

MINUTES



500 West Big Beaver
Troy, MI 48084
troymi.gov

Employees' Retirement System Board Meeting

March 11th, 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 **March 11th, 2020** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:06 PM by Vice Chairman Thomas Gordon and deferred to Administrator Maleszyk.

Trustees Present: Mark Calice (arrived at 12:09 PM)
Thomas Gordon II
Robert C Maleszyk
Mark F Miller
David Hamilton

Trustees Absent: Justin Novak
Mark Owczarzak

Also Present: Robert F. Alati – Graystone Consulting
Amy Cole – Graystone Consulting
Tim Brice – Graystone Consulting
Darin McBride - UBS Financial Management
Michael C Kerr – Retiree Troy PD
Lisa Burnham
Shazia Fatima

Motion to Excuse Absentees

Resolution # ER – 2020-03-05

Moved by: Hamilton

Seconded by: Gordon

RESOLVED, that the absentees be excused from the meeting be **APPROVED**.

Yeas: - 4 -

Absent: - 2 -

Motion Passes

Minutes from the February 12th, 2020 Meeting

Resolution # ER – 2020-03-06

Moved by: Hamilton

Seconded by: Gordon

RESOLVED, that the Minutes of the February, 12th, 2020 meeting be **APPROVED**.

Yeas: - 4 -

Absent: - 2 –

Motion Passes

Retirement Requests

- None

Regular Business

- None

Investments

Graystone Consulting Group Presentation

- **Market Review – Bob Alati / Tim Brice**
 - Bob talked about the extreme volatility in the markets, the market corrections causing a slowdown in the economy and, causing the oil prices to drop which led to the federal rate cuts.
 - Federal rate cuts due to the growing threat from the corona virus signify the bottom of a market.
 - He highlighted that the market is acutely oversold and believes that when the news changes regarding the virus and the federal stimulus the market will turn around and should go up.
 - Tim talked about market corrections and reiterated that the market is volatile but this is not a recession and the market will continue to correct itself.
- **Investment Review – Amy Cole / Tim Brice**
 - Amy presented Performance Update Report as of March 4th,2020
 - Net Return Net of Fees YTD as of March 4th, 2020: -3.38%.
 - She discussed Asset Allocations, Manager Performance and Market Values.
 - Tim presented the Fixed Income manager analysis and the Large Cap Value Equity Manager Analysis.

- Administrator Maleszyk stated that for the June distribution the City will need \$2 million instead of the originally expected amount of \$4 million from each consultant.

- **Recommendations:**

- Liquidate 100% of Domestic Large Cap Value Equity – Delaware and replace with 50% position in Large Cap Value Equity – Aristotle and 50% position in Large Cap Value Equity – JP Morgan

Resolution # ER – 2020-03-07

Moved by: Hamilton

Seconded by: Miller

RESOLVED, that 100% of Domestic Large Cap Value Equity – Delaware be liquidated and be replaced with 50% position in Large Cap Value Equity – Aristotle and 50% position in Large Cap Value Equity – JP Morgan be **APPROVED**.

Yeas: - 5 -

Absent: - 2 –

Motion Passes

- Liquidate 100% of Fixed Income – JP Morgan Strategic Income and 100% of Fixed Income – Templeton Global Total Return and purchase a position in Domestic Fixed Income – Western Core Plus with the proceeds.

Resolution # ER – 2020-03-08

Moved by: Hamilton

Seconded by: Miller

RESOLVED, that 100% of Fixed Income – JP Morgan Strategic Income and 100% of Fixed Income – Templeton Global Total Return be liquidated and the proceeds be used to purchase a position in Domestic Fixed Income – Western Core Plus be **APPROVED**.

Yeas: - 5 -

Absent: - 2 –

Motion Passes

- Graystone recommended to raise the \$2 million needed for the June distribution by using existing cash and raising the remainder from selling a portion of Loomis Sayles Bond which will be discussed in June.

UBS Financial Presentation

- **Market Review – Darin McBride**
 - Darin talked about factors such as the corona virus, oil crash and federal tax cuts that led to a slowdown in the market.
 - He suggested that we could have a recession but it could be shallow and once the news gets better the market will correct itself.
- **Investment Review – Darin McBride**
 - The performance as of March 4th, 2020 YTD Net Rate of Return Net of Fees was as follows: Combined -1.86%.
 - He also discussed the Asset Allocation Review as of March 4th, 2020.
 - The Board decided that due to the current state of the market no actions will be taken on any recommendations as printed in the agenda packet for the ERS and NAIC portfolios and a decision will be taken at a later meeting with all board members in attendance.
 - Rob stated that the City will need \$2 million from UBS for the June distribution and which will be discussed at a later meeting.

Other Business

- None

Public Comment

- Michael Kerr thanked the Board for everything they do for the retirees.

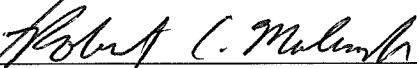
Adjourn

The meeting adjourned at 1:40 PM.

The next meeting is Wednesday, April 8th, 2020 at 12:00 PM at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.



Thomas Gordon II, Vice Chairman



Robert C Maleszyk, Administrator