

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

Thursday, April 24, 2014
6th Floor Room 604

The April 24, 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, Shotwell, Welihan. Absent: Wandell. 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 and Frank Judd - VanOverbeke Michaud and Timmony.

Approval of Agenda:

MOTION: Moved by Best, supported by Huttenlocker to approve the Agenda with the following changes. Agenda item 8.A. Canvassing the votes, shall be moved to follow Agenda Item 3. Motion carried.

PUBLIC COMMENT: None

Garcia Hamilton & Associates were scheduled to present their Portfolio Update to the Board. They did not appear and have been rescheduled to an upcoming meeting.

The Trustees counted the ballots cast in the Union Representative Trustee Special Election.

The ballot totals were:

Lindall Burton – 132
Peter Ford – 87
Roger Sperlbaum - 56

MOTION: Moved by Elwell, supported by Welihan to declare Lindall Burton, the Elected Union Representative to the Jackson County Employees' Retirement system Board of Trustees for a partial term commencing on 5/1/2014 – 02/28/2015. Roll call vote. Motion carried unanimously, 5 – yes.

Approval of Minutes:

MOTION: Moved by Elwell, supported by Best to receive the minutes of March 27, 2014 meeting as presented. Motion carried.

Monthly Financial Statement:

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

Consent Agenda:

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

- A. Receive Comerica Bank Custodial Statements of Account for
March 2014
- B. Purchase of Service
Timothy Roberts – POAM – 4 years

- C. Approve Refunds of Contributions –
 - 8769 - \$1,074.02**
 - 8770 - \$166.48**
 - 8771 - \$570.21**
 - 8772 - \$45.85**
- D. Approve Distribution of DROP –
 - none**
- E. Approve Application for Retirement
 - Mary Ricciardello, Non-Union – General, Effective 6/1/14**
- F. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
 - April Boone, AFSCME – JCMCF, Effective 5/1/14**
- G. Approve Statements Paid for **3/27/14 – 4/23/14**
 - 1. *Attached credit card statement*
- H. Receive Correspondence:
 - 1. Robbins Geller Settlement Rpt (3/28/14)
 - 2. Robbins Geller Monitoring Rpt (3/28/14)
 - 3. Robbins Geller Int'l Monitoring Rpt (3/28/14)
 - 4. Comerica Broker Summary Report (3/31/14)
 - 5. SSGA Forecast – 2nd Qrt 2014
 - 6. SSGA Perf & Analysis (03/31/14)
 - 7. SSGA Qrtly Investment (03/31/14)
- I. Pension Coordinator Monthly Report

Roll call vote. Motion carried unanimously, 5 – yes.

MOTION: Moved by Elwell, supported by Welihan to approve the updates made to Policy #19, *Repayment of Previously Withdrawn Accumulated Contributions Policy* as presented.

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
P O L I C Y R E S O L U T I O N**

Adopted: February 28, 2008

Re: Repayment of Previously Withdrawn Accumulated Contributions Updated: April 24, 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, Section 4 of the Retirement System Bylaws provides for the reinstatement of Credited Service upon eligibility for such reinstatement, and

WHEREAS, the Board desires to formalize its procedure for the reinstatement of previously forfeited Credited Service, now therefore be it

RESOLVED, that the Board of Trustees hereby establishes and formalizes its procedure for the reinstatement of forfeited Credited Service as follows:

1. A Member whose Credited Service was previously forfeited may have that Credited Service reinstated if the Member repays to the Retirement System the total amount of Accumulated Member Contributions previously withdrawn together with compounded interest, at a rate which the Jackson County Board of Commissioners determines and which is then in effect, from the date(s) of withdrawal to the date of re-payment; and

2. The Member must repay said amount by either a full lump sum payment or in periodic installments with the total amount due to be fully paid by the end of the calendar year in which the Member requests to have the forfeited Credited Service reinstated.
3. Credited Service will not be reinstated until payment is received in full.
4. If payment is not made in full by the end of the calendar year or termination of employment, whichever is sooner, the Member will receive Credited Service in proportion to the amount actually repaid.

and it is further

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

Roll call vote. Motion carried unanimously, 5 – yes.

MOTION: Moved by Elwell, supported by Best to approve new Policy #37, *Pension Administration Budget Policy* as presented.

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

RE: Pension Administration Budget

Adopted: April 24, 2014

WHEREAS, the Retirement Board of Trustees (“Board”) is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, 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 deems it prudent to annually determine and approve expected costs related to the administration, management and operation of the Retirement System, therefore it is

RESOLVED, that each January the Board of Trustees shall approve a calendar year Pension Administration Budget, and it is further

RESOLVED, that the Pension Coordinator will be responsible for coordinating preparation of the annual budget, including at minimum the following expenses:

- Pension Office Personnel Services per agreement with the County of Jackson Service Contract, including indirect costs allocated to Pension Administration.
- Professional training and education; see Educational Seminar and Conference Policy #9.
- Actuarial fees; see Supplemental Actuarial Valuation Policy #21.
- Dues and publications

- Legal Fees
- Office Supplies including software maintenance
- Per Diem (public member)
- Communication costs: postage, printing

And it is further

RESOLVED, that a copy of this resolution be forwarded to the Pension Coordinator, Jackson County Administrator/Controller, Human Resources, and Finance Departments.

Roll call vote. Motion carried unanimously, 5 – yes.

Board Legal Counsel Frank Judd discussed the Memorandum dated 4/11/2014 regarding pending Michigan Legislative Updates which include House Bill 4001 changes to Freedom of Information Act and House Bill 4804, which would amend Public Employment Relations Act (PERA), Public Act 336 of 1947.

Board Legal Counsel Frank Judd discussed the letter received from Jackson County Department of Transportation Employee, Curtis Connors dated 3/25/2014. Mr. Connors is requesting *“to terminate his “Pension Purchase” agreement, and prorate the funds that will have been paid in full at the time of the termination”*.

Mr. Judd pointed out the Election Form that Mr. Connors signed, clearly states the election purchase of his Universal Credited Service is Irrevocable. The only option that would stop the election is termination with his Employer. At this time his request will be denied, it is beyond the jurisdiction of the Retirement System Board of Trustees to modify or otherwise alter the terms of the purchase, it is respectfully recommended that this matter be directed to the employer Jackson County Department of Transportation and Union for review.

MOTION: Moved by Huttenlocker, supported by Elwell to receive the 4/24/14 Memorandum from Legal Counsel, Jack Timmony regarding Curtis Connors and Termination of Purchase of Universal Credited Service as presented by the Board Legal Counsel. Motion carried.

MOTION: Moved by Best, supported by Welihan, to approve the recommendation of the 4/24/14 Memorandum from Legal Counsel, Jack Timmony and to deny Mr. Connors' request.

Steve Lutenski and Matt Augustine of Morgan Stanley Wealth Management presented a market update to the Trustees.

Matt Augustine reported there hasn't been a Stock Market Correction in over 900 days. He predicts the correction will happen between now and the end of the 3rd Quarter, stating typically on average there is a market decline of 10% or more in about 400 days.

MOTION: Moved by Elwell, supported by Huttenlocker to receive the Market Update as presented by Morgan Stanley Wealth Management. Motion carried.

MOTION: Moved by Best, supported by Elwell to accept the Resolution Authorizing Election for Nonunion Trustee Welihan's vacancy.

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

● RESOLUTION AUTHORIZING ELECTION ●

WHEREAS, Section 27(2)(b) of the Retirement System Bylaws provides that **one (1) non-union employee**, 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 David Welihan, Non-Union employee-elected trustee expires May 31, 2014, it is necessary to elect a non-union employee representative to the Board of Trustees, now therefore be it

RESOLVED, that an election be held for a Non-Union Employee Representative in accordance with the Rules of the Jackson County Employees' Retirement System Board of Trustees, *Article 27 – 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, April 25, 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, May 2, 2014, at 5:00 p.m.** A candidate shall have until 5:00 p.m. on Wednesday, May 7, 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 Office and the Youth Center may **not** become candidates. All other non-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 Department of Transportation 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 Department of Transportation 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, May 8, 2014, 1 calendar days 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 Department of Transportation 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 Board Rules Section 27.4 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 Non-Union Employee Representative shall be distributed to each Department Head, Elected Official or their designee on Friday, May 9, 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, May 16, 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 Thursday, May 15, 2014) 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, May 22, 2014, at 8:30 a.m. in the 6th Floor Conference Room at the 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 Non-Union Employee Representative for a **three (3) year term commencing May 31, 2017.** 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, 5 – yes.

Chairperson Shotwell adjourned the meeting at 9:38 a.m.

Chairperson

Pension Coordinator