - 10. *4th Qtr 2013 GH&A*
 - 11. *4th Qtr 2013 Tradewinds*
 - 12. *4th Qtr 2013 WHV*
- I. Pension Coordinator Monthly Report

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

MOTION: Moved by Wandell, supported by Elwell to accept the recommendations of the Policy Committee to receive the Payment of Credit Card Statements with no changes:

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

Re: Payment of Credit Card Statements

**Reviewed: February 27, 2014
Adopted: September 28, 2006**

WHEREAS, the Board of Trustees is vested with the fiduciary responsibility for the proper administration, operation, and management of the Retirement System, and

WHEREAS, the Board of Trustees acknowledges its responsibility as pension plan fiduciary, and

WHEREAS, the Board notes that Section 12c (4) of Michigan Public Act 314, as amended, MCL §38.1132c (4), provides that “[a]n investment fiduciary may use a portion of the income of the system to defray the costs of investing, managing, and protecting the assets of the system; may retain investment and all other services necessary for the conduct of the affairs of the system; and may pay reasonable compensation for those services.”, and

WHEREAS, the Board has applied for and obtained a credit card for the purpose of administering, operating, and managing the business of the Retirement System, such credit card having a credit limit of \$10,000.00, with no annual fee, and

WHEREAS, the Board anticipates that at times the credit card statement will issue and the payment due date thereon will be established as a date which is following the date of a regular meeting of the Board such that the statement will not be paid until after the payment due date indicated on the statement, thus potentially causing interest and/or late charges to accrue on the unpaid balance, and

WHEREAS, the Board has concluded that such a situation would not be in the best interests of the Retirement System, its members, beneficiaries, and retirees, and

WHEREAS, the Board is of the opinion that it is prudent to provide the Retirement System third party disbursement agent, Comerica Bank, with standing authority to pay the credit card statement when it comes due, and to present the statement to the Board at its next regularly scheduled meeting at which time the Board may examine the statement, may verify that the statement is correct, and in the event that it is not correct, the Board may then act to correct the statement, therefore it is

RESOLVED, that the Retirement System third party disbursement agent, be and the same hereby is vested with the standing authority to pay the monthly credit card statement as it comes due, and it shall thereafter present the statement to the Board of Trustees at the next regularly scheduled meeting of the Board for review, verification, and correction if necessary, and it is further

RESOLVED, that copies of this Resolution be provided to the Retirement System custodian of assets, Comerica Bank, to the Retirement System investment consultant and to legal counsel.

Motion carried.

Chairperson Shotwell directed Pension Coordinator to draft a letter to the Board of Commissioners asking them to revisit Bylaw Section 26 to either reaffirm or change the interest rate.

MOTION: Moved by Elwell, supported by Wandell to ask the Board of Commissioners to review Section 26 of the Jackson County Retirement Bylaws, regarding the interest rate of 5.25% that is used in the crediting and charging of interest.

Legal Counsel Jack Timmony discussed the Reciprocal Retirement Act which was enacted to provide for the preservation and continuity of retirement system service credit for public employees who transfer their employment between units of government. This will be discussed with the Policy Committee.

Attorney Timmony reported that on the Robbins Gellers Settlement Report, dated 1/31/2014 is showing the Lehman Brothers case settled for \$99 million dollars, gross class recovery. Jackson County will be participating because we held the securities that were relative to this case in the window period. Comerica bank routinely files for proof of claim, we will receive a pro rata share of that sometime during this calendar year.

Timmony went on to report that on the Robbins Gellers Monitor Report, dated 1/31/2014, *Electronic Arts, Incorporated* reported a loss of \$15,413 during the window period. He stated we will not participate as the lead plaintiff or named plaintiff in this case, nonetheless, we are eligible to participate in the class because we own the security.

Attorney Jack Timmony discussed that Participant, Rock Soles and Alternative Payee, Camille Soles entered an EDRO dated 10/24/2006, assigning a portion of retirement benefits to Camille Soles. An amended EDRO, dated 1/31/2014 provides that Alternate Payee no longer is entitled to receive any portion of the participant's retirement. It has been determined that the court order is consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended.

MOTION: Moved by Elwell, supported by Huttenlocker adopt the resolution in regards to the Order Modifying Judgment of Divorce:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
RESOLUTION**

Adopted: February 27, 2014

**RE: Rock William Soles v. Camille Suzanne Soles
Jackson Cty. Case No. 06-00016-DM**

WHEREAS, the Parties had previously entered an Eligible Domestic Relations Order ("EDRO") in this matter on October 24, 2006, wherein the Participant, Rock William Soles, assigned a portion of his retirement benefits to the Alternative Payee, Camille Suzanne Soles, and

WHEREAS, the Board is in receipt of a First Amended EDRO dated January 31, 2014, wherein the Alternate Payee is no longer awarded certain rights to the benefits of the Participant, and

WHEREAS, the First Amended EDRO provides that the Alternate Payee is no longer entitled to receive any portion of the Participant's retirement benefit from the Defined Benefit Plan, and

WHEREAS, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings, and

WHEREAS, said matter has been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to an application being filed by the Participant seeking payment, and further

RESOLVED, that upon application of the Participant this file be forwarded to the Board's actuary for calculation of the benefits, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and

RESOLVED, that copies of this resolution be sent to Patricia J. Worth, Esq., attorney for the Participant; Camille Suzanne Soles, the Alternate Payee, and the Board's actuary.

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

The Board discussed and decided to review the Gabriel Roeder & Smith Annual Actuarial Valuation for 2013 at a *Special Meeting* to be held on *Tuesday, June 17th* at *5:30 p.m.* on the 5th Floor in the Commissioners Chambers. Additionally, the Annual Actuarial Valuation Presentation by GRS, will be the same day and location at *7 p.m.*

MOTION: Moved by Elwell, supported by Welihan to receive the Actuarial Valuation Presentation on June 17, 2014. Motion carried.

MOTION: Moved by Best, supported by Elwell to receive the 4th Quarter 2013 Investment Manager Monitor Report from Morgan Stanley Wealth Management as presented.

MOTION: Moved by Wandell, supported by Best to hold a special election for the seat vacated by Trustee Robin Haddix. Motion carried.

MOTION: Moved by Elwell, supported by Huttenlocker to approve the modified 2014 Special Trustee Election Schedule and the Resolution Authorizing Election:

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
● **RESOLUTION AUTHORIZING ELECTION** ●

WHEREAS, Section 27(2)(b) of the Retirement System Bylaws provides that **two (2) union employees**, covered by the Jackson County Employees' Retirement System, shall be elected by the Members employed by the Employers participating in the System; No more than one employee member shall be from any one County department, and

WHEREAS the term of Robin Haddix, Union employee-elected trustee is vacant, it is necessary to elect a union employee representative to the Board of Trustees, now therefore be it

RESOLVED, that an election be held for a Union Employee Representative in accordance with the Rules of the Jackson County Employees' Retirement System Board of Trustees, Policy 17 – *Procedure For Elections of Members of the Board of Trustees* as follows:

1. **CANDIDATE PETITIONS** Petitions may be obtained from the Pension Coordinator's Office on or after Friday, February 28, 2014, and must be signed by at least ten (10), but not more than thirty (30) members of the Retirement System. **These petitions must be filed with the Pension Coordinator on or before Friday, March 21, 2014, at 5:00 p.m.** A candidate shall have until 5:00 p.m. on Monday, March 24, 2014 which is three calendar days after the deadline for filing petitions to file a written notice in the Pension Coordinator's office to withdraw his/her name from nomination.
2. **PERSONS ENTITLED TO SIGN PETITIONS, TO BECOME CANDIDATES AND TO VOTE** Employees of the Jackson County Department on Aging, Sheriff's Department and Veterans Affairs Office may **not** become candidates. All other union employees who are members of the Jackson County Employees' Retirement System are eligible to become candidates. All employees of the County, the Courts, the Medical Care Facility and the Road Commission who are members of the Jackson County Employees' Retirement System are eligible to sign nominating petitions for this election. A Member may not sign a nominating petition for more than one candidate for the same office. All employees of the County, the Courts, the Medical Care Facility and the Road Commission **who are members** of the Jackson County Employees' Retirement System having at least 14 calendar days' membership in the System prior to the election deadline for ballot distribution are eligible to vote.
3. **POLL LIST** On Friday, March 21, 2014, 14 calendar day(s) prior to the distribution of ballots, the Pension Coordinator shall compile a list of all the employees of the County, the Medical Care Facility and the Road Commission who are members of the Jackson County Employees' Retirement System. This Poll List shall be used by the Pension Coordinator to determine the eligibility of candidates, to verify the membership

status of individuals signing a petition and to determine who shall be eligible to vote. Each member that votes shall be noted on the list by the Pension Coordinator.

4. **PREPARATION OF BALLOTS** The Pension Coordinator shall prepare all ballots and envelopes to be used at said election in accordance with Policy Section 17.C which shall consist of: a single ballot which contains the names of the candidates arranged in rotating order and voting directions; an “inside envelope” marked “FOR BALLOT ONLY” into which each voter shall seal their completed ballot; and an “outside envelope” which shall be labeled with the voter’s polling location, name of the member eligible to vote on that ballot, and a signature line requiring the signature of the Member eligible to vote on that ballot.
5. **DATES AND PLACES OF ELECTION** **The ballots for Election of the Board of Trustees Union Employee Representative shall be distributed to each Department Head, Elected Official or their designee on Friday, April 4, 2014 and be made available for release to Members on this date.** Completed ballots are to be placed in the inside envelope and sealed, the inside envelope is to be placed inside the outside envelope and sealed. The outside envelope must be signed by the Member whose name is on the envelope in order for the ballot to be counted. Members may turn in their completed ballots at any polling location prior to the collection deadline. Ballots shall be placed in a secure container designated as a ballot box at each polling location. **A Member shall not receive or cast more than one ballot. Ballots shall be collected by the Pension Coordinator from the listed polling locations on Friday, April 4, 2014, at 4:00 p.m.** The following is a list of official polling locations, with specific individual’s names listed in parentheses if applicable: Court House County Clerk’s Office; Sheriff’s Department (Control Room); Sheriff-Chanter Road Facility (Control Room); Tower Building (6th Floor Administrator’s Office); Human Services Building – 2 boxes (Dept. on Aging Secretary; Environmental Health Reception); Friend of the Court (Second Floor, Room 223); Youth Center (Reception Office); Animal Shelter (Office); Parks (Office); Medical Care Facility (Human Resources or Dept. Manager); Road Commission Office (Reception Area) and County Garages – Parma, Clarklake and Henrietta (Supervisor); ballots may be sent through the interoffice mail (must be received by 4:00 p.m. on 04/13/14) or may be returned to the Pension Coordinator’s office in the Tower Building.
6. **CANVASSING THE VOTE** The Retirement Board of Trustees shall meet on **Thursday, April 24, 2014, at 8:30 a.m. on the 6th Floor, Room 604 of the Jackson Tower Building for the purpose of counting the ballots, canvassing the vote, and declaring the Election of the successful candidate.** The candidate receiving the greatest number of votes at said Election shall be declared elected Union Employee Representative for a **partial term commencing May 1, 2014 thru February 28, 2015.** In the event of a tie vote, the candidates shall cast lots to determine who shall be declared elected.

PLEASE POST

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

Chairperson Shotwell adjourned the meeting at 9:40 a.m.

Chairperson

Pension Coordinator