

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

ORDER OF BUSINESS

Meeting Called to Order

Scott Miller called the meeting to order at 8:44 am

Roll Call:

Monica Boote called the roll

WCERS Members Present: Kelly Belknap, Nancy Heine, Corey Mason, Scott Miller, Katie Scott

WCERS Members Absent: Jason Morgan (Excused), Gregory Dill

Others Present: Monica Boote, Sarah Erskine, Human Resources; Catherine McClary, Washtenaw County Treasurer; Tom Michaud, VanOverbeke, Michaud & Timmony; Amy Cole, Erik Burger, Graystone Consulting; Roberta Allen, AWARE Representative; Deborah Schmitt, Water Resources; Mei-Fu Sheng, CMH; Jacob Bender

Public Participation

None

Approval of Minutes

A. February 26, 2019 - Regular Meeting

K. Belknap seconded by C. Mason to amend and approve the regular session minutes of February 26, 2019. All in favor, motion carried.

Approval of Consent and Regular Agenda

N. Heine seconded by C. Mason to approve the Consent and Regular Agenda with moving Unfinished Business to the beginning of the Agenda. All in favor, motion carried.

CONSENT AGENDA

A. Communications

1. Washtenaw County Finance, Contributions/Distributions as of 02.28.2019
2. Brandywine, Monthly Commentary February 2019
3. JP Morgan SPF, Monthly Flash Report February 2019
4. JP Morgan SSPF, Monthly Flash Report February 2019
5. JP Morgan SPF, Monthly Transaction Statement February 2019
6. JP Morgan SSPF, Monthly Transaction Statement February 2019
7. Morgan Stanley, Client Statement January 2019
8. Robbins Geller Rudman & Dowd, Settlement Report, February 2019
9. Robbins Geller Rudman & Dowd, 4Q18 Litigation Report

B. Communications on File

1. Brandywine, February 2019 Reporting
2. JP Morgan, SPF, 4Q18 Reporting
3. JP Morgan, SSPF, 4Q18 Reporting
4. JP Morgan, SPF, February 2019 Monthly Reporting
5. JP Morgan, SSPF, February 2019 Monthly Reporting
6. Loomis Sayles, February 2019 Reporting
7. McMorgan, 3Q18 Reporting
8. Morgan Stanley, 1099 Consolidated Tax Statement

C. Invoices Pending Ratification

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount Due</u>	<u>Invoice</u>
Buck	Services rendered for January 2019	\$833.34	2411520WCERS
Med Source	Disability Retirement - Additional Review of Records	\$1,200.00	SF19-367711-1
Morgan Stanley	Investment Advisory Fees 4Q18	\$20,000.00	10024519060

D. Service Retirement Application

Name	Department	Employee Group	Retirement Date	Type	Eligibility
Dunk, Katherine	Prosecuting Attorney	2733B	06.01.2019	Service	Rule of 75, minimum age 50
Neal, Bonnie	Trial Court - FOC	2733C	04.01.2019	Service	Rule of 75, minimum age 50
Petosky, Nancy	Trial Court	2733JC	05.01.2019	Service	Rule of 75, minimum age 50

E. Service Retirement Finals

Name	Retirement Date	Employee Group	Type	FAC	Years of Service
Bernard, Kent	01.01.2019	2733JC	Service	\$73,533.36	26Y 6M
Boman, Perri	01.01.2019	2733A	Service	\$84,223.20	31Y 7M
Conrad, Christine	01.01.2019	POAMTSP	Service	\$66,246.96	28Y 9M
Farrow, Marlene	02.01.2019	2733A	Service	\$63,256.56	15Y 4M
Gentz, Judith	01.01.2019	Non Union	Service	\$127,209.72	8Y 1M
Kirscht, Miriam	01.01.2019	Deferred	Service	\$52,986.31	11Y 11M
Newlin, Sherri	01.01.2019	2733B	Service	\$52,968.96	26Y 11M
Webster, Kathy	01.01.2019	MNA II	Service	\$93,498.84	18Y 11M

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

None

I. Application for Deferred Retirement Benefit

None

J. Pension Benefit Changes

1. **Frierson, Betty**

Beneficiary Date of Death: January 23, 2019

Pension Election: Option 3 – 50% J/S → Reverts to Straight Life

Death Benefit Total Amount: \$0

K. EDRO / DRO

None

REGULAR AGENDA

Unfinished Business

Disability Retirement Update – Sheng

N. Heine seconded by K. Belknap to go into closed session to discuss the Disability Retirement. All in favor motion carried.

M. Boote called the Roll.

WCERS Members Present: Nancy Heine, Corey Mason, Scott Miller, Katie Scott, Kelly Belknap

Board entered closed session at 8:54am.

The Board returned to public session at 9:49am.

C. Mason seconded by K. Belknap to send all additional information that Mr. Bender provides to HR by end of the day on March 27th to Dr. Miller for review and reporting. All in favor, motion carried.

(Ms. Sheng and Mr. Bender left 9:49am)

Investment Consultant's Report – Amy Cole

Ms. Cole discussed that the market have recovered with the help of price momentum. She then gave a brief overview of the On the Market report. There was a report this past Friday that the market is starting to show an inverted yield curve, which can indicate a recession in a year to two years. Ms. Cole stated that Morgan Stanley is taking the inverted yield curve with a grain of salt, because there are so many different aspects that could affect the markets. She then stated there have been no market analysts currently calling for a negative GDP, which is a major part of a recession. If the inverted yield curve is a sign of a recession, it won't be for another few years. It is still expected to be a positive year for the markets.

Mr. Burger discussed the performance, the total fund is up 1.73% for the month, bringing year to date up to 7.15%. The Vanguard Total Stock Market ETF was up 3.56% for the month and 12.4% YTD. The Russell 100 Value ETF was up 3.15% for the month and 11.26% YTD. Brandywine and JPM Special Situation Property Fund are the only funds that are currently negative in the portfolio. The portfolio ended the month with nearly \$270 Million dollars. Mr. Burger then discussed that the portfolio is currently overweight in Domestic Equities Large Cap and International Equities.

Ms. Cole stated that they will be looking at the asset allocation for the next meeting, specifically looking at Brandywine. She then discussed the dates for trustee education session.

S. Miller requested that HR send out a doodle poll to see what day works best to hold the education sessions.

Legal Advisor's Report – Tom Michaud

Securities Actions Update Report

Mr. Michaud discussed that his office reviews the WCERS portfolio on the Board's behalf and files security litigations if he deems it necessary. He currently only brought large litigations to the Board's attention and has not specifically brought a case to the board in the last five years. S. Miller requested more formal updates regarding finalization of the securities litigations.

Other Advisor's Comments

Ms. McClary asked what the process is to have the WCERS Board expenses paid. The Board then discussed the current process and where it could be improved.

(K. Belknap out at 10:38)

New Business

The Board discussed when the RFP for the consultants to the WCERS Board will be distributed.

Retirement Administrator's Report – Monica Boote

M. Boote stated she will bring the new Administrators Services proposal next month. She also stated that the Actuary is currently actively working on the data for the Valuation.

Report of the Chair

None

Issues, Concerns and Trustee Comments

N. Heine stated that she believes the ordinance for disability retirement needs to be updated. M. Boote discussed the steps that HR/Labor Relations would have to take to change the plan ordinance.

Adjournment

C. Mason seconded by N. Heine to adjourn at 10:54am. All in favor, motion carried.

Upcoming Board Meeting

- Regular Meeting, April 23, 2019 at 8:30 am
BOC Conference Room,
220 North Main Street, Ann Arbor, MI 48107