A meeting of the Employees' Retirement System Board of Trustees was held on **April 9, 2014** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:10 p.m.

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

Trustees Absent: Dave Henderson
Brian Kischnick

Also Present:

Minutes

Resolution # ER – 2014-04-11

Moved by: Pallotta
Seconded by: Gordon

RESOLVED, The Minutes of the March 12, 2014 meeting be approved.

Yeas: 5
Absent: 2

Retirement Requests

None

Other Business – Graystone Update on Investment Policy

Morgan Stanley reviewed packet including:

- Seven year rolling average from 2003 through 2013 comparing old policy compared to proposed policy.
- Reviewed investment policy noting changes were proposed to the prior policy using a red line methodology.
- Section b.1.b on Quality of Separately managed accounts should stay the same and remove "The average quality rating of the bond portfolio shall be investment grade (BBB or better).
- Greystone will make changes to the format on page 5 related to investment recommendations to make it more clear that Domestic and International equity rages are a subset of Global Equities.
- Will review fixed income managers at next meeting base on recommendations provided in this meeting packet. The Board will review for discussions at next meeting.

Other Business – Review and approval of Resolution to Authorize System Administrator to Authorize Investment Transactions

Resolution # ER – 2014-04- 12
Motion by: Stansbury
Supported by: Gordon

Yeas: 5
Absent: 2

Other Business – UBS Financial Services – UBS current asset allocation and recommendations

Reviewed March 31, 2014 UBS Portfolio. UBS will return with convertible bonds.

INVESTMENTS –

UBS recommended increasing fixed income closer to 25% of portfolio. Recommended purchase of Dreyfus Intermediate Term.

Investment in $2,4000,000 Dreyfus Intermediate Term Mutual Fund

Resolution # ER – 2014-04-13
Motion by: Pallotta
Supported by: Gordon

Yeas: 5
Absent: 2

Public Comment

None

The next meeting is Wednesday May 14, 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 2:30 p.m.

Mark Calice, Chairman

Thomas Darling, Pension Administrator

EMPLOYEE RETIREMENT SYSTEM RESOLUTION

AUTHORIZATION OF SYSTEM ADMINISTRATOR TO AUTHORIZE INVESTMENT TRANSACTIONS

Resolution #ER-2014-04-12
Moved by: Stansbury
Seconded by: Gordon

RESOLVED, That Thomas Darling, Administrative Officer to this Board and in his absence, Brian Kischnick, Trustee, be, and hereby are, fully authorized and empowered, for the Employees' Retirement System, to transmit, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute and deliver, under corporate seal of this Corporation, or otherwise, any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred, and he is empowered to buy, sell, trade and deal in puts and calls, straddles, and other options of every kind and nature; "To establish and open accounts with MSSB and give oral or written instructions to MSSB with respect to investments or services offered in connection with those accounts".

FURTHER BE IT RESOLVED, That whenever there shall be annexed to any instrument of assignment and transfer, executed pursuant to and in accordance with the foregoing resolution, certificate of the Secretary or an Assistant Secretary of this Board in office at the date of such certificate, and such certificate shall set forth these resolutions and shall state that these resolutions are in full force and effect, and shall also set forth the names of the persons who are then officers of this Corporation, then all persons to whom such instrument with the annexed certificate shall thereafter come, shall be entitled, without further inquiry or investigation and regardless of the date of such certificate, to assume and to act in reliance upon the assumption that the shares of stock or other securities named in such instrument were therefore duly and properly transferred, endorsed, sold, assigned, set over and delivered by this Board, and that with respect to such securities the authority of these resolutions and of such officers is still in full force and effect.

Yeas: 5
Absent: 2