



**CITY OF ROYAL OAK RETIREMENT SYSTEM
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**

A meeting of the Retirement Board of Trustees was conducted in the city call conference room 309, Royal Oak MI, Monday – March 11, 2019 at 8:00 a.m.

The meeting was called to order at 8:04 am

Attendance

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Don Johnson- Trustee
Kim Gibbs- Trustee
Kyle DuBuc- Trustee

ALSO PRESENT: Julie Rudd - Bd Chief Administrative Officer/ Bd Secretary/Bd Treasurer
Tom Michaud – Bd attorney with VanOverbeke Michaud and Timmony
Terry Gerlich – Investment Advisor with SEI
Lisa Genord - Administrative Assistant- Pension Technician
Aaron Eskin – Engineering Department
Kevin Wilhelm – Engineering Department

Public Comment- none

Board approval of the draft minutes for February 4, 2019 meeting
Moved by Kim Gibbs to approve the February 4th, 2019 meeting minutes
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Request that the Board approve Adjustments, Applications and Benefits as follows:

Adjustments

Anthony Griffith, formerly of the police department – request withdrawal of employee non-vested contributions and interest from the plan amounting to \$1,706.94. Separation from service was effective January 25, 2019.
Moved by Bret Nelson the withdrawal of non-vested contributions/interest of \$1,706.94.
Supported by Kyle DuBuc
MOTION ADOPTED UNANIMOUSLY 5/0

Applications

John Tobin- of the police department, ROPOA labor unit, 25 years and 2 months of service credit (purchased 1 year, 9 months, and 13 days of contract time). Service retirement requested. Request for a retirement date of March 2nd, 2019. Eligible based on years of service and age.
Moved by Don Johnson to approve the service retirement application for John Tobin.
Supported by Bret Nelson.
MOTION ADOPTED UNANIMOUSLY 5/0

Melissa Jo Braxton- of the 44th District Court, Pro-Tech labor unit, 22 years and 3 months of service credit. Service retirement requested. Request for a retirement date of June 29th, 2019. Eligible based on years of service and age.

Moved by Don Johnson to approve the service retirement application for Melissa Jo Braxton.

Supported by Bret Nelson.

MOTION ADOPTED UNANIMOUSLY 5/0

Mary Karshner- of the Library, Deputy/Department Heads labor unit, 15 years and 0 months of service credit. Service retirement requested. Request for a retirement date of March 14th, 2019. Eligible based on years of service and age.

Moved by Don Johnson to approve the service retirement application for Mary Karshner.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Gerald J. Karr- of the Building department, TPOA labor unit, 15 years and 3 months of service credit. Service retirement requested. Request for a retirement date of March 9th, 2019. Eligible based on years of service and age.

Moved by Don Johnson to approve the service retirement application for Gerald J. Karr.

Supported by Bret Nelson.

MOTION ADOPTED UNANIMOUSLY 5/0

Retirement Benefits

David Clemens- service retirement, police department, ROCOA labor unit, 25 years of service credit (purchased 6 months and 8 weeks of ordinance time). Retirement date of December 27, 2018. Selected Option D 75% to surviving spouse - \$6,162.14 gross monthly benefit with withdrawal of contributions/interest of \$91,808.66.

Moved by Don Johnson to approve the gross monthly benefit payment of \$6,162.14 to David Clemens and withdraw of contributions/interest of \$91,808.66.

Supported by Bret Nelson.

MOTION ADOPTED UNANIMOUSLY 5/0

Paul Fantuzzi- deferred retirement, police department, ROPOA labor unit, 11 years and 7 months of service credit. Retirement date of December 21, 2018. Selected Regular pension - \$1,129.33 gross monthly benefit with withdrawal of contributions/interest of \$48,747.70.

Moved by Don Johnson to approve the gross monthly benefit payment of \$1,129.33 to Paul Fantuzzi and withdraw of contributions/interest of \$48,747.70.

Supported by Bret Nelson.

MOTION ADOPTED UNANIMOUSLY 5/0

Cinda Vandermark – service retirement, clerk's department, TPOAM labor unit, 20 years and 9 months of service credit. Retirement date of December 31, 2018. Selected Regular pension without annuity withdrawal - \$1,859.16 gross monthly benefit.

Moved by Don Johnson to approve the gross monthly benefit payment of \$1,859.16 to Cinda Vandermark.

Supported by Bret Nelson.

MOTION ADOPTED UNANIMOUSLY 5/0

INVESTMENTS

SEI investment report dated March 11, 2019 presentation by Terry Gerlich (portfolio performance- February 28, 2019)

Market value/allocation of assets as of February 28th, 2019 equaled \$152,629,786

Market value/allocation of assets as of March 7th, 2019 equaled \$151,440,841

One-month performance (except core property) – total portfolio outperformed the benchmark: 1.96% return vs. 1.69% index.

Three-month performance – total portfolio underperformed the benchmark: 3.20% return vs. 3.30% index.

YTD performance - total portfolio outperformed the benchmark: 7.66% return vs. 7.46% index

One-year performance – total portfolio underperformed the benchmark: 1.26% return vs. 1.52% index.

Three-year performance – total portfolio outperformed the benchmark: 10.62% return vs. 10.21% index.

Inception - total portfolio outperformed the benchmark: 5.84% return vs. 5.49% index.

It was a very challenging quarter, as intense bouts of risk aversion in October and December pulled most risky assets classes in a negative territory for 2018. U.S. equities were hit hard (a stark contrast to the second and third quarters) but managed to hold up better than other developed markets (DM) over the full year, thanks to better economic and earnings growth. Although emerging market equities trailed for the full year, it's interesting that they fell less than DM equities from mid-September on. Investment-grade fixed income recovered a bit, though full-year performance still disappointed on higher interest rates and wider credit spreads. Spreads on riskier credits widened meaningfully, causing high-yield bonds to finish in the red for the full year. Inflation remained tame and energy prices fell sharply, causing inflation-linked Treasuries to finish the year just slightly positive. Commodities had a poor quarter, led lower by falling energy prices. Precious metals and livestock were the only bright spots.

Terry Gerlich did not recommend any changes currently.

The complete report is on file in finance office.

Moved by Don Johnson to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

LEGAL

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated January 25, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Settlement Report dated January 25, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated January 25, 2019

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

OTHER BUSINESS

Brian Black Disability request is in-process. An appointment for evaluation will be scheduled as soon as all the doctor's reports come in. An update will be provided at the April meeting.

Kim Gibbs mentioned she would like the documentation to be accessible online: 1) Plan Document, 2) Investment Guidelines, and 3) Actuarial Valuation Report. Julie Rudd to email Kim Gibbs the links to the documents that are online.

Retirement Ordinance Section 146.25- Ordinance reads payment shall be made under form of payment SL if there is not a timely election of another form of payment. Retiree Peter Knappmann has not selected payment option (retirement date was July 6, 2018) after numerous attempts of communication. Consensus from the board to send a certified letter to Peter Knappmann, informing him that without any paperwork, payment will be made under form of SL.

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled for 8:00 am Friday April 12th, 2019 at city hall room 309.

Moved by Bret Nelson to adjourn the meeting (8:30 a.m.) and confirmed the meeting for Friday, April 12th, 2019 at 8:00 am.

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0