City of Troy

Minutes

Employees' Retirement System Board Meeting

May 11, 2016 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 **May 11, 2016** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:07 p.m.

Trustees Present:	Mark Calice Thomas Darling, CPA Thomas Gordon II Brian Kischnick (left at 1:15 PM) Mark Owczarzak Steve Pallotta Milton Stansbury
Trustees Absent:	Dave Henderson
Also Present:	Lori Bluhm Bill Malik Jeanette Menig Eleanor Yoon

Minutes:

Resolution # ER – 2016-05-14

Moved by: Kischnick
Seconded by: Palotta

RESOLVED, that the Minutes of the April 13, 2016 meeting be approved.

Yeas: - 6 -
Absent: - 1 -

Retirement Requests:

Name	Janet Kidd
Pension Program	DB/MAP
Retirement Date	6/18/2016
Department	Water
Service Time	18 yrs. 10 months

Resolution # ER – 2016-05-15

Moved by: Pallotta
Seconded by: Darling

RESOLVED, that the retirement request of Janet Kidd be approved.

Yeas: - 6 -
Absent: - 1 -

Regular Business:

The Members of the Board welcomed Mr. Mark Owczarzak who was newly appointed to the Board, as an ex-officio member.

Investments:

- Graystone Consulting Presentation

Mr. Robert Alati, Mr. Michael Holycross and Ms. Amy Cole from Graystone Consulting presented the May 2016 Market Outlook & Commentary. Mr. Alati shared additional handouts with the Board and said that he does not see indicators for a "death cross" – a security's long-term moving average breaking above its short-term moving average. Mr. Holycross said that the data strongly suggests the global manufacturing/industrial recession is ending and recommended the Board

to continue being overweight to U.S. equities. He said he anticipates to see about 7-8% total rate of return for stocks in US equities. Ms. Cole then presented the Total Fund Performance as of 3/31/2016. Graystone Consulting did not recommend any allocation or manager changes within the portfolio at this meeting.

City Manager Brian Kischnick requested a detailed breakdown of Vanguard REIT's investment locations, and Mr. Holycross will provide the information in the next meeting. The Board also discussed a possibility of investing in City of Troy's real estate properties in future.

- UBS Financial Services Presentation

Mr. John Bush, Mr. Antonio Desano and Mr. Darin McBride from UBS Financial Services presented May 2016 Portfolio Review.

Mr. McBride suggested selling all positions in Flower Foods at about $146,000. He then suggested combining the proceeds with $426,000 in the ERS account to invest in four companies: Disney, Abbott Labs, AbbVie Inc. and Spectra Energy. A total of $570,000 would be evenly allocated to the four companies. Mr. McBride also suggested selling GM warrants.

Resolution # ER – 2016 -05-16

Moved by: Darling
Seconded by: Kischnick

RESOLVED, that the Members of the Board supported the UBS stock recommendation of selling all positions in Flowers Foods, distributing the proceeds evenly to Disney, Abbott Labs, AbbVie Inc. and Spectra Energy, and selling GM warrants.

Yeas: - 6 -
Absent: - 1 -

Other Business:

None

Public Comment:

Mr. William Malik, a Police Officer at City of Troy, gave a testimony regarding his Disability Retirement Request. He talked about his employment history with the City, injury on duty which occurred on May 21, 2013, medical history and current disability.

City Manager Kischnick left at 1:15 PM.

Closed Session:

Resolution # ER – 2016-05-17

Moved by: Calice
Seconded by: Darling

RESOLVED, that the City of Troy Employees Retirement System Board of Trustees shall meet in closed session at the conclusion of the Regular Business items, as allowed by MCL 15.267 (h)(MCL 15.243 (g)).

Yeas: - 5 -
Absent: - 2 -

Closed Session convened at 1:20 PM and adjourned at 1:47 PM

Open meeting reconvened at 1:47 PM.

Disability Retirement Requests:

Name	William Malik
Pension Program	DC to DB disability
Retirement Date	5/12/2016
Department	Police/TPOA
Service Time	28 yrs. 3 months

City Attorney Lori Bluhm shared her recommendation and legal interpretation that Mr. Malik, under the terms of Chapter 10, Section 7.1B, does not meet the conditions to be eligible to apply for disability retirement, because he is otherwise eligible to retire in the DC plan.

Resolution # ER – 2016-05-18

RESOLVED, that the City of Troy Employees Retirement System Board of Trustees determined that Mr. Malik is not eligible to apply for Disability Retirement based on Chapter 10, Section 7.1B.

Moved by: Palotta
Seconded by: Calice

Yeas: - 5 -
Absent: - 2 -

The next meeting is Wednesday, June 8, 2016 at 12:00 p.m. at Troy City Hall in the Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 1:55 p.m.

Mark Calice, Chairman

Thomas Darling, Pension Administrator