

MINUTES
WASHTENAW COUNTY EMPLOYEES' RETIREMENT COMMISSION
Board of Commissioners Meeting Room 220 N. Main St., Ann Arbor, MI 48107
February 26, 2019 - 8:30 am

ORDER OF BUSINESS

Meeting Called to Order

Scott Miller called the meeting to order at 8:41 am

Roll Call:

Monica Boote called the roll

WCERS Members Present: Kelly Belknap, Gregory Dill, Nancy Heine (8:43 am), Corey Mason, Scott Miller, Jason Morgan

WCERS Members Absent: Katie Scott (Excused)

Others Present: Monica Boote, Sarah Erskine, Human Resources; Catherine McClary, Washtenaw County Treasurer; Tom Michaud, VanOverbeke, Michaud & Timmony; Amy Cole, Brian Brice, Graystone Consulting; Roberta Allen, AWARE Representative; Deborah Schmitt, Water Resources; Rodney Rosswurm, Med Source

Public Participation

None

Approval of Minutes

- A. January 22, 2019 - Regular Meeting
- B. February 1, 2019 – Special Meeting
- C. February 1, 2019 – Closed Session

C. Mason seconded by G. Dill to approve the regular session minutes of January 22, 2019 and February 1, 2019 Special and Closed Meeting Minutes. All in favor, motion carried.

Approval of Consent and Regular Agenda

C. Mason seconded by G. Dill to approve the Consent and Regular Agenda as presented. All in favor, motion carried.

CONSENT AGENDA

A. Communications

- A. Washtenaw County Finance, Contributions/Distributions as of 01.30.2019
- B. Brandywine, Monthly Commentary January 2019
- C. JP Morgan SPF, Monthly Flash Report January 2019
- D. JP Morgan SSPF, Monthly Flash Report January 2019
- E. JP Morgan SPF, Monthly Transaction Statement January 2019
- F. JP Morgan SSPF, Monthly Transaction Statement January 2019
- G. Morgan Stanley, Client Statement January 2019
- H. Robbins Geller Rudman & Dowd, Portfolio Monitoring Report, January 2019

B. Communications on File

- 1. Brandywine, January 2019 Reporting
- 2. JP Morgan, SPF, January 2019 Monthly Reporting
- 3. JP Morgan, SSPF, January 2019 Monthly Reporting
- 4. Loomis Sayles, January 2019 Reporting
- 5. Manning & Napier, December 2018 Performance Review
- 6. Morgan Stanley, January 2019 Monthly Reporting
- 7. Robbins Geller Rudman & Dowd, December 2018 Settlement Report

C. Invoices Pending Ratification

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount Due</u>	<u>Invoice</u>
Brandywine	Investment Fees 4Q18	\$5,691.58	20181231-483-3101-A

Legg Mason (Western Asset)	Investment Management Fees 4Q18	\$28,200.51	4Q18WCERS
Manning & Napier	Investment Services Fees 4Q18	\$26,804.42	20181231-313-958-A

D. Service Retirement Application

Name	Department	Employee Group	Retirement Date	Type	Eligibility
Fellabaum, Kathleen	CMH	2733A	04.01.2019	Service	Rule of 75, minimum age 50
Garber, Judah	Trial Court	CTNU	04.01.2019	Service	Rule of 75, minimum age 50
Kelly, Barbara	Trial Court – FOC	CTNU	04.01.2019	Service	Rule of 75, minimum age 50

E. Service Retirement Finals

None

F. Intent to Purchase Prior Public / Military Service

1. **Prior Public**
None
2. **Prior Military**
None

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

1. **Prior Public**
None
2. **Prior Military**
None

H. Application for Refund of Contributions & Termination of Membership Pending Ratification

Name	Termination Date	Vested	Approximate Distribution Amount
Cynthia Ulrich	12/20/2010	No	\$2,176.83

I. Application for Deferred Retirement Benefit

None

J. Pension Benefit Changes

1. **Wilson, Chester**
Date of Death: February 3, 2019
Pension Election: Option 3 – 50% J/S
Payment to Beneficiary: N/A
Death Benefit Beneficiary: Barbara Wilson
2. **Dohm, Katherine**
Date of Death: February 8, 2019
Pension Election: Straight Life
Payment to Beneficiary: N/A
Death Benefit Beneficiary: Estate of Katherine Dohm

Death Benefit Total Amount: \$5,500.00

K. EDRO / DRO

None

REGULAR AGENDA

Investment Consultant's Report – Amy Cole

Ms. Cole discussed the market updates for February. She stated that the markets have had a really strong start to the year, especially Global Equities and Emerging Markets. There could potentially be more volatility from the Fed's raising interest rates, but not nearly as much as the end of last year. The best returns in 2019 are coming from Real Estate, Energy, and Industrials with over 10-11% each. Ms. Cole stated that Morgan Stanley is suggesting overweight to International and Emerging Markets and underweight to US Equities for the portfolio's investments.

The Board then discussed the potential impact to the market from the tax laws that were put into place last year.

Ms. Cole then discussed the Monthly Performance for January. At the end of 2018 the portfolio was down 5.4% and at the end of January it was up 5.32 points. The total Stock Market came in at about 8% and Small Cap was leading in performance with 10.63%. Ms. Cole stated that Morgan Stanley will review at the Asset Allocations for WCERS around April and will present the Board with any recommendations. The portfolio has a year to date return of 7.1% as of February 21, 2019.

Ms. Cole gave a brief overview of McMorgan Infrastructure, JP Morgan Special Situation Property Fund, and the JP Morgan Strategic Property Fund and why they are important to the WCERS portfolio. These are strong funds with long term Infrastructure and Real Estate investments.

Legal Advisor's Report – Tom Michaud

None

S. Miller requested a report regarding securities litigation action updates for the next meeting.

Other Advisor's Comments

None

Unfinished Business

None

New Business

MedSource Review – Rodney Rosswurm

Mr. Rodney Rosswurm gave a brief overview of Med Source and the process involved in selecting the doctors that they associate with. He provided two lists of physicians that MedSource works with. The first list provides all the physicians that MedSource works with, the second list is exclusive Michigan Physicians that only do contract work with MedSource. He stated that all doctors are independently contracted and currently have their own private practices, none are employees of Med Source. They ensure that all doctors are currently in good standing in the community and with medical boards. When Washtenaw County requests a medical review, Med Source selects the doctor based on what the potential medical diagnosis is for the patient.

Mr. Rosswurm then proceeded to answer the Trustees' questions.

He stated that Med Source goes through a vetting process multiple times a year, where they review a national practitioners database that contains information regarding major complaints against physicians. He then gave multiple situations that they would eliminate their affiliation with specific doctors on their list.

Mr. Rosswurm also discussed Med Source's process regarding any conflict of interest that may arise from the physicians. Each doctor they work with has to sign a written agreement regarding any conflict of interest that they may come across.

He stated that Med Source has an annual turnover rate of 5-10% from the vetting process as well as when physicians chose to terminate their affiliation.

Mr. Rosswurm confirmed that the fee the physicians are paid is the same regardless of the opinion they provide.

Retirement Administrator's Report – Monica Boote**A. Disability Retirement Applications Update**

M. Boote stated that Ms. Sheng's application has been pushed off to be able to provide the doctor with additional information to review.

Report of the Chair

None

Issues, Concerns and Trustee Comments

None

Adjournment

G. Dill seconded by K. Belknap to adjourn at 10:01am. All in favor, motion carried.

Upcoming Board Meeting

- Regular Meeting, March 26, 2019 at 8:30 am
BOC Conference Room,
220 North Main Street, Ann Arbor, MI 48107