

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

Thursday, March 24, 2016  
6<sup>th</sup> Floor Room 604

The March 24, 2016 Regular Meeting of the 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, Johnson, Maurer, Shotwell, and Wandell. Absent: None. Also in attendance: Matt Augustine – Morgan Stanley; Stephanie Drumhiller – Pension Coordinator Assistant; Debby Gorz - Pension Coordinator; James Latham, Director of Finance and Jack Timmony – Vanoverbeke Michaud and Timmony.

**Approval of Agenda:**

**MOTION:** Moved by Best, supported by Maurer to approve the Agenda for March 24, 2016. Motion carried.

**PUBLIC COMMENT:** None

**INVESTMENT MANAGER UPDATE:**

Lisa Davenport of Calamos Investments presented an Investment Portfolio update to the Board.

**MOTION:** Moved by Best, supported by Huttenlocker to receive the presentation from Calamos Investments. Motion carried.

**MOTION:** Moved by Best, supported by Maurer to receive the Minutes of February 25, 2016 as amended. Motion carried.

**MOTION:** Moved by Elwell, supported by Maurer to receive the Closed Minutes of February 25, 2016. Motion carried.

**Monthly Financial Statement:**

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

**Consent Agenda:**

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

- A. Comerica Bank Custodial Statements of Account for *February* (▶)
- B. Purchase of Service
- C. Refunds of Contributions
- D. Distribution of DROP Balances
- E. Approve Application for Retirement  
-Jody Fransted – deferred, JDOT, Effective 3/1/2016
- F. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):  
-None
- G. Statements Paid
- H. Correspondence:
  - 1. Calamos Immediate Release
  - 2. Robbins Geller Settlement/Monitor Rpt. (2/26/2016)

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

**Investment Manager Review Committee:**

Trustee Bryan Huttenlocker reported that Calamos was discussed at the February Investment Manager Review meeting. He also reported, Policy #36 for "*The Statement of Investment Objectives, Policies and Guidelines*" has been sent to Legal Counsel's office for review.

**Policy Committee:**

Legal Counsel Jack Timmony reported that Policies #24 – *Deferred Retirement Option Plan Procedure*; #29 – *Service Retirement Policy and Procedure* and #39 – *Purchase of Universal Service Credit and Prior County Service Credit and Non-Intervening Military Service Credit* will be sent back to the Policy Committee for further review.

**MOTION:** Moved by Wandell, supported by Best to approve Policy #35; Reciprocal Retirement Act:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM  
POLICY RESOLUTION (AS AMENDED)**

Reviewed and adopted as revised: March 24, 2016

Adopted: June 17, 2014

Re: **Reciprocal Retirement Act**

Public Act 88 of 1961, as amended (MCL 38.1101 et seq.)

**PURPOSE**

On October 20, 1965, the Jackson County Board of Supervisors adopted provisions of the Reciprocal Retirement Act, Public Act 88 of 1961, as amended. The Reciprocal Retirement Act 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. An eligible person may choose to combine credited service acquired with a preceding reciprocal retirement system with credited service acquired with a succeeding governmental unit for purposes of qualifying for an age and service retirement from either retirement system, provided the conditions of Act 88 are satisfied.

**RECIPROCITY**

**I. SECTION 4 - SERVICE CREDIT**

Section 4 of the Reciprocal Retirement Act provides that if a member leaves the employ of Jackson County and enters the employ of another governmental unit(s), he/she may receive a retirement allowance payable by the Jackson County Employees' Retirement System subject to meeting the following conditions:

1. The former Member must have had at least thirty (30) months of service credit in the Jackson County Employees' Retirement System. Purchased service shall not be counted for purposes of satisfying this requirement;
2. The former Member has not withdrawn his/her employee contributions from the Jackson County Employees' Retirement System or has re-deposited any withdrawn amounts with interest within twenty (20) years after employment with the succeeding governmental unit;
3. The former Member must have been employed by a succeeding unit within twenty (20) years after leaving the employment of Jackson County;
4. The former Member's credited service in force with Jackson County plus the Member's credited service acquired in the employ of the succeeding governmental units equals or exceeds the minimum credited service required for age and service retirement in the Jackson County Employees' Retirement System;

5. The former Member has attained age 60 years;
6. Written documentation from the succeeding governmental unit is submitted to the Jackson County Retirement Board verifying dates of full and/or part-time employment and service credit acquired.
  - a. If a succeeding government unit cannot verify previous employment, then the member must provide acceptable verification such as pay stubs, Social Security report, or tax returns. The Jackson County Retirement Board shall determine whether documentation is sufficient.
7. The former Member submits a Release authorizing the Jackson County Retirement Board to request and receive appropriate verifying documentation from a succeeding government unit.

## II. SECTION 5 - SERVICE CREDIT

Section 5 of the Reciprocal Retirement Act provides that if a member of the Jackson County Employees' Retirement System has **previously acquired credited service as a member of another governmental retirement system**, he/she may be entitled to a retirement allowance payable by the Jackson County Employees' Retirement System subject to meeting the following conditions:

1. The Member has 30 months or more of credited service acquired as a member of the Jackson County Employees' Retirement System. Purchased service shall not be counted for purposes of satisfying this requirement;
2. The Member has attained the age but not the service requirement for age and service retirement;
3. The Member became a member of the Jackson County Employees' Retirement System within 20 years of leaving the prior governmental unit. The prior governmental unit is not required to be a reciprocal retirement system. The Member is not required to draw a retirement benefit or have contributions on deposit with the prior governmental unit;
4. The Member submits a Release authorizing the Pension Coordinator to request and receive appropriate documentation from the preceding governmental unit verifying qualified credited service, including dates of full and/or part-time employment.
5. A member's retirement benefit shall be based upon the service credit rendered to Jackson County.

## III. SECTION 6 - SERVICE CREDIT

The Jackson County Board of Commissioners has not implemented Section 6 of the Reciprocal Retirement Act; therefore, it is not required for the preceding governmental unit to be designated as a reciprocal unit.

## IV. GENERAL CONDITIONS

The recognition of service credit will be approved by the Retirement Board contingent upon the Retirement System's receipt of all appropriate documentation. Only service to a State Unit or a Municipal Unit in the State of Michigan, as specifically provided for in the Reciprocal Retirement Act, will be recognized by the Retirement Board as service to a governmental unit under the provisions of the Act.

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

### Legal Counsel:

Legal Counsel Jack Timmony discussed the eligible claims that are marked on the Settlement and the Portfolio Monitoring Reports dated February 26, 2016.

**Morgan Stanley Wealth Management Update:**

Matthew Augustine and Steve Lutenski of Morgan Stanley Wealth Management; shared comments and outlooks regarding the markets.

**MOTION:** Moved by Johnson, supported by Huttenlocker to receive the 2016 Administration Budget. Motion carried.

**MOTION:** Moved by Best, supported by Johnson to declare Bryan Huttenlocker as the Elected Union member of the Board of Trustees for a term of 3 years, beginning June 1, 2016 through May 31, 2019.

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

**MOTION:** Moved by Huttenlocker, supported by Best to amend the 2016 Scheduled Meetings with Managers & Consultants, replacing WHV with Clearbridge Investments on July 28, 2016. Motion carried.



2016 MANAGER  
SCHEDULE.doc

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

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Chairperson

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Pension Coordinator