



**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 remotely via Zoom Video Conference, on Friday, July 10, 2020 at 8:00 a.m.

The meeting was called to order at 8:07 a.m.

**Attendance**

PRESENT: Lee Collick- Chairperson  
Bret Nelson- Vice Chairperson  
Kyle DuBuc – Trustee  
Kim Gibbs - Trustee  
Paul Brake – 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 – Investment Advisor with SEI

**Public Comment**

Members of the public were able to participate in the meeting electronically by providing public comment on any trust-related matter, whether on the agenda or not, by leaving a recorded comment at 248-246-3411 between the hours of 6:00 and 7:00p.m. on Thursday, July 9, 2020. Recorded comments are to be played for the retirement board during the public comment portion of the agenda. There were no public comments.

Julie Rudd provided the retirement board trustees copies of Timothy Wood’s retirement application form and request for an estimated pension benefit payment form on July 9, 2020, and requested that the board amend the July 10, 2020 agenda to accept the retirement application for Timothy A. Wood and discuss his request for an estimated pension payment as it does not satisfy all of the criteria.

**Board approval of the amended agenda for the July 10, 2020 meeting**

*Moved by Lee Collick to approve the amended meeting agenda for July 10, 2020*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

**Board approval of the draft minutes for the June 5, 2020 meeting**

*Moved by Lee Collick to approve the draft minutes for June 5, 2020*

*Supported by Bret Nelson*

*MOTION ADOPTED UNANIMOUSLY 5/0*

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

**Adjustments**

None

## Applications

### **Amended Deferred Retirement Application:**

Constance M. Joswick, formerly of the police department, ROPOA bargaining unit, 17 years (amended from 19 years), and 3 months of service credit. Deferred retirement requested. Requested a retirement date of May 31, 2020. Eligible based upon terms of a special agreement.

*Moved by Lee Collick to approve the amended deferred retirement application for Constance M. Joswick.*

*Supported by Kim Gibbs*

*MOTION APPROVED UNANIMOUSLY 5/0*

### **Amended Agenda Item– Additional Retirement Application:**

Timothy A. Wood, of the police department, RODA labor unit, 28 years and 1 month (purchased 2 years and 1 month of contract time) of service credit. Requested a retirement date of July 29, 2020. Eligible based on years of service / age. Timothy A. Wood requested an estimated pension payment in accordance with the following policy:

Effective January 1, 2020, the board will allow for payment of an estimated pension payment for certain new retirees that make the election due to hardship, the estimated calculation will be calculated by taking 75% of the straight life calculation using average base wage only (base wage that will be utilized in the in FAC excludes roll-ins), years of service and the applicable multiplier(s). Any under/overpayments will be paid/collected. This policy will be available to those employees with a retirement date of January 1, 2020 through August 31, 2020.

Bret Nelson stated that he spoke to Timothy Wood prior to this meeting regarding his request for an estimated pension payment and advised him his request did not meet all of the application criteria, specifically criteria #8, as stated on the application:

8. The **estimated** benefit will only be provided if I have submitted an application with all the appropriate supporting documents no later than 30 days prior to my effective retirement date.

Bret Nelson stated that Timothy Wood understood that he did not meet all of the application criteria to receive an estimated pension payment.

*Moved by Lee Collick to approve the retirement application Timothy A. Wood*

*Supported by Kim Gibbs*

*MOTION APPROVED UNANIMOUSLY 5/0*

## Retirement Benefits

None

## **INVESTMENTS**

SEI investment report dated June 30, 2020 presented by Terry Gerlich

Market value/allocation of assets as of June 30, 2020 equaled \$150,374,480.

One-month performance (except core property) – total portfolio outperformed benchmark: 3.33% return vs. 2.52% index.

Three-month performance – total portfolio outperformed the benchmark: 14.05% return vs. 14.03% index.

YTD performance - total portfolio underperformed the benchmark: -2.15% return vs. -2.13% index

One-year performance – total portfolio underperformed the benchmark: 3.74% return vs. 3.91% index.

Three-year performance – total portfolio outperformed the benchmark: 6.11% return vs. 6.00% index.

Five-year performance – total portfolio outperformed the benchmark: 6.13% return vs. 5.96% index.

Inception - total portfolio outperformed the benchmark: 5.91% return vs. 5.64% index.

Terry reported that June was a strong rebound month from the first quarter of 2020, but the city's portfolio is still down just over 2% for the year. Terry reported that we should be prepared for ongoing volatility in the market due to the recent news that COVID-19 cases are increasing in many areas of the U.S.

Terry also reported that equities continued to be strong performers this past month, and that the non-U.S. equity portfolio did lag the U.S. equity portfolio. Terry reported that the city's fixed income portfolio had a healthy 2<sup>nd</sup> quarter, and that structured credit has been a weak spot in the portfolio this year.

*The complete report is on file in the finance office.*

*Moved by Lee Collick to receive and file report*

*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

SEI May 2020 Newsletter – The Shape of the Recovery  
*Moved by Lee Collick to receive and file.*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

#### **LEGAL**

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated May 29, 2020  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated May 29, 2020  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

Robbins Geller Rudman & Dowd Portfolio Settlement Report dated May 29, 2020  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

Robbins Geller Rudman & Dowd Q1 Repose Report  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

VanOverbeke, Michaud & Timmony, P.C. Memo re: FOIA Requests, dated June 10, 2020  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

VanOverbeke, Michaud, & Timmony, P.C. Memo re: Remote Public Meetings – Executive Order 2020-129, dated June 23, 2020  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

VanOverbeke, Michaud, & Timmony, P.C. Memo re: CARES Act Update dated July 2, 2020  
*Moved by Lee Collick to receive and file*  
*Supported by Bret Nelson*  
*MOTION ADOPTED UNANIMOUSLY 5/0*

#### **OTHER BUSINESS**

The board discussed the election to receive an estimated pension payment, which expires August 31, 2020. Since inception on January 1, 2020, 14 employees have submitted retirement applications, of which 5 (36%) have requested estimated pension payments. Both Lee Collick and Bret Nelson stated that they have received positive feedback from their respective labor unit members regarding the option to receive an estimated pension payment upon retirement. Julie Rudd stated her continued concerns with providing estimated pension payments: taxation issues, greater chance for errors having to recalculate / adjust retiree payment amounts (current and retroactive payments) 2 or 3 times instead of once, and the additional burden on the Finance department staff amongst other newly-added departmental responsibilities. Julie Rudd stated that the original intent of providing an estimated pension payment was for an employee hardship. Kyle DuBuc stated that providing estimated pension payments to employees when they retire is a benefit that he feels should continue and would agree to not providing them for the last three months of

the year due to taxation concerns, and would also like to provide the Finance department with the necessary resources to continue paying estimated pension payments.

Lee Collick motioned to continue paying estimated payments from January 1<sup>st</sup> – August 31<sup>st</sup> each year, as long as the criteria is met by the applicant.

Supported by Bret Nelson, Kyle DuBuc, Kim Gibb, and Paul Brake

MOTION ADOPTED UNANIMOUSLY 5/0

**NEXT MEETING AND ADJOURNMENT**

Next regular meeting is scheduled for 8:00 am Friday, August 7, 2020 remotely via Zoom.

*Moved by Lee Collick to adjourn the meeting (8:42 a.m.) and confirmed the meeting for August 7, 2020 at 8:00 am.*

*Supported by Bret Nelson*

MOTION ADOPTED UNANIMOUSLY 5/0