City of Troy

Minutes

Employees' Retirement System Board Meeting

June 10, 2015 at 12:00 PM
City Council Board Room

Troy City Hall
500 West Big Beaver
Troy, Michigan 48084
(248) 524-3330

A meeting of the Employees' Retirement System Board of Trustees was held on **June 10, 2015** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:02 p.m.

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

Trustees Absent: Mark Calice, Chairman

Also Present: Kathy Kostopoulos
Alicia Agrusso
Arushi Mahajan

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Minutes:

Resolution # ER – 2015-06-15

Moved by: Stansbury
Seconded by: Pallotta

RESOLVED, that the Minutes of the May 13, 2015 meeting be approved.
Yeas: - 6-
Absent: -1-

Retirement Requests:

None

Investments:

- Graystone Consulting Presentation

Michael Holycross of Graystone Consulting presented the Morgan Stanley Wealth Management Performance Report – the Time Weighted Performance May 2015 results were reviewed. Also, presented to the board was a recommendation to rebalance within the fixed income by moving approximately $2.7 million from Reinhart managed account to purchase $2.7 million in PIMCO TIPS mutual fund. Mr. Kischnick inquired about "inflation". Mr. Holycross explained TIPS are Treasury Inflation Protected securities, TIPS are inflation protected bonds that are issued by the U.S. Treasury and can be an opportunity to reduce inflation risk to the portfolio.

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Resolution # ER – 2015-06-16

Moved by: Kischnick
Seconded by: Darling

RESOLVED, to transfer $2.7 million from the Reinhart managed account to purchase $2.7 million in the PIMCO Real Return TIP Fund.

Yeas: - 6-
Absent: -1-

- The Board congratulated Mr. Holycross on his inclusion of achieving Barron's "Americas Top 1,200 Advisors" listing.

- UBS Financial Services Presentation

Darin McBride of UBS presented the Performance Portfolio Review - as of May 31, 2015 illustrated were the M-T-D, Q-T-D and Y-T-D performance results (pg. 232/531 of pdf). Also reviewed, Portfolio Value and Investment Returns (pg. 241/531 of pdf) indicating performance of the past 3yr/5yr/7yr. The Equity Sector Analysis was compared to S&P 500 index. Mr. McBride noted that the Finance sector is underweight at 7.55 %.

Large Equity Holdings, were reviewed (pg. 284/531 of pdf). Discussion regarding the performance of General Dynamics took place. Acting Vice Chairman Gordon II, asked UBS to present to the Board next month suggestion's for possible future "Buys".

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- The System Administrator reviewed the Investors Advisory Service report noting that the NAIC Account engaged the recommended sell of all AFLAC holdings (5,000 shares) and purchased recommended buys of Realty Income Corp (5,000 shares) and Cognizant Technology (4,000 shares).

Other Business:

None

Public Comment:

None

The next meeting is Wednesday, July 08, 2015 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 12:47 p.m.

Thomas J. Gordon II, Acting Vice Chairman

Thomas Darling, Pension Administrator