



**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 16, 2021, at 8:00 a.m.

The meeting was called to order at 8:02 a.m.

Attendance / Roll Call:

PRESENT: Lee Collick, attending from Royal Oak, Michigan - Chairperson
Bret Nelson, attending from Royal Oak, 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 89301830129 & password 306730. Participation could be either online or by calling in:
Online: <https://us02web.zoom.us/j/89301830129?pwd=SlhkdVhNOHFvc09MQ0ZjZzNST0ZEZz09>
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 amended agenda for the July 16, 2021 meeting

Moved by Lee Collick to approve the amended agenda for the July 16, 2021 meeting.

Supported by Kyle DuBuc.

MOTION ADOPTED UNANIMOUSLY 5/0

Board approval of the draft minutes for the June 11, 2021 meeting

Moved by Lee Collick to approve the draft minutes for the June 11, 2021 meeting.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

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

Adjustments

Jason L. Manning of the police department, PCOA bargaining unit, requests to purchase 5 years of service credit in the amount of \$171,123.

Moved by Lee Collick to approve the service purchase of 5 years by Jason L. Manning in the amount of \$171,123.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Karly N. Renaud of the police department, PCOA bargaining unit, requests to purchase 4 years of service credit in the amount of \$160,753.

Moved by Lee Collick to approve the service purchase of 4 years by Karly N. Renaud in the amount of \$160,753.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Jacob D. Theisen of the police department, PCOA bargaining unit, requests to purchase 3 years and 10 months of service credit in the amount of \$137,536.

Moved by Lee Collick to approve the service purchase of 3 years and 10 months by Jacob D. Theisen in the amount of \$137,536.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Steven R. Hodges, former officer with the police department – requests withdrawal of employee non-vested contributions and interest from the plan amounting to \$7,068.70. Separation from service was effective May 26, 2021.

Moved by Lee Collick to approve the withdrawal of non-vested contributions / interest of \$7,068.70 to Steven R. Hodges.

Amended Agenda Item:

James R. Wern III of the police department, ROPOA bargaining unit, requests to purchase 1 year, 5 months, and 22 days of service credit in the amount of \$64,806.

Moved by Lee Collick to approve the service purchase of 1 year, 5 months, and 22 days by James R. Wern III in the amount of \$64,806.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Applications

Craig A. Strauss, of the fire department, Local 431 bargaining unit, 26 years and 8 months (purchased 3 years contract time) of service credit. Requested retirement date of July 17, 2021. Eligible based on years of service/age. Craig A. Strauss requests 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 Craig A. Strauss.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

James W. Jurkowski, of the DPS, SEIU bargaining unit, 24 years and 2 months of service credit. Requested retirement date of June 30, 2021. Eligible based on years of service/age.

Moved by Lee Collick to approve the retirement application for James W. Jurkowski.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Jeffrey J. Carlson, of the DPS, SEIU bargaining unit, 34 years and 5 months of service credit. Requested retirement date of July 1, 2021. Eligible based on years of service/age.

Moved by Lee Collick to approve the retirement application for Jeffrey J. Carlson.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Retirement Benefits

None

INVESTMENTS

SEI investment report, presented by Terry Gerlich

Market value/allocation of assets as of June 30, 2021, equaled \$183,815,429

One-month performance (except core property) – total portfolio underperformed benchmark: 0.86% return vs. 0.89% index.

Three-month performance – total portfolio outperformed the benchmark: 5.38% return vs. 5.11% index.

YTD performance - total portfolio outperformed the benchmark: 8.74% return vs. 7.52% index

One-year performance – total portfolio outperformed the benchmark: 29.66% return vs. 26.10% index.

Three-year performance – total portfolio outperformed the benchmark: 12.66% return vs. 11.76% index.

Five-year performance – total portfolio outperformed the benchmark: 12.18% return vs. 11.22% index.

Inception - total portfolio outperformed the benchmark: 9.21% return vs. 8.52% index.

Terry reported that global equity markets advanced during June for the fifth consecutive month. U.S. stocks had the greatest gain among major markets, followed by Europe, the UK, then Hong Kong and mainland China. Developed-market equities outpaced emerging markets. U.S. equities generated a quarterly return of 8.54% (as represented by the Russell 1000 index). Within U.S. equities, information technology and energy companies registered the strongest quarterly returns. Meanwhile, utilities produced the only negative sector-level performance. Large-cap stocks beat small-cap stocks and growth stocks outperformed value stocks. U.S. Treasury rates declined across most maturities through April and May; then short-term rates bounced back in June- finishing the quarter higher than where they began – while intermediate-to-long-term rates continued to decline, resulting in a flatter yield curve. The Federal Open Market Committee held the federal funds rate near zero throughout the second quarter and continued its asset purchases apace (\$80 billion in U.S. Treasuries and \$40 billion in agency mortgage-backed securities per month). Terry reported that investors continue to be focused on inflation, which SEI feels is temporary and will abate as the year continues. Terry also stated he expects continued market volatility as investor sentiment shifts on a daily basis – this will likely continue in the 3rd quarter of this year. Julie Rudd asked Terry why he thinks the inflation is temporary. Terry reported that the labor market is not tight and that there are millions of people who are currently seeking work and/or will be reentering the job market this fall. Terry also reported that the recent supply chain disruptions seem to be subsiding and that the economy will likely come into balance in the 2nd half of 2021. Terry also reported that the city's portfolio continues to perform well during the short-term volatility of the current market environment and does not recommend any changes at this time.

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 Core Property Fund LP Audited Financial Statements as of December 31, 2020

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 May 28, 2021

Moved by Lee Collick to receive and file report.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Monitoring Report dated June 25, 2021

Moved by Lee Collick to receive and file report.

Supported by Bret Nelson

MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated May 28, 2021

Moved by Lee Collick to receive and file report.

Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd International Portfolio Monitoring Report dated June 25, 2021
Moved by Lee Collick to receive and file report.
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Settlement Report dated May 28, 2021
Moved by Lee Collick to receive and file report.
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Settlement Report dated June 25, 2021
Moved by Lee Collick to receive and file report.
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Q1 2021 Repose Report
Moved by Lee Collick to receive and file report.
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

Robbins Geller Rudman & Dowd Portfolio Q2 2021 Repose Report
Moved by Lee Collick to receive and file report.
Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0

OTHER

None

NEXT MEETING AND ADJOURNMENT

Next regular meeting is scheduled for 8:00 am Friday, August 27, 2021 at RO City Hall Building at 203 South Troy Street, in the 1st floor conference room # 122.

Moved by Lee Collick to adjourn the meeting (8:23 a.m.) and confirmed the meeting for August 27, 2021, at 8:00 am.

Supported by Bret Nelson
MOTION ADOPTED UNANIMOUSLY 5/0