

MINUTES

ACT 345 RETIREMENT SYSTEM

DATE: May 23, 2017
LOCATION: Mayor's Conference Room, Government Center, 400 Boardman Ave., Traverse City, MI 49684
TIME: 12:00 Noon.
PRESENT: W. Twietmeyer, J. Bussell, J. Jenkins, W. Kuhn, C. Rueckert
ABSENT:
GUESTS: C. Kuhn
STAFF: J. Henderson

J. Jenkins called the regular meeting to order at 12:07 pm.

Moved by W. Kuhn, seconded by J. Bussell that the minutes of the April 25, 2017 regular meeting be approved.

Motion approved 5-0.

Warrant No. 613 in the amount of \$201,003.03 for Retirees Benefits for June 2017 was approved and signed by W. Kuhn and J. Bussell.

W. Kuhn, J. Henderson, and W. Twietmeyer reported to the Board regarding the topics that were covered at the MAPERS Conference. Handouts were offered to the Board and questions were asked.

Moved by W. Kuhn, seconded by J. Bussell to approve payment of \$357 to VanOverbeke, Michaud, & Timmony for legal services rendered in 2016.

Motion approved 5-0.

Moved by W. Kuhn, seconded by J. Bussell that the Retirement Board certify to the City Commission that the required contribution amount for 2016-17 is \$1,803,930 for retirement benefits and \$385,866 for retiree health insurance for a total of \$2,189,796.

Motion approved 5-0.

Moved by C. Rueckert, seconded by W. Kuhn to transfer \$52,323 from the Reserve for Retired Benefit Payments to the Reserve for Employer Contributions as recommended in the June 30, 2016 actuarial valuation.

Motion approved 5-0.

W. Twietmeyer distributed copies of a handout from VanOverbeke, Michaud, & Timmony which highlighted recent court decisions pertaining to benefits administration, investments, retiree health care, collective bargaining, FOIA/Open Meetings Act, and other Constitutional issues. Notes were provided to the Board and the Board asked various questions.

Chris Kuhn of AndCo gave a presentation to the Board. The presentation was a quarterly report for the quarter ending March 31, 2017 and included a recap of the market environment, asset allocation by money manager, and comparative and relative performance of each money manager. A snapshot was provided to the Board which included updated market values as of May 22, 2017 as well as the target allocation. The Board asked various questions. C. Kuhn also

provided a report for a value-add and opportunistic real estate manager. The Board asked various questions regarding the analysis. It was decided to interview two of the recommended managers at a subsequent Board meeting.

C. Rueckert departed the meeting at 1:06 pm.

Moved by W. Kuhn, seconded by J. Jenkins to reduce \$400,000 out of the administrative cash account and reallocate \$200,000 to First Eagle International Equity and \$200,000 to Brandywine Global Fixed Income as recommended by AndCo for rebalancing the portfolio.

Motion approved 4-0.

Moved by J. Jenkins, seconded by W. Kuhn to reduce the amount of equity exposure at T. Rowe S & P 500 Plus by \$600,000 and to reduce the amount of equity exposure from Vanguard Midcap Index by \$350,000 as part of the rebalancing of the portfolio recommended by AndCo with the total of \$950,000 to be placed in the administrative cash account awaiting Board decision for reallocation for a real estate manager/fixed income alternative selection.

Motion approved 4-0.

Moved by W. Kuhn, seconded by J. Bussell to adjourn.

Motion approved 4-0.

Meeting adjourned at 1:33 pm

William E. Twietmeyer
Secretary/Treasurer