City of Troy

Minutes

Employees' Retirement System Board Meeting

June 8, 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 **June 8, 2016** 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:	Mark Calice Thomas Darling, CPA Thomas Gordon II Dave Henderson Steve Pallotta Milton Stansbury
Trustees Absent:	Brian Kishnick Mark Owczarzak
Also Present:	David Bluhm

Minutes:

Resolution # ER – 2016-06-19

Moved by: Gordon II
Seconded by: Pallotta

RESOLVED, that the Minutes of the May 11, 2016 meeting be approved, with the Addition of ex-officio added to Mark Owczarzak's welcome.

Yeas: - 6 -
Absent: - 1 -

Retirement Requests:

Name	Leda Lorraine Coughlin*
Pension Program	DC
Retirement Date	5/21/2016
Department	Exempt/IT
Service Time	13 years, 6 months

Resolution # ER – 2016-06-20

Moved by: Pallotta
Seconded by: Stansbury

RESOLVED, that the change of retirement request by Leda Lorraine Coughlin be approved.

Yeas: - 6 -
Absent: - 1 -

Regular Business:

Mr. Michael Holycross was not present, so his recognition for being listed on Barron's ranking of America's "Top 1200 Advisors" was postponed.

Investments:

- Graystone Consulting Presentation

Ms. Amy Cole and Mr. Robert Alati from Graystone presented the Graystone Morgan Stanley June 2016 Market Outlook & Commentary. Ms. Cole went over the asset allocation of the portfolio, and noted that the allocation is in line with the investment policy.

Ms. Cole presented information on the Vangard REIT ETF, per Brian Kishnick's request in the May meeting. The REIT has 150 positions, and will mirror MSCI US REIT Index. She gave

handouts highlighting the different subsectors, with retail being the largest subsector. The handout listed the top 10 holdings in the REIT as well.

Ms. Cole handed out hard copies of information on the possible Brexit. They believe there is a 25%- 30% chance of the Brexit happening. There is approximately 1.5% of the portfolio value invested in England.

Resolution # ER – 2016 -06- 21

Moved by: Darling
Seconded by: Pallota

RESOLVED, Motion to transfer funds from the Troy Employee Retirement System to city general checking account in the amount of $7,300,000 to reimburse the city for pension benefit payments made on behalf of the ERS. The allocation between UBS and Morgan Stanley Graystone are to be based on the May 31st ending fair market value.

Yeas: - 6 -
Absent: - 1 -

-UBS Financial services presentation
Mr. Darren McBride and Ms. Rebecca Sorensen reviewed the City of Troy Employees Retirement Systems Defined Benefit and NAIC. The accounts were up 4.14% year to date as of June 7, 2016. Mr. Darling asked if there is a way to find out what the returns are for equities vs. fixed income. Mr. McBride said that through the end of May, the fixed income component of the return was 2.94%, vs. equities at 2.8%.

Ms. Sorensen discussed the possible Brexit and believes it will have little impact on the account, mainly because of the amount of British people and companies that want to stay in the EU.

Mr. McBride discussed the difficulty of selling bonds on your own, because someone needs to be willing to buy the bond. Because of this, using a fund manager is more efficient.

Other Business:

None

Public Comment:

None

The next meeting is Wednesday, July 13, 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 1:41 p.m.

Mark Calice, Chairman

Thomas Darling, Pension Administrator