



500 West Big Beaver
Troy, MI 48084
troymt.gov

MINUTES

Employees' Retirement System Board Meeting

December 11th, 2019 at 1:30 PM
Troy City Hall Council Board Room
500 West Big Beaver Troy, Michigan 48084
(248) 524-3330

Roll Call

The monthly meeting for the Employees' Retirement System Board of Trustees was held on **December 11th, 2019** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 1:32 PM.

Trustees Present: Mark Calice
Thomas Gordon II
Robert C Maleszyk
Justin Novak
Mark F Miller (left at 2:00 PM)
David Hamilton
Milton Stansbury

Trustees Absent: Mark Owczarzak

Also Present: Robert F. Alati – Graystone Consulting
Timothy M. Brice – Graystone Consulting
Rebecca Sorensen – UBS Financial Management
Darin McBride - UBS Financial Management
Jason Ashline - ICMA-RC
Kevin Monds – ICMA-RC
Rola Ismail – ICMA-RC
Lisa Burnham
Shazia Fatima

Minutes from the November 13th, 2019 Meeting

Resolution # ER – 2019-12-41

Moved by: Maleszyk
Seconded by: Hamilton

RESOLVED, that the Minutes of the November 13th, 2019 meeting be **APPROVED**.

Yeas: - 7 -

Absent: - 0 -

Motion Passes

Retirement Requests

Name	None			
Pension Program				
Retirement Date				
Department				
Service Time				

Regular Business

- **ICMA/RC Investment Review**
 - Jason, Kevin and Rola from ICMA/RC introduced themselves.
 - Kevin presented the Investment Review, reviewed the ICMA/RC Investment Objective and Philosophy and talked about the Active Vantagepoint and VT Funds and their performance.
 - Jason talked about Employee Education and the three representatives from ICMA/RC that will work closely with employees and presented the Plan Health Monitor.

Investments

Graystone Consulting Group Presentation

- **Market Review – Bob Alati**
 - Bob talked about profit margins, the Gold and Copper Charts and the S&P charts, highlighting the factors that are indicating that the markets are accelerating.
 - He concluded that we are still in a bull market and there are no indications of a recession at this time.
- **Investment Review – Tim Brice**
 - Tim discussed the On the Markets article indicating that they believe there will be a recovery in the global economy next year and that the US GDP growth will stabilize.
 - He concluded that they will continue with the Reflation theme by being overweight to international equities and US Value stocks.
 - He reviewed Portfolio Performance noting the YTD Net Returns Net of Fees for the combined accounts as of November 30th, 2019 was 16.24%.

UBS Financial Presentation

- **Market Review – Rebecca Sorensen / Darin McBride**
 - Darin talked about their key thoughts as we enter 2020 and for the next decade.
 - Increased coordination between governments and central banks could spur either greater global growth or end in inflationary catastrophe.
 - They anticipate lower returns and higher volatility for most financial assets.
 - Investors may need to increase their exposure to equities or accept lower returns.
 - Darin also discussed the Year Ahead 2020 article discussing investing decisions for 2020 and the key issues for investors.
- **Investment Review – Rebecca Sorensen / Darin McBride**
 - The performance as of November 30th, 2019 YTD Net Rate of Return Net of Fees was as follows: Combined 21.49%; ERS 20.29%; NAIC 25.98%.
- **Recommendations:**
 - ERS Portfolio:
 - Invest cash in Vanguard Mid-Cap Value ETF.
 - NAIC Portfolio:
 - Sell Air Lease Corporation and Meta Financial Group
 - Invest cash from sales in Vanguard Large Cap Value ETF
 - The ERS Rules and Regulations Manual was referenced by the Chairman in regards to his suggestion that no purchase or sales should be done in the NAIC account if it has not been recommended by the NAIC Investment Advisory Service report.
 - The Board agreed with the Chairman and decided not to take any action on the NAIC Portfolio recommendations by UBS at this time until further notice.

Resolution # ER – 2019-11-42

Moved by: Hamilton

Seconded by: Novak

RESOLVED, that the cash from the ERS Portfolio be used to invest in Vanguard Mid-Cap Value ETF and that no action be taken on the NAIC Portfolio recommendations by UBS until further notification be **APPROVED**.

Yeas: - 6 –

Absent: - 1 – Miller

Motion Passes

- UBS also had 4 option recommendations for the board to consider, and briefly outlined those options.

Resolution # ER – 2019-11-43

Moved by: Hamilton

Seconded by: Maleszyk

RESOLVED, that the option recommendations as presented by UBS be **APPROVED**.

Yeas: - 6 –

Absent: - 1 – Miller

Motion Passes

Other Business

- None

Public Comment

- None

Adjourn

The meeting adjourned at 3:22 PM.

The next meeting is Wednesday, February 12th, 2020 at 12:00 PM at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.



Mark Calice, Chairman



Thomas Gordon II, Vice Chairman