EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – September 10, 2014

A meeting of the Employees' Retirement System Board of Trustees was held on **September 10, 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 Darling, CPA Steve Pallotta Thomas J. Gordon, II William R. Need (Ex-Officio)
Trustees Absent:	Brian Kischnick Milton Stansbury Dave Henderson
Also Present:	Kathy Kostopoulos

Minutes

Resolution # ER – 2014-09-25

Moved by: Pallotta
Seconded by: Gordon

RESOLVED, The Minutes of the August 13, 2014 meeting be approved.

Yeas: 4
Absent: 3

Retirement Requests

None

Investments – Graystone Consulting, a business of Morgan Stanley

- Graystone Consulting review of Market:

Graystone Michael Holycross and Brian Greens' review of the market, indicate no big draw backs in equity exist. With that said expected returns are high with single to double digit yields.

Mr. Holycross and Mr. Green conveyed Mike Wilsons' advice, who is an advisor within Graystone, they feel a recession is not probable.

Chairman Calice requested to receive hard copies of Graystone presentation materials prior to monthly meetings. Brian Green inquired the Board on what they would like to see in the monthly presentation reports. The Board consensus was YTD performance figures, asset allocations and performance of the individual asset managers.

Trustee Need inquired about Scotland and Europe's' current outlook. Mike Holycross feels Europe is 3-4 years behind the US and is about to begin the 1st round of quantitative easing. Comparatively the U.S. is now in a mid to late cycle.

Investments – UBS Consulting

- UBS City of Troy Employees Retirement Systems Defined Benefit and NAIC Portfolio Review September 2014 and NAIC Investments and recommendations:

Rebecca Sorenson and Darin McBride of UBS Financial Services reviewed the Portfolio Value and Investments as of September 02, 2014 and Asset Allocations.

UBS reviewed investments noted $5.5M Cash and recommended investment in the following Fixed Income:

$750,000 Black Rock High Yield
$750,000 Alliance High Income
$1,000,000 Black Rock Strategic
$500,000 Pimco Unconstrained
$2,000,000 Loomis Sayles Investment Grade Bonds

It was noted that the combined UBS investment portfolio allocation was in line with the ERS Investment Policy.

Resolution # ER – 2014-09-26

Moved by: Gordon
Seconded by: Pallotta

RESOLVED, The noted $5.5M Cash and recommended investment in Fixed Income be approved.

Yeas: 4
Absent: 3

Investments – IAS Report – 9/2014

- Available Cash $605,574 (9/4/2014)
- Sell Recommendations – None

Board discussion took place regarding investment of excess cash in the NAIC account. The Board directed the System Administrator to invest excess funds in IAS recommended positions that the system is not currently invested. Further directed to use current 5,000 shares maximum as a guideline.

The Board further directed the System Administrator to use his discretion should more IAS suggested buys exceed available cash.

Other Business – Reporting

None

Public Comment

None

The next meeting is Wednesday October 08, 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 2:08 p.m.

Mark Calice, Chairman

Thomas Darling, Pension Administrator