City of Troy

Minutes

Employees' Retirement System
Board Meeting

July 13, 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 **July 13, 2016** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:05 p.m.

Trustees Present:	Mark Calice Thomas Darling, CPA Thomas Gordon II (Left at 2:06 PM) Steve Pallotta Milton Stansbury Brian Kishnick (Arrived at 12:56 PM, Left at 1:13 PM) Mark Owczarzak
Trustees Absent:	Dave Henderson
Also Present:	David Bluhm

Minutes:

Resolution # ER – 2016-07-22

Moved by: Pallotta
Seconded by: Gordon, II

RESOLVED, that the Minutes of the June 8, 2016 meeting be approved.

Yeas: - 5 -
Absent: - 2 -

Retirement Requests:

Name	Christine Hill
Pension Program	DC/Classified
Retirement Date	08/13/2016
Department	Police
Service Time	14 years, 0 months

Resolution # ER – 2016-07-23

Moved by: Stansbury
Seconded by: Pallotta

RESOLVED, that the retirement request by Christine Hill be approved.
Yeas: - 5 -
Absent: - 2 -

Regular Business:

-Review of Actuarial Valuation 12/31/2015
Mr. Jeffery Tebeau discussed the review of the actuarial evaluation for 12/31/2015. Based on the assumptions of the evaluation the city's contribution for the 2018 fiscal year is $0, which is $658,557 lower than the 2017 fiscal year requirement. For the plan year ended December 31, 2015, the plan was 104.5% funded using an "entry age normal cost" method and the assumptions of 6.5% ROI and the RP-2014 Healthy Annuitant Mortality Table. The actuarial value of assets was approximately $169 million and the actuarial accrued liability was approximately $162 million resulting in an actuarial accrued asset of $7 million.

-Spring 2016 MAPERS Case Update
Mr. Tom Darling introduced the MAPERS 2016 information on recent legal issues and decisions.

Investments:

- Graystone Consulting Presentation

Ms. Amy Cole, Mr. Eric Burger and Mr. Robert Alati from Graystone presented the Graystone Morgan Stanley July 2016 Market Outlook & Commentary. Ms. Cole presented thoughts on Brexit, noting that the new Prime Minister Theresa May can help limit the amount of uncertainty in the country. Ms. Cole noted that there is approximately 1.5% of the portfolio invested in England.

Ms. Cole went over the asset allocation of the portfolio, and noted that 65.5% is invested in equities, above the targeted allocation for equities which is 59%, but still under the maximum equity allocation of 70%.

City Manager Brian Kishnick arrived at 12:56 PM.

Mr. Alati believes that we are at the beginning of a large bull market.

City Manager Brian Kishnick Left at 1:13 PM

-UBS Financial services presentation

Mr. Darren McBride and Ms. Rebecca Sorensen reviewed the City of Troy Employees Retirement Systems Defined Benefit and NAIC.

Mr. Calice asked for samples of technical data and articles from UBS to be sent individually to members of the board, including articles like the Washington Weekly and UBS technical analysis, so the board members may decide if they want to continually receive them or not.

Mr. McBride gave information on real estate funds. He said that real estate will soon be listed as its own sector, resulting in a large influx of money to the real estate sector, and thinks that there should be more exposure to real estate in the account. He recommended investing $1.2 million into the Cohen & Steers Real Estate Securities fund.

Resolution # ER – 2016 -07- 24

Moved by: Darling
Seconded by: Pallota

RESOLVED, Purchase $1.2 million of Cohen & Steers Real Estate Securities mutual fund.

Yeas: - 4 -
Nays: - 1 -
Absent: - 2 –

Mr. Thomas Gordon II left at 2:06 PM.

Resolution # ER – 2016 -07- 25

Moved by: Calice
Seconded by: Darling

RESOLVED, liquidate all positions in Whitewave and EMC and purchase approximately $300,000 of Disney and the remaining amount in an NAIC covered stock.

Yeas: - 4 -
Absent: - 3 -

Ms. Sorensen noted that UBS has been ranked as the world's best bank for wealth management for the second year in a row by Euromoney.

Other Business:

None

Public Comment:

None

The next meeting is Wednesday, August 10, 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 2:42 p.m.

Mark Calice, Chairman

Thomas Darling, Pension Administrator