

EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – August 13, 2014

A meeting of the Employees' Retirement System Board of Trustees was held on **August 13, 2014** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:10 p.m.

Trustees Present: Mark Calice
Dave Henderson
Thomas Darling, CPA
Steve Pallotta
William R. Need (Ex-Officio)
Brian Kischnick

Trustees Absent: Milton Stansbury
Thomas J. Gordon, II

Also Present: Sehrish Sala-Ud-Din
Bryan Martin

Minutes

Resolution # ER – 2014-08-23

Moved by: Kischnick
Seconded by: Henderson

RESOLVED, The Minutes of the June 11, 2014 meeting be approved.

Yeas: 5
Absent: 2

Retirement Requests

Resolution # ER – 2014-08-24

Moved by: Pallotta
Seconded by: Henderson

RESOLVED, The following retirement requests are approved.

Name	William McNabb	Renee Jelley
Pension Program	DC	DC
Retirement Date	08/01/2014	08/22/2014
Department	TFSOA (Fire)	TCSA
Service Time	25 yrs 2 mo	17 yrs 5 mo

Yeas: 5
Absent: 2

Investments – Graystone Consulting review of compiled investments for the quarter ending June 30, 2014

Michael Holycross and Brian Green of Graystone Consulting reviewed the consolidated investment report for the quarter ended June 30, 2014.

The review was done in detail noting Total Fund performance for the current quarter of 3.64%, Calendar YTD of 4.69% and Trailing 1, 3, 5 and 10 years. Total market value of assets held at June 30, 2014 were \$212,447,980.

The review included definitions of "Trailing Years" and the consultants answered all questions posed by the Board.

The ERS Board agreed by consensus that the quarterly performance reports met the reporting needs of the Board.

Investments – UBS Consulting review of UBS and NAIC investments ending July 31, 2014 and investment recommendations

Rebecca Sorenson, Darin McBride of UBS Financial Services reviewed the ERS Board and NAIC accounts for the month ending July 31, 2014.

It was noted that the combined UBS investment portfolio allocation was in line with the ERS Investment Policy.

UBS reviewed recommended option transactions. Discussion took place as to the strategy of using options and how it met the Boards conservative approach. Consensus was reached by the Board that it was a recommended approach in re-balancing the portfolio when a reduction equities is required to meet Investment Policy guidelines.

The Board further directed the System Administrator to approve UBS recommended Call and Put options as long as they met the requirements of ERs Rules and Regulations ER-2009-6-26.

Investments – IAS Report – No Sell Recommendations/Available Cash \$592,745

No action taken.

Other Business – GRS Actuarial Fee Letter

The System Administrator reviewed the fee letter from the Systems actuaries Gabriel, Roeder, Smith & Company noting that additional fees will be incurred for the actuaries to incorporate the requirements of *Governmental Accounting Standards Board (GASB) Statement Number 67* "Financial Reporting for Pension Plans – Amendment to GASB Statement 25". Additional fees were estimated at \$2,000 - \$4,000 in the first year of implementation.

Other Business – Reporting

The System Administrator noted that the June 30, 2014 City generated detailed investment report will not be generated for future periods as this information can be found in the monthly Morgan Stanley and UBS statements.

In addition, all submitted reports will be incorporated in the monthly ERS agenda packet and emailed to all ERS Board members. Should a Board Member require a hard copy of the report, they should submit their request to UBS, Graystone or the System Administrator.

Public Comment

None

The next meeting is Wednesday September 10, 2014 at 12:00 p.m. at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 2:15 p.m.


Mark Calice, Chairman


Thomas Darling, Pension Administrator