



500 West Big Beaver
Troy, MI 48084
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MINUTES

Employees' Retirement System Board Meeting

February 12th, 2020 at 12:00 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 **February 12th, 2020** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:17 PM.

Trustees Present: Mark Calice
Thomas Gordon II
Robert C Maleszyk
Justin Novak
Mark F Miller (arrived at 12:21 PM)
David Hamilton
Mark Owczarzak

Trustees Absent: None

Also Present: Robert F. Alati – Graystone Consulting
Amy Cole – Graystone Consulting
Rebecca Sorensen – UBS Financial Management
Darin McBride - UBS Financial Management
Lisa Burnham
Shazia Fatima

Minutes from the December 11th, 2019 Meeting

Resolution # ER – 2020-02-01

Moved by: Hamilton

Seconded by: Maleszyk

RESOLVED, that the Minutes of the December 11th, 2019 meeting be **APPROVED**.

Yeas: - 6 -

Absent: - 0 -

Motion Passes

Retirement Requests

Name	Milton Stansbury	Timothy Teifke
Pension Program	DB	DB
Retirement Date	January 25, 2020	April 3, 2020
Department	Police	DPW-Parks
Service Time	29 years, 0 Months	30 years, 0 Months

- Chairman Calice requested the Board to arrange lunch and a note of appreciation for Milton Stansbury for his many years of service to the City.

Resolution # ER – 2020-02-02

Moved by: Calice

Seconded by: Novak

RESOLVED, that a note of appreciation and a lunch be arranged for Milton Stansbury for his many years of service to the City be **APPROVED**.

Yeas: - 6 -

Absent: - 0 –

Motion Passes

Resolution # ER – 2020-02-03

Moved by: Gordon

Seconded by: Novak

RESOLVED, that the Retirement Requests be **APPROVED**.

Yeas: - 6 -

Absent: - 0 –

Motion Passes

Regular Business

- Chairman Calice congratulated Tom Gordon on being re-elected to serve as a board member of the ERS and RHC Boards for a term ending 12/31/2022.

Investments

Graystone Consulting Group Presentation

- **Market Review – Bob Alati**
 - Bob discussed the factors that are causing fears of recession and holding people back from buying.
 - He talked about the factors that indicate a recession and concluded that we are not near a recession at this time and are still in a Bull Market.

- **Investment Review – Amy Cole**

- Amy discussed the Asset Class Index Performance, Asset Class Returns, Russell Style and Market Capitalization Indices and the S&P 500 Sectors.
- She presented the Total Fund Performance as of December 31st, 2019
 - Net Return Net of Fees YTD as of December 31st, 2019: 22.24%.
- Performance Update Report as of January 31st, 2020
 - Net Return Net of Fees YTD as of January 31st, 2020: -0.92%.
- She discussed Asset Allocations, Manager Performance and Market Values.
- Rob Maleszyk requested to have a discussion on REITs in the next meeting.

UBS Financial Presentation

- **Market Review – Rebecca Sorensen / Darin McBride**

- Darin talked about the events that are leading to fears of recession and highlighted the factors that indicate we are still in a bull market.
- He suggested that we retain an overweight position to Emerging Markets, increase weighting to TIPS and invest in high quality, dividend paying domestic companies that are consumer focused.

- **Investment Review – Rebecca Sorensen / Darin McBride**

- The performance as of December 31st, 2019 1 Year Net Rate of Return Net of Fees was as follows: Combined 24.31%; ERS 22.96%; NAIC 29.32%.
- The performance as of January 31st, 2020 1 Year Net Rate of Return Net of Fees was as follows: Combined 17.11%; ERS 16.29%; NAIC 20.07%.
- The Investor Advisory Service Newsletter (NAIC) was reviewed for the past seven years for any NAIC past "Sell Recommendations". UBS did not offer an opinion on those sell recommendations.
- Rob Maleszyk stated that he will start including the NAIC newsletter in the agenda every month.

- **Recommendations:**

- ERS Portfolio:
 - Sell 3M and add proceeds to Emerging Markets - American Funds New World.
 - Hold current cash available of approximately \$678,000 in Institutional Money Market Fund for June distribution.
- NAIC Portfolio:
 - NAIC Sells - Dave & Busters, Fabrinet, Realty Income, Supernus Pharmaceuticals
 - Cigna - UBS has a Buy opinion
 - Hold current cash available of approximately \$211,000 in Institutional Money Market Fund for June distribution.

- The Board decided not to take any action on the NAIC recommendations at this time.

Resolution # ER – 2020-02-04

Moved by: Gordon

Seconded by: Maleszyk

RESOLVED, to Sell 3M and add proceeds to Emerging Markets – American Funds New World in the ERS Portfolio and hold current cash available from the ERS portfolio of \$678,000 and from the NAIC portfolio of \$211,000 in Institutional Market Fund for June distribution be **APPROVED**.

Yeas: - 4 –

Nays: - 2 – Calice, Hamilton

Motion Passes

Other Business

- None

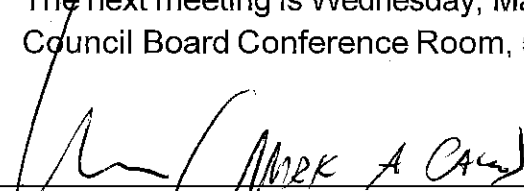
Public Comment

- None

Adjourn

The meeting adjourned at 2:03 PM.

The next meeting is Wednesday, March 11th, 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