



**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, Tuesday – August 6, 2019 at 8:00 a.m.

The meeting was called to order at 8:06 am

Attendance

PRESENT: Lee Collick- Chairperson
Bret Nelson- Vice Chairperson
Kim Gibbs- Trustee
Kyle DuBuc - Trustee
Corey O'Donohue – Police Chief / Assistant City Manager/Acting City Manager

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
None

Board approval of the agenda for August 6, 2019 meeting
Moved by Bret Nelson to approve the August 6, 2019 meeting agenda
Supported by Kyle DuBuc
MOTION ADOPTED UNANIMOUSLY 5/0

Board approval of the draft minutes for July 1, 2019 meeting
Moved by Bret Nelson to approve the July 1, 2019 meeting minutes
Supported by Kim Gibbs
MOTION ADOPTED UNANIMOUSLY 5/0

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

Adjustments

None

Applications

None

Retirement Benefits

Melissa J. Braxton - of the 44th District Court, 22 years and 2 months of service credit. Retirement date of June 1, 2019. Selected Option SL straight life regular pension - \$2,142.42 gross monthly benefit with withdrawal of contributions / interest of \$35,931.78.

Moved by Bret Nelson to approve the gross monthly benefit payment of \$2,142.42 to Melissa J. Braxton and withdrawal of contributions / interest of \$35,931.78.

Supported by Corey O'Donohue

MOTION ADOPTED UNANIMOUSLY 5/0

Donald Swiatkowski - of the police department, PCOA bargaining unit, 25 years of service credit (purchased 3 years of contract time and 22 days of ordinance time). Retirement date of June 30, 2019. Selected Option D 75% to surviving spouse - \$5,728.84 gross monthly benefit with withdrawal of contributions / interest of \$76,304.77.

Moved by Bret Nelson to approve the gross monthly benefit payment of \$5,728.84 to Donald Swiatkowski and withdrawal of contributions / interest of \$76,304.77.

Supported by Corey O'Donohue

MOTION ADOPTED UNANIMOUSLY 5/0

Maria Blair – of the 44th District Court, 20 years and 2 months of service credit. Retirement date of June 30, 2019. Selected Option D 75% to surviving spouse - \$1,912.74 gross monthly benefit with withdrawal of contributions / interest of \$31,064.28.

Moved by Bret Nelson to approve the gross monthly benefit payment of \$1,912.74 to Maria Blair and withdrawal of contributions / interest of \$31,064.28.

Supported by Corey O'Donohue

MOTION ADOPTED UNANIMOUSLY 5/0

AMENDED Brian E. Black –of the police department, ROPOA bargaining unit, 25 years of service credit (purchased 1 year, 10 months and 16 days of service credit). Retirement date of March 7, 2019. Selected Option D 75% to surviving spouse – AMENDED \$4,079.34 gross monthly benefit with withdrawal of contributions / interest of \$68,754.88.

Moved by Bret Nelson to approve the AMENDED gross monthly benefit payment to \$4,079.34 to Brian E. Black and withdrawal of contributions / interest of \$68,754.88.

Supported by Corey O'Donohue

MOTION ADOPTED UNANIMOUSLY 5/0

INVESTMENTS

SEI investment report dated August 6, 2019 presented by Terry Gerlich

Terry reported that the market is down significantly the last few days and there is continued volatility. Most asset classes turned in a solid second quarter despite a strong risk-off move in May. Intensifying trade-war concerns, along with slower economic and earnings growth, caused market expectations for Federal Reserve policy to turn sharply dovish, from interest rate hikes to multiple rate cuts in 2019. Developed markets led the way within equities, helped by the dovish turn in Fed expectations. Emerging markets managed to eke out a positive return, though Chinese stocks struggled in May following the breakdown of trade negotiations with the U.S. Slower growth and softening inflation expectations pulled interest rates sharply lower, providing a strong tailwind to fixed income. Credit and emerging markets debt performed especially well. Inflation-linked bonds also benefitted from the decline in nominal rates. Commodities were down slightly. Strong showings by grains (driven by difficult growing conditions) and precious metals (economic and geopolitical fears as well as expectations of easier monetary policies) were offset by energy and industrial metals (both driven lower by growth and trade worries). Terry reported that there is no way to predict nor plan with the current market volatility, therefore SEI does not recommend any making any changes to the city's portfolio at this time.

Market value/allocation of assets as of June 30, 2019 equaled \$154,240,050.

One-month performance (except core property) – total portfolio underperformed benchmark: 4.44% return vs. 4.51% index.

Three-month performance – total portfolio outperformed the benchmark: 3.29% return vs. 3.19% index.

YTD performance - total portfolio outperformed the benchmark: 12.34% return vs. 11.95% index

One-year performance – total portfolio underperformed the benchmark: 6.31% return vs. 6.54% index.

Three-year performance – total portfolio outperformed the benchmark: 9.71% return vs. 9.10% index.

Inception - total portfolio outperformed the benchmark: 6.39% return vs. 6.03% index.

The complete report is on file in finance office.

Moved by Bret Nelson to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

SEI Structured Credit Fund Quarterly Investment Review -2Q

Moved by Bret Nelson to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

SEI Core Property Fund Review– 1Q

Moved by Bret Nelson to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

LEGAL

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated June 28, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated July 26, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Settlement Report dated June 28, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Settlement Report dated July 26, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated June 28, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated July 26, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Gellar Rudman & Dowd Q2 2019 Repose Report dated June 28, 2019

Moved by Corey O'Donohue to receive and file report

Supported by Kim Gibbs

MOTION ADOPTED UNANIMOUSLY 5/0

OTHER BUSINESS

2019 Fiduciary Liability Insurance Policy

Moved by Bret Nelson to receive and file report

Supported by Kyle DuBuc
MOTION ADOPTED UNANIMOUSLY 5/0

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled for 8:00 am Monday, September 9, 2019 at city hall room 309.
Moved by Lee Collick to adjourn the meeting (8:27a.m.) and confirmed the meeting for September 9, 2019 at 8:00 am.

Supported by Kim Gibbs
MOTION ADOPTED UNANIMOUSLY 5/0