



Minutes

**Employees' Retirement System
Board Meeting**

**September 14, 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 **September 14, 2016** at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:00 p.m.

Trustees Present:

Mark Calice
Thomas Darling, CPA
Thomas Gordon II
Dave Henderson
Brian Kischnick
Mark Owczarzak
Steve Pallotta
Milton Stansbury

Trustees Absent:

None

Also Present:

Lori Bluhm
Eleanor Yoon

Minutes:

Resolution # ER – 2016-09-30

Moved by: Kischnick

Seconded by: Stansbury

RESOLVED, that the Minutes of the August 10, 2016 meeting be approved.

Yeas: - 7 -

Absent: - 0 -

Retirement Requests:

None

Regular Business:

- Future Meeting Times and Food Expenditure

City Manager Kischnick requested the item be placed on the agenda for Board consideration. In response to questions of the Board, City Attorney Bluhm confirmed that there could be complaints about the City's purchase of food for City employee/ Board members during business hours, but since the monthly meetings are scheduled during lunch time, making it difficult for Board members to otherwise have a lunch, and since anyone in attendance could eat the lunch, the Board could determine by resolution that the public purpose requirement is satisfied, and continue to provide lunch at the Board meetings.

Resolution # ER – 2016-09-31

Moved by: Kischnick

Seconded by: Pallotta

WHEREAS, the ERS Board has been asked to consider whether or not the City Administration's long standing practice of providing lunch for the monthly ERS Board meetings qualifies as a public purpose; and

WHEREAS, the ERS Board has reviewed the guidance from the Michigan Department of Treasury; and

WHEREAS, the ERS Board has determined that the most advantageous time for the monthly ERS Board meetings is during the lunch hour, which makes it difficult for Board members to otherwise have a lunch, and as such, the nominal expense in providing a lunch in order to facilitate a quorum of ERS Board membership for each meeting satisfies the public purpose requirement.

NOW THEREFORE, the ERS Board RESOLVES that the long standing practice of City Administration's purchase of a modest lunch for each monthly ERS Board meeting will continue until further resolution of the Board.

Yeas: - 6 -

Nays: - 1 - (Kischnick)

Investments:

- Graystone Consulting Presentation

Mr. Michael Holycross extended his personal invitation for the 2016 MAPERS Fall Conference to the board members. Mr. Holycross and Ms. Christine Wilson explained that the conversion from Morgan Stanley's Fiduciary Services (FS) program to Unified Managed Accounts (UMA) is due to administrative changes within the company and impacts four managers: Winslow, Delaware, TSW and Cambiar. The net difference is an increase of 1 basis point on an annual basis. Graystone's consulting fee remains unchanged.

Resolution # ER – 2016-9-32

Moved by: Darling

Seconded by: Pallotta

RESOLVED, that the Members of the Board accept the addendum to the current Graystone contract subject to review of the City Attorney.

Yeas: - 7 -

Absent: - 0 -

Mr. Robert Alati presented the market outlook. He talked about several indicators that signal the market is doing well. Ms. Amy Cole then presented the performance review for the month of August. Overall, August was generally a flat month with not much activities. No recommendation was made by Graystone.

City Manager Kischnick made a recommendation for the board to consider leasing or purchasing of properties from the City of Troy on Civic Center Campus.

- UBS Financial Services Presentation

Ms. Rebecca Sorensen extended an invitation for the board to attend an election recap meeting on November 10, 2016 in Birmingham. She said the city's portfolio continues to perform well. Mr. Darin McBride explained that the Healthcare, Information Technology and Consumer Discretionary sector are not doing well, with the Healthcare sector being the lowest performing asset class.

Chairman Calice proposed to invest more in Amazon.com INC. Currently there is about \$200,000 remaining in ERS account that can be used to purchase Amazon. Between November 2016 and January 2017, UBS has to reimburse the city \$3 million.

Resolution # ER – 2016-9-33

Moved by: Kischnick
Seconded by: Gordon II

RESOLVED, that the Members of the Board approve UBS to liquidate \$3 million from the international equities sector for the eventual distribution to the City as reimbursement for pension benefits paid.

Yeas: - 7 -
Absent: - 0 -

At the next meeting, UBS will present other options to raise \$1 million.

Resolution # ER – 2016-9-34

Moved by: Calice
Seconded by: Darling

RESOLVED, that the Board purchases \$500,000 of Amazon using \$300,000 withdrawn from the international sector and \$200,000 in the ERS account.

Yeas: - 7 -
Absent: - 0 -

- IAS Report

Other Business:

None

Public Comment:

None

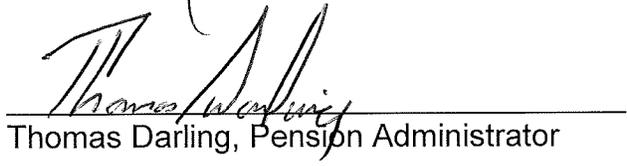
EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES MINUTES – Final – September 14, 2016

The next meeting is Wednesday, October 12, 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 1:42 p.m.

A handwritten signature in black ink, appearing to read 'Mark Calice', written over a horizontal line.

Mark Calice, Chairman

A handwritten signature in black ink, appearing to read 'Thomas Darling', written over a horizontal line.

Thomas Darling, Pension Administrator