

EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – January 15, 2014

A meeting of the Employees' Retirement System Board of Trustees was held on **Wednesday January 15, 2014** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 1:34 p.m.

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

Trustees Absent: None

Also Present: Brenda Carter

Minutes

Resolution # ER – 2014-01-1

Moved by Pallotta
Seconded by Stansbury

RESOLVED, The Minutes of the December 11, 2013 meeting be approved.

Yeas: All-7
Absent: None

Retirement Requests

Resolution # ER – 2014-01-2

Moved by Gordon
Second by Pallotta

RESOLVED, that the following retirement request be approved.

Name	Paul Mailloux
Pension Program	DC
Retirement Date	01-10-2014
Department	TCSA-Police
Service Time	15 yrs 9 mo.

Yeas: All-7
Absent: None

Other Business – Investment allocation under Greystone Consulting

A presentation was given by Michael Holycross of Greystone Consulting. The Board was given the following options:

Option 1 Consolidate all assets to Morgan Stanley custodial services. Transfer all individual bonds and mutual fund assets to Greystone Contract. Remaining securities under board control and housed under Morgan Stanley custodial services would be charged 0.075% in which Greystone would share in fiduciary capacity but would not recommend professional management. This model would offer immediate cost savings to the system in the form of reduced transaction fees and the refunding of 12b1 fees back to the system.

Option 2 Consolidates all individual bonds and mutual fund assets into Morgan Stanley. Consolidate UBS Jones, Wells Fargo and Fidelity into Morgan Stanley. Liquidate City mutual funds to cover outstanding liability to City. UBS Grant equity portfolio and NAIC would remain unchanged.

Chairman Calice recommended a high bred version of option 2 in which the assets held at Fidelity and Wells Fargo brokers be transferred to the Morgan Stanley account. All assets in Morgan Stanley custody shall be managed by the Greystone investment consultant contract. All assets held by UBS Jones shall be transferred to UBS Grant/Sorenson account

Resolution # ER – 2014-01- 2

Moved by Henderson
Seconded by Gordon

RESOLVED, Board directs Administrator to initiate transfer of all assets held by Fidelity and Wells Fargo brokers to Morgan Stanley. Engage Greystone Consulting to act as investment consultants over assets in Morgan Stanley custody.

FURTHER RESOLVED, that Administrator to initiate transfer of all assets held by UBS Jones broker to the UBS Grant/Sorenson account.

Chairman Calice called for the vote:

Yeas: All-7
Absent: None

Other Business – Letter to City Council

Chairman Calice discussed a letter he has drafted to Council to expand on the special study session held by Council in November 2013. The Administrator will review the

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amounts reported on the letter for accuracy and completeness before forwarding to City Council.

INVESTMENTS

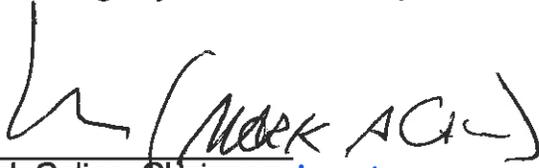
The Board expressed interest in seeing more investments with NAIC. A request was made to have monthly reports forwarded to the Board.

Public Comment

None

The next meeting is Wednesday February 12, 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 3:40 p.m.


Mark Calice, Chairman


Thomas Darling, Pension Administrator