



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

# MINUTES

## Employees' Retirement System Board Meeting

February 12<sup>th</sup>, 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 12<sup>th</sup>, 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 11<sup>th</sup>, 2019 Meeting

#### Resolution # ER – 2020-02-01

Moved by: Hamilton

Seconded by: Maleszyk

**RESOLVED**, that the Minutes of the December 11<sup>th</sup>, 2019 meeting be **APPROVED**.

Yeas: - 6 -

Absent: - 0 –

**Motion Passes**

**Retirement Requests**

<b>Name</b>	Milton Stansbury	Timothy Teifke
<b>Pension Program</b>	DB	DB
<b>Retirement Date</b>	January 25, 2020	April 3, 2020
<b>Department</b>	Police	DPW-Parks
<b>Service Time</b>	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 31<sup>st</sup>, 2019
  - Net Return Net of Fees YTD as of December 31<sup>st</sup>, 2019: 22.24%.
- Performance Update Report as of January 31<sup>st</sup>, 2020
  - Net Return Net of Fees YTD as of January 31<sup>st</sup>, 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 31<sup>st</sup>, 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 31<sup>st</sup>, 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 11<sup>th</sup>, 2020 at 12:00 PM at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.

  
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Mark Calice, Chairman

  
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Thomas Gordon II, Vice Chairman