



**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, March 19, 2021 at 8:00 a.m.

The meeting was called to order at 8:01 a.m.

Attendance / Roll Call:

PRESENT: Lee Collick, attending from Royal Oak, Michigan - Chairperson
Bret Nelson, attending from Troy, Michigan - Vice Chairperson
Kyle DuBuc, attending from Royal Oak, Michigan – Trustee
Paul Brake, attending from Royal Oak, Michigan – Trustee
Monica Hunt, attending from Royal Oak, Michigan - Trustee

ALSO PRESENT: Julie Rudd - Bd Chief Administrative Officer/ Bd Secretary/Bd Treasurer
Lisa Genord – Financial Analyst / Pension Technician
Tom Michaud – Bd Attorney with VanOverbeke, Michaud, & Timmony
Terry Gerlich – Investment Advisor with SEI

Public Comment

Members of the public were able to participate in the meeting by joining on Zoom Webinar using Meeting ID 82053511829 & password 455619. Participation could be either online or by calling in:
Online: <https://us02web.zoom.us/j/82053511829?pwd=TG1pQ2ZhSDE4L2FUZXM2bmZBUWJKdz09>
iPhone: 1 929 205 6099 or 1 301 715 8592
Phone: 1 929 205 6099 or 1 301 715 8592 or 1 312 626 6799 or 1 669 900 6833 or 1 253 215 8782 or 1 346 248 7799. There were no public attendees / comments.

Board approval of the agenda for the March 19, 2021 meeting

*Moved by Lee Collick to approve the agenda for the March 19, 2021 meeting.
Supported by Bret Nelson.
MOTION ADOPTED UNANIMOUSLY 5/0*

Board approval of the draft minutes for the February 19, 2021 meeting

*Moved by Lee Collick to approve the draft minutes for February 19, 2021 meeting.
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0*

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

Adjustments

Trevor Tanner, former officer with the police department – requested withdrawal of employee non-vested contributions and interest from the plan amounting to \$877.19. Separation from service was effective January 12, 2021.

*Moved by Lee Collick to approve the withdrawal of non-vested contributions / interest of \$877.19.
Supported by Bret Nelson.
MOTION ADOPTED UNANIMOUSLY 5/0*

Applications

Catherine M. Szydowski, of the police department, ROPOA bargaining unit, 26 years and 8 months of service credit. Requested retirement date of March 26, 2021. Eligible based on years of service/age.

Catherine M. Szydowski 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. At the July 10, 2020 retirement board meeting, Lee Collick motioned to continue paying estimated payments from January 1st – August 31st each year, as long as the criteria is met by the applicant. The motion was adopted unanimously 5/0.

Moved by Lee Collick to approve the retirement application and estimated pension payment for Catherine M. Szydowski.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Retirement Benefits

None

INVESTMENTS

SEI investment report dated March 19, 2021 presented by Terry Gerlich

Market value/allocation of assets as of February 28, 2021 equaled \$175,038,425.

One-month performance (except core property) – total portfolio outperformed benchmark: 1.63% return vs. 1.25% index.

Three-month performance – total portfolio outperformed the benchmark: 6.04% return vs. 4.77% index.

YTD performance - total portfolio outperformed the benchmark: 1.71% return vs. 1.23% index

One-year performance – total portfolio outperformed the benchmark: 24.54% return vs. 22.23% index.

Three-year performance – total portfolio outperformed the benchmark: 9.95% return vs. 9.27% index.

Five-year performance – total portfolio outperformed the benchmark: 12.19% return vs. 11.46% index.

Inception - total portfolio outperformed the benchmark: 8.56% return vs. 7.95% index.

Terry reported that equity markets around most of the world finished higher in February. However, an upward spike in government-bond yields sent chills through markets during the second half of the month. Developed-market equities outperformed emerging markets. U.S. equities generated a return of 2.76% (as represented by the S&P 500 Index). Within U.S. and global equities, energy and financials companies registered the strongest returns. Meanwhile, utilities and healthcare companies underperformed other sectors. Small-cap stocks beat large-cap stocks and value stocks outperformed growth stocks. Short-term U.S. Treasury rates fell by a small amount, while intermediate and long-term rates pushed higher. The 10-year Treasury yield briefly rose to its highest level in more than a year near the end of February. The Federal Open Market Committee did not hold a meeting in February. Federal Reserve Chair Jerome Powell pledged to continue supporting the economy via monetary policy during his semi-annual congressional testimony. Terry reported that February was a well-performing month there were positive moves in total value and that 2021 is off to a good start. Terry also reported that investors are still concerned about inflationary pressures and that the bond market is very different environment than we are used to seeing and which will likely continue as bond rates continue to push higher.

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

LEGAL

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated February 26, 2021

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 February 26, 2021

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 February 26, 2021

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Q4 2020 Repose Report dated December 31, 2020

Moved by Lee Collick to receive and file

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

OTHER

Annual advisor and consultant review – In accordance with Board policy, each year one existing advisors/consultants is reviewed along with prospective advisors/consultants. The investment advisor is due for review. The Board decided to discuss this item without the presence of the investment consultants and at the beginning of the Retiree Health Care Investment board meeting, immediately following this meeting, Terry Gerlich of SEI and Brian Green of AndCo both left the Zoom webinar after the date for the April meeting was set, and Brian would rejoin the Retiree Health Care Investment Board Zoom webinar meeting once this discussion was concluded. Board consensus to table this item until the next meeting.

Retirement Board Trustee Election 2021 – a flyer for nomination opportunity for P&F members to run for trustee is to be distributed on April 9, 2021 to the police station, all fire stations, and included as a message in the payroll electronic notice of deposit email if possible. Julie Rudd explained that the P&F trustee position, currently held by Bret Nelson, will be up for re-election in May of 2021. The election details were outlined in the enclosed flyer.

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled for 8:00 am Friday, April 16, 2021, location TBD.

Moved by Lee Collick to adjourn the meeting (8:18 a.m.) and confirmed the meeting for April 16, 2021 at 8:00 am.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0