

**MINUTES OF THE RETIREMENT COMMISSION
Thursday, January 15, 2015**

A meeting of the Retirement Commission was held on Thursday, January 15, 2015 at 8:30 a.m., at the Macomb County Administration Building, 9th Floor Conference Room, located at 1 South Main Street, Mount Clemens, Michigan. The following members were present:

Present:

Jerry Moffitt-Chair, Darra Slanec-Vice Chair, Gary Cutler, Mark Deldin, Dave Flynn, Bob Hoepfner, Matthew Murphy

Also Present:

John Kravitz, Leonard Reinowski, John Schapka, Greg Suma, Steve Smigiel
Brian Green, Mike Holycross, Tom Michaud

1. Call to Order

There being a quorum of the committee present, the meeting was called to order at 8:30 a.m. by Chair Hoepfner.

2. Adoption of Agenda

A motion was made by Trustee Moffitt, supported by Trustee Flynn to adopt the agenda as presented. Motion Carried.

3. Election of Officers

--Chair

Chair Hoepfner called for nominations for Chair.

A motion was made by Trustee Deldin, supported by Trustee Flynn to nominate Jerry Moffit as Chair. Motion Carried.

There were no other nominations. Nominations were closed.

Jerry Moffitt was unanimously elected Chair.

--Vice Chair

A motion was made by Trustee Cutler, supported by Trustee Flynn to nominate Darra Slanec for Vice-Chair.

There were no other nominations. Nominations were closed.

Darra Slanec was unanimously elected Vice-Chair.

4. Public Participation

None

5. Approval of Minutes

A motion was made by Trustee Deldin, supported by Trustee Hoepfner to approve the minutes of December 18, 2014 as presented. Motion Carried.

6. Approval of Invoices

A motion was made by Trustee Deldin, supported by Trustee Hoepfner to approve payment of invoices as presented. Motion Carried.

7. Retirement Administrator Report

Greg Suma reported the bid opening for the Actuary RFP will be at 10:00 a.m. Trustees requested that a list of the companies who responded be sent out to the trustees. Mr. Suma will bring a recommendation regarding the vacant Retirement Assistant position to the next meeting.

8. LS Advisors

Dave Jones and Kevin Yousif provided a portfolio review on the LS Advisors dividend equity fund which replicates the S&P 500 Dividend Aristocrats Index. The report consisted of a review of the dividend equity strategy, investment philosophy and process. Mr. Jones summarized the portfolio's performance, attribution, characteristics and provided a snapshot of portfolio holdings.

A motion was made by Trustee Murphy, supported by Trustee Hoepfner to receive and file the LS Investment Advisors equity dividend strategy portfolio update as presented. Motion Carried.

9. Loomis Sayles Portfolio Reviews

David Sowerby provided updates on the Large Cap Value and Core Plus Fixed Income portfolios. The portfolio reviews consisted of performance highlights, equity/fixed income attribution and portfolio characteristics. A snapshot of stocks and fixed income holdings and recent changes in portfolio holdings was provided. Mr. Sowerby discussed the departure and changes of the equities portfolio management team since August 2014. He responded to questions regarding the impact of the management team departure relative to the research process and stock selection. Mr. Sowerby discussed the specific stocks that have led to the lag in performance and changes made to improve performance. He provided commentary and outlook for return expectation for equities and fixed income.

9. Loomis Sayles Portfolio Reviews (continued):

A motion was made by Trustee Hoepfner, supported by Trustee Murphy to receive and file the Loomis Sayles Large Cap Value and Core Plus Fixed Income portfolio updates. Motion Carried.

The Board asked the investment consultant to comment on how Loomis ranks vs. peers, change in management team and if there was any correlation to the underperformance and the departure of the portfolio manager in 2014.

10. 2015 Meeting Dates

Trustee reviewed and approved a list of proposed meeting dates as presented. Staff was asked to post the dates to the Retirement System website.

A motion was made by Trustee Hoepfner, supported by Trustee Murphy to adopt the 2015 meeting dates as presented. Motion Carried.

11. Other Business

Chair Moffitt requested the investment consultant provide a one page summary prior to each meeting to outline the manager's portfolio review and address any potential issues that the Board should be concerned with.

12. Adjournment

There being no further business before the Board, the meeting was adjourned at 9:45 a.m.

**Submitted by:
Stephen Smigiel, Interim Secretary**