

MINUTES
WASHTENAW COUNTY EMPLOYEES' RETIREMENT COMMISSION
Board of Commissioners Meeting Room 220 N. Main St., Ann Arbor, MI 48107
January 22, 2019 - 8:30 am

ORDER OF BUSINESS

Meeting Called to Order

Scott Miller called the meeting to order at 8:42 am

Roll Call:

Monica Boote called the roll

WCERS Members Present: Kelly Belknap, Gregory Dill, Nancy Heine (8:50 am), Scott Miller, Jason Morgan

WCERS Members Absent: Corey Mason

Others Present: Monica Boote, Sarah Erskine, Human Resources; Catherine McClary, Washtenaw County Treasurer; Frank Judd, VanOverbeke, Michaud & Timmony; Amy Cole, Tim Brice, Graystone Consulting; Roberta Allen, AWARE Representative, Katie Scott, Board of Commissioners; Alexandra O'Donnell and Michael O'Donnell, Community Mental Health.

Election of Officers

A. Chair

K. Belknap seconded by G. Dill to nominate Scott Miller for Chair. All in favor, motion carried.

B. Vice-Chair

G. Dill seconded by J. Morgan to nominate Kelly Belknap for Vice-Chair. All in favor, motion carried.

C. VEBA – BOC Representative/Employee Representative

J. Morgan Seconded by G. Dill to nominate K. Scott pending her appointment to the WCERS Board. All in favor, motion carried.

N. Heine seconded by J. Morgan to nominate C. Mason as Employee Representative to the VEBA Board. All in favor, motion carried.

Approval of Minutes

A. December 18, 2018 - Regular Meeting

G. Dill seconded by K. Belknap to approve the regular session minutes of December 18, 2018. All in favor, motion carried

Approval of Consent and Regular Agenda

K. Belknap 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 12.30.2018
- B.** Brandywine, Monthly Commentary December 2018
- C.** JP Morgan SPF, Monthly Flash Report November 2018
- D.** JP Morgan SSPF, Monthly Flash Report December 2018
- E.** JP Morgan SPF, Monthly Transaction Statement December 2018
- F.** JP Morgan SSPF, Monthly Transaction Statement December 2018
- G.** Morgan Stanley, Client Statement December 2018
- H.** Robbins Geller Rudman & Dowd, Portfolio Monitoring Report, November 2018
- I.** Western Asset, December Personnel Communication

B. Communications on File

- 1.** Brandywine, November and December 2018 Reporting
- 2.** JP Morgan, SPF, October – December 2018 Monthly Reporting
- 3.** JP Morgan, SSPF, October – December 2018 Monthly Reporting
- 4.** Loomis Sayles, 4Q18 Reporting
- 5.** Morgan Stanley, December Monthly Reporting

C. Invoices Pending Ratification

<u>Vendor</u>	<u>Description of Services</u>	<u>Amount Due</u>	<u>Invoice</u>
Buck Global LLC	Services rendered November and December 2018	\$1,666.67	2403941WCERS
JP Morgan SPF and SSPF	Investment Management Fees 3Q18	\$112,701.70	20180930-16974-A
Med Source Services	Disability Retirement Exam & Report	\$1,700.00	S118-123764-0
Med Source Services	Disability Retirement Exam & Report	\$1,500.00	SF19-367711-0
Med Source Services	Late Cancelation Fee	\$400.00	S118-123636-0
VMT	Legal Services 1Q18	\$2,484.00	9770
VMT	Legal Services 2Q18	\$2,772.00	9771
VMT	Legal Services 3Q18	\$1,008.00	9772
VMT	Legal Services 4Q18	\$2,520.00	9773

D. Service Retirement Application

Name	Department	Employee Group	Retirement Date	Type	Eligibility
Farrow, Marlene	CMH	2733A	02.01.2019	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

None

I. Application for Deferred Retirement Benefit

None

J. Pension Benefit Changes

1. **Peterson, Louise**
Date of Death: December 23, 2018
Pension Election: Straight Life
Payment to Beneficiary: N/A
Death Benefit Beneficiary: Shannon Turner
2. **Cohen, Ruthmary**
Date of Death: January 3, 2019
Pension Election: Straight Life
Payment to Beneficiary: N/A
Death Benefit Beneficiary: Jonathan and Joel Cohen
3. **Campbell, Mary**
Date of Death: January 7, 2019
Pension Election: Option 2 – 100% J/S
Payment to Beneficiary: N/A
Death Benefit Beneficiary: N/A

Death Benefit Total Amount: \$4000.00

K. EDRO / DRO

None

REGULAR AGENDA

Investment Consultant's Report – Amy Cole and Tim Brice

Mr. Brice discussed the On the Markets report, stated that December 2018 was the worst December since 1931. This was caused from the Feds raising interest rates and the trade war. This led to every asset class being impacted, even diversified portfolios did not have good returns. The Feds stated that they are going to back off raising interest rates; the next possibility of it is in June 2019 and then again in December 2019. Morgan Stanley is expecting that the world market will be at a low for the first quarter of 2019, but doesn't expect to see a recession in the United States. There has been a shift to being underweight to US Equities and overweight to International Stocks. Mr. Brice stated that he believes that the markets have entered a secular bull market.

The Board then discussed the changes to the market since the end of the performance report regarding the government shut down and Brexit complications. Mr. Brice discussed how to quantify for the Board what the government shutdown is causing. He then stated there are three different scenarios that could happen in regards to Brexit. They include a no deal Brexit, a new deal Brexit, and, the most likely scenario, a delay in Brexit, then a new referendum and Brexit never happens.

Mr. Brice stated it is hard to estimate what the shutdown will really cost the market, depending on how long the shutdown lasts.

Ms. Cole discussed the Performance of the WCERS Portfolio as of December 31, 2018. The portfolio was down 4.5 for the month of December and down 8.35 for the quarter. The overweight to equities was the detractor for the last quarter in 2018. The WCERS portfolio began the year at \$280 million and is down to \$253 million. She then discussed the Asset Allocation for the portfolio and how each Money Manager performed. Domestic Equity Large Cap was down -9.5% and Small & Mid Cap was down 12%.

Ms. Cole then stated that so far in January, the market has done a turnaround from the performance at the end of 2018. The portfolio is up 4% as of Friday. She stated that they believe the portfolio is still in good shape regarding the asset allocation.

Legal Advisor's Report – Frank Judd

None

Other Advisor's Comments

None

Unfinished Business

None

New Business

A. 2019 MAPERS Conferences Calendar

1. One Day Seminar, 03.01.2019, Novi, MI – Sheraton Detroit/Novi Hotel
2. Spring Conference, 05.18.2019 – 05.21.2019, Bellaire, MI – Shanty Creek Resort
3. Fall Conference, 09.21.2019 – 09.24.2019, Kalamazoo, MI – Radisson Hotel

B. 2019 NCPERS Conference Calendar

1. NCPERS Accredited Fiduciary Program, 05.18.2019 – 05.19.2019, Austin, TX – Hilton
2. Trustee Educational Seminar, 05.18.2019 – 05.19.2019, Austin, TX – Hilton
3. Annual Conference & Exhibition, 05.19.2019 – 05.22.2019, Austin, TX – Hilton

G. Dill seconded by J. Morgan to approved attendance to any and all of these education session for trustees and staff as well as allow the retiree representative the ability to go to the one day and one of any of the other education status. All in Favor, motion carried.

(J. Morgan and K. Scott out at 9:35)

Retirement Administrator's Report – Monica Boote

A. Disability Retirement Applications Update

M. Boote updated the Board on Ms. Sheng's Disability Retirement Application, it has been deferred to the February meeting.

She also stated that there are not enough trustees present to go into a closed session to discuss Ms. O'Donnell's Disability Retirement Application. .

The Board discussed scheduling a special meeting to discuss Ms. O'Donnell's Disability Retirement Application.

M. Boote discussed the Actuarial RFP. K. Belknap discussed the new reporting from the State of Michigan and checking with Buck to ensure they are ready for the new reporting and base whether a new RPF should be based off of that.

The Board also discussed the possibility of having a one day retreat.

Report of the Chair

None

Issues, Concerns and Trustee Comments

None

Adjournment

N. Heine seconded by K. Belknap to adjourn at 9:57am. All in favor, motion carried.

Upcoming Board Meeting

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