



**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, 2020 at 8:00 a.m.

The meeting was called to order at 8:08 a.m.

Attendance

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Kim Gibbs- Trustee
Kyle DuBuc - Trustee
David Gillam – Trustee

ALSO PRESENT: Julie Rudd - Bd Chief Administrative Officer/ Bd Secretary/Bd Treasurer
Lisa Genord - Administrative Assistant / Pension Technician
Tom Michaud – Bd attorney with VanOverbeke Michaud and Timmony
Terry Gerlich (via phone) – Investment Advisor with SEI

Public Comment
None

Board approval of the agenda for the March 11, 2020 meeting
Moved by Dave Gillam to approve the meeting agenda for March 11, 2020
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Board approval of the draft minutes for the February 3, 2020 meeting
Moved by Bret Nelson to approve the draft minutes for February 3, 2020
Supported by Lee Collick
MOTION ADOPTED UNANIMOUSLY 5/0

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

Adjustments
None

Applications
Michael T. Jones, of the DPS, SEIU bargaining unit, 28 years and 6 months of service credit. Service retirement requested. Requested retirement date of March 30, 2020. Eligible based on years of service and age.
Moved by Kyle DuBuc to approve the service retirement application for Michael T. Jones.
Supported by Bret Nelson
MOTION APPROVED UNANIMOUSLY 5/0

Retirement Benefits

None

INVESTMENTS

SEI investment report dated March 11, 2020 presented by Terry Gerlich via phone

Market value/allocation of assets as of January 31, 2020 equaled \$157,668,556.

One-month performance (except core property) – total portfolio outperformed benchmark: -0.32% return vs. -0.43% index.

Three-month performance – total portfolio outperformed the benchmark: 3.61% return vs. 3.46% index.

YTD performance - total portfolio outperformed the benchmark: -0.32% return vs. -0.43% index

One-year performance – total portfolio outperformed the benchmark: 12.42% return vs. 12.00% index.

Three-year performance – total portfolio outperformed the benchmark: 9.01% return vs. 8.67% index.

Five-year performance – total portfolio outperformed the benchmark: 7.24% return vs. 6.91% index.

Inception - total portfolio outperformed the benchmark: 6.77% return vs. 6.46% index.

Terry reported that, despite the market volatility due to the global coronavirus pandemic, SEI recommends that the city “stay the course” with our portfolio and feels that once the pandemic burns itself out, that the market will rebound. Kyle DuBuc asked Terry if our portfolio will need corrections after we come out of the coronavirus consequences, and Terry stated that SEI is regularly reviewing our portfolio and making corrections, so the protocol will remain the same. Julie Rudd requested that Terry provide the board with the current portfolio value as of today, 3/11/2020, and Terry stated he would email that information later after the meeting. Terry also reported that global equity markets were restrained for much of January – barely advancing or declining – before weakening late in the month as volatility spiked amid growing concern about a coronavirus outbreak that originated in China. U.S. equities gained through mid-January before selling off to end the month essentially flat. Utilities and information technology delivered the strongest returns both globally and in the U.S. during January, while energy and materials delivered steep negative returns. Flat U.S. large-cap stock performance was better than the decline registered by small caps. Growth stocks advanced while value stocks declined, resulting in their largest monthly return spread since the trough of the global financial crisis in February 2009. Government-bond rates fell in the U.S., U.K., and eurozone across almost all maturities in January. The U.S. Treasury yield curve re-inverted across most maturities by the end of January. Global fixed income markets ended January in positive territory with U.S. Treasury and investment-grade corporate bonds leading the pack. Local emerging-market debt experienced negative returns during the month. Energy prices fell throughout most of January, with declines accelerating later in the month due to a likely clampdown on economic activity as part of outbreak containment efforts.

The complete reports are on file in the finance office.

Moved by Bret Nelson to receive and file reports

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 5/0

LEGAL

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated January 31, 2020

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Settlement Report dated January 31, 2020

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated January 31, 2020

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated February 28, 2020

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Settlement Report dated February 28, 2020

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated February 28, 2020

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Gellar Rudman & Dowd Q4 2019 Repose Report

Moved by Dave Gillam to receive and file report

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

OTHER BUSINESS

City of Royal Oak retirement system summary annual report (SAR) for the period ending June 30, 2019

- to be posted for members information

Moved by Bret Nelson to receive and file report

Supported by Kyle DuBuc

MOTION ADOPTED UNANIMOUSLY 5/0

FY 2020-2021 training budget request. The training budget is split between the retirement board and health care board and will remain that way. The trustees will decide by the April meeting who will attend what training conference(s) so that funds can be budgeted in fy20-21 accordingly. Julie Rudd will provide the board with budget line items for the retirement funds at a future meeting.

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled for 8:00 am Tuesday, April 14, 2020 at city hall room 309.

Moved by Lee Collick to adjourn the meeting (8:33 a.m.) and confirmed the meeting for April 14, 2020 at 8:00 am.

Supported by Dave Gillam

MOTION ADOPTED UNANIMOUSLY 5/0