

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

A meeting of the Employees' Retirement System Board of Trustees was held on **December 10, 2014** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 1:15 p.m.

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

**Trustees Absent:**

**Also Present:** Kathy Kostopoulos

**Minutes**

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**Resolution # ER – 2014-12-30**

Moved by: Pallotta  
Seconded by: Stansbury

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

Yeas: All - 7  
Absent: 0

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**Retirement Requests:**

<b>Name</b>	Jeffrey Denny
<b>Pension Program</b>	DC
<b>Retirement Date</b>	12/19/2014
<b>Department</b>	TPOA
<b>Service Time</b>	34 Yrs. 5 Mo

**Resolution # ER – 2014-12-31**

Moved by: Gordon  
Seconded by: Stansbury

RESOLVED, the retirement request be approved.

Yeas: All - 7  
Absent: 0

**Regular Business**

- None

**Investments – Graystone Consulting, a business of Morgan Stanley**

- Graystone Consulting's review of Market Value Update November 2014.

Graystone's Brian Green reviewed the portfolio value and results for November 30, 2014. The overall portfolio gaining +0.90% for the month of November, +2.54% thus far in the 4th quarter and 4.84% YTD. Value at November 30, 2014 was \$90,216,548 a strong quarter is expected.

Mr. Green explained the purpose of GASB Statement No. 67 with the Board and the effects of Mortality tables. The Board continued discussions of the new updated mortality tables available in comparison to the current mortality table RP2000 in use.

**Investments – UBS Consulting**

- Cost Analysis Defined Benefit and NAIC Portfolio Review December 14, 2014.

Rebecca Sorensen, and Darin McBride of UBS Financial Services reviewed the Portfolio Value and Investments as of December 02, 2014 with the Board noting total ending market value of \$ \$125,637,333. Sorensen felt overall performance of the portfolio for the year held on well, as it is up 8.58% and outperformed the initial desired estimate of 6.5%.

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UBS' Rebecca Sorensen's outlook is positive for the next year, indicating preference of U.S. Equities over International in the small and mid-cap sectors. She anticipates benefits over longer periods of time and estimates a 9% return.

Recommendations:

UBS reviewed the recommendation to sell Cliff Natural Resources (CLF) with the Board and due to the current market price the decision is to not sell at this time.

Chairman Calice requested option holding; income report for future meetings.

**Other Business – Reporting**

- Chairman Calice thanked Councilman Henderson for recognition at the December 1, 2014 City of Troy Council Meeting for outstanding investment oversight provided by the ERS' Board of Trustees.
- The Board discussed the Newsletter with William Need (Ex Official). Mr. Need indicated that he gets questioned often by other retirees as to "How many people are in the system and are supporting it" and additional questions regarding healthcare. Board members discussed the availability of the information on the City of Troy website, and also possibly mailing information.

**Public Comment**

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None

The next meeting is Wednesday, January 14, 2015 at 12:00 p.m. at Troy City Hall, Council Board Conference Room, 500 W Big Beaver Rd, Troy, MI 48084.

The meeting adjourned at 2:18 p.m.

  
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Mark Calice, Chairman

  
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Thomas Darling, Pension Administrator