



**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 – February 4, 2019 at 8:00 a.m.

The meeting was called to order at 8:07 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
Leah Motyka - Administrative Assistant- Pension Technician

Amended the agenda to add Brian Black’s disability retirement application

Public Comment-Officer James Stehlin spoke on behalf of Brian Black, informing the board that he no longer has any source of income and requesting to move the process along quickly

Board approval of the draft minutes for January 7th, 2019 meeting
Moved by Bret Nelson to approve the January 7th, 2019 meeting minutes
Supported by Kyle DuBuc
MOTION ADOPTED UNANIIMOUSLY 5/0

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

Adjustments

Ryan Addis, formerly of the police department - request withdrawal of employee non-vested contributions and interest from the plan amounting to \$15,665.71. Separation from service was effective November 9, 2018.

Moved by Bret Nelson the withdrawal of non-vested contributions/interest of \$15,665.71.
Supported by Kyle DuBuc
MOTION ADOPTED UNANIIMOUSLY 5/0

Applications

Disability application – from Brian Black police officer in the ROPOA bargaining unit.
Moved by Kyle DuBuc to acknowledge receipt of Brian Black’s disability retirement application dated January 31, 2019 and proceed with the application process by sending Brian Black’s medical records for review and Brian Black for examination to the retirement system’s medical director.

Supported by Kim Gibbs
MOTION ADOPTED UNANIMOUSLY 5/0

Retirement Benefits

None

INVESTMENTS

SEI investment report dated February 4, 2019 presentation by Terry Gerlich (portfolio performance- December 31, 2018)

Market value/allocation of assets as of December 31st, 2018 equaled \$143,173,878

Market value/allocation of assets as of January 29th, 2019 equaled \$148,919,023

One-month performance (except core property) – total portfolio underperformed the benchmark -- -4.14% vs. -3.87% return

Three-month performance – total portfolio underperformed the benchmark -7.96% vs. -7.46% return

YTD performance - total portfolio underperformed the benchmark -5.34% vs. -4.89% return

One-year performance – total portfolio underperformed the benchmark -5.34% vs. -4.89% return

Three-year performance – total portfolio overperformed the benchmark 6.54% vs. 6.31% return

Inception - total portfolio overperformed the benchmark 4.18% vs. 3.87% return

The fourth quarter saw a classic flight to safety, as investors flocked to safe assets such as US Treasuries in the bond market and electric utilities in the stock market. Active management struggled across all asset classes as safety trumped attractive investment characteristics. 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. U.S. equity markets had a difficult quarter as large cap stocks closed the quarter down 13.8%. Value outperformed growth by 417bps in the quarter, bucking the trend that persisted throughout the year. Utilities were the only sector that outperformed among US large cap stock for quarter while health care has been the strongest throughout the year in large cap and small cap stocks.

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 December 28, 2018

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Settlement Report dated December 28, 2018

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 December 28, 2018

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Repose Report dated Q4 2018

Moved by Bret Nelson to receive and file

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

OTHER BUSINESS

MAPERS one day seminar: Friday, March 1, 2019– Sheraton Detroit/Novi Hotel- Lee Collick, Bret Nelson and Kim Gibbs would like to attend

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 Monday– March 11th, 2019 at city hall room 309.

Moved by Bret Nelson to adjourn the meeting (8:42 a.m.) and confirm next meeting for March 11th, 2019 at 8:00 am.

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0