



## MINUTES

### Employees' Retirement System Board Meeting

November 14<sup>th</sup>, 2018 at 12:00 PM

City Council Board Room

Troy City Hall

500 West Big Beaver Troy, Michigan 48084

(248) 524-3330

### Roll Call

The monthly meeting for the Employees' Retirement System Board of Trustees was held on **November 14<sup>th</sup>**, 2018 at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:05 PM.

**Trustees Present:** Mark Calice  
 Thomas Darling, CPA  
 Justin Novak (arrived 12:06 PM)  
 David Hamilton (left 1:45 PM)  
 Mark Miller

**Trustees Absent:** Thomas Gordon II  
 Milton Stansbury  
 Mark Owczarzak

**Also Present:** Amy Cole - Graystone Consulting  
 Tim Brice – Graystone Consulting  
 Rebecca Sorensen – UBS Financial Management  
 Darin McBride - UBS Financial Management  
 Shazia Fatima  
 Drew A Benson

### Minutes from the October 10<sup>th</sup>, 2018 Meeting

#### Resolution # ER – 2018-11-27

Moved by: Darling

Seconded by: Hamilton

**RESOLVED**, that the Minutes of the October 10<sup>th</sup>, 2018 meeting be **APPROVED**.

Yeas: - 5 -

Absent: - 2 -

**Retirement Requests**

None

**Regular Business**

• **Christmas Luncheon**

- Tom Darling made a motion that the Christmas Luncheon be held at Stoney River Steakhouse and Grill on December 12<sup>th</sup> at 11:30 AM and hold the ERS meeting at 1 PM.
- He also suggested sending an invitation to Council member Dave Henderson.
- Mark Calice requested to add Steven Pallotta and Bill Need on the invite.

**Resolution # ER - 2018-11-28**

Moved: Darling

Seconded: Calice

**RESOLVED**, to **APPROVE** the ERS Board Meeting start time on Wednesday December 12<sup>th</sup>,2018 be moved to 1 PM and to schedule the annual Christmas Luncheon for December 12<sup>th</sup> at 11:30 AM at the Stoney River Steakhouse and Grill.

Yeas: - 5 -

Absent: - 2 –

**Motion Passes**

• **2019 Board Meeting Dates**

**Resolution # ER - 2018-11-29**

Moved: Hamilton

Seconded: Miller

**RESOLVED**, that the 2019 Board Meeting Schedule as presented in the agenda be **APPROVED**.

Yeas: - 5 -

Absent: - 2 –

**Motion Passes**

• **December 31, 2018 Actuarial Valuation Engagement Letter – Gabriel, Roeder,Smith (GRS)**

- Tom Darling presented the December 31, 2018 Actuarial Valuation Engagement Letter – Gabriel, Roeder,Smith (GRS)
- He went over the proposed services and Actuarial Fees for the Employees Retirement System for the period beginning January 1, 2019 through December 31,2019.

**Resolution # ER - 2018-11-30**

Moved: Darling

Seconded: Hamilton

**RESOLVED** to engage Gabriel Roeder Smith to perform ERS actuarial services through December 31, 2019 using an assumed rate of return of 6.5% and using the most current mortality tables commonly used for municipal systems.

Yeas: - 5 -

Absent: - 2 -

**Motion Passes**

- **Reimbursement request to General Fund - \$6,000,000 (transfer in December 2018) to be taken out of UBS.**

- **Resolution # ER-2018-11-31**

Moved: Darling

Seconded: Hamilton

Yeas: - 3 – Darling, Miller, Hamilton

Nays: - 2- Novak, Calice

Absent: - 2- Gordon, Stansbury

**Motion Fails**

- **To get recommendations from Graystone and UBS to take \$4 million from UBS and \$2 million from Graystone for Reimbursement request to General Fund - \$6,000,000 (transfer in December 2018) to be considered in the next meeting.**

- **Resolution # ER-2018-11-32**

Moved: Novak

Seconded: Hamilton

**RESOLVED**, to get recommendations in the next meeting from Graystone and UBS to take \$4 million from UBS and \$2 million from Graystone for the Reimbursement request to General Fund totaling \$6 million for transfer in December 2018 be **APPROVED**.

Yeas: - 5 –

Absent: - 2- Gordon, Stansbury

**Motion Passes**

**Investments**

**Graystone Consulting Group Presentation**

- **Market Review – Tim Brice**
  - Tim Brice discussed the On the Markets Article and gave a market review.
  - He presented the Asset Class Index Performance as of September 30,2018.
- **Investment Review – Amy Cole**

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- Amy discussed Total Fund Performance noting the YTD Net Returns Net of Fees as of September 30<sup>th</sup>, 2018 at 6.24%.
- She concluded that the portfolio is performing well and had no recommendations.

**UBS Financial Presentation**

- **Market Review – Rebecca Sorensen**
  - Rebecca gave a brief market overview and talked about the volatility in the markets.
  - She emphasized that in spite of the volatility in the market, the performance has been good.
- **Investment Review – Rebecca Sorensen**
  - The performance as of October 31<sup>st</sup>, 2018 YTD Net Rate of Return Net of Fees was as follows: Combined 2.14%; ERS 0.52%; NAIC 8.37%.
  - They are happy with the performance but recognize the volatility in the market.
  - Administrator Darling approved the Options as recommended by UBS and Chairman Calice asked to see the profits on options in the next meeting.

**Other Business**

None

**Public Comment**

None

**Adjourn**

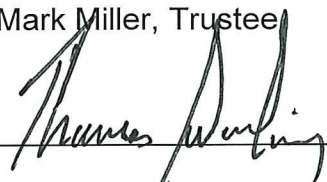
The meeting adjourned at 1:50 PM.

The next meeting is Wednesday December 12<sup>th</sup>, 2018 at 1:00 PM at Troy City Hall, Council Board Conference Room, 500 W. Big Beaver Road, Troy, MI 48084.



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Mark Miller, Trustee



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Thomas Darling, Pension Administrator