



**CITY OF OWOSSO  
EMPLOYEES RETIREMENT SYSTEM BOARD  
ORGANIZATIONAL MEETING**

**AUGUST 26, 2015**

**7:15 A.M.**

**PRESENT:** TRUSTEES RICHARD BREWBAKER, WILFRED FARRELL, BURTON FOX, ELAINE GREENWAY, BOBBI JO PERRY, AND MARK SEDLAK.

**ABSENT:** TRUSTEE PAUL KLEEMAN.

The trustees agreed among themselves that City Clerk Amy K. Kirkland would chair the organizational meeting until such time as a Chairperson was elected.

**CALL TO ORDER**

City Clerk Kirkland called the meeting to order at 7:15 a.m.

**APPROVAL OF AGENDA**

Motion by Trustee Farrell to approve the agenda as presented.

Motion supported by Trustee Greenway and concurred in by unanimous vote.

**ELECTION OF CHAIRPERSON**

City Clerk Kirkland explained the procedure for nominating and voting for the Chairperson and Vice Chairperson.

Motion by Trustee Fox to nominate Trustee Farrell for Chairperson.

There were no further nominations for the office of Chairperson.

Roll Call Vote to confirm Trustee Farrell as the Chairperson.

AYES: Trustees Brewbaker, Farrell, Fox, Greenway, Perry, and Sedlak.

NAYS: None.

ABSENT: Trustee Kleeman.

**ADMINISTRATION OF OATH OF OFFICE**

City Clerk Amy K. Kirkland administered the oath of office to Chairperson Farrell.

**ELECTION OF VICE-CHAIRPERSON**

Motion by Chairperson Farrell to nominate Trustee Sedlak for Vice-Chairperson.

There were no further nominations for the office of Vice Chairperson.

Roll Call Vote to confirm Trustee Sedlak as the Vice Chairperson.

AYES: Trustees Brewbaker, Fox, Greenway, Perry, Sedlak, and Chairperson Farrell.

NAYS: None.

ABSENT: Trustee Kleeman.

## **ADMINISTRATION OF OATH OF OFFICE**

City Clerk Kirkland administered the oath of office to Vice-Chairperson Sedlak.

## **REVIEW OF RULES OF PROCEDURE**

Motion by Trustee Fox to adopt the Rules of Procedure as follows:

### **CITY OF OWOSSO** **MUNICIPAL EMPLOYEES RETIREMENT SYSTEM BOARD**

#### **RULES OF PROCEDURE**

1. These rules are adopted pursuant to Section 2-406 of the City of Owosso Municipal Employees Retirement System Ordinance.
2. The purpose of these rules is to establish procedures to be followed by the Board in its organization and conduct of its business.
3. These rules shall be reviewed, amended, and adopted annually at the organizational meeting of this board.
4. Pursuant to Section 2-406 such rules shall become effective when a copy thereof is filed with the Clerk. A copy of such rules shall also be placed in the Owosso Public Library.
5. The Board shall hold meetings regularly, at least once in each quarter of each year and shall designate the date, time and place thereof annually at their organizational meeting.
6. The Board shall notify the Clerk of the schedule of meetings. This schedule shall be posted along with the Schedule of Regular Meetings of all Boards of the City of Owosso.
7. The Board shall meet in the established Council chambers. If any time set for the holding of a regular meeting of the Board shall be a legal holiday, then such regular meeting shall be held at the same time and place on the next day, which is not a legal holiday.
8. The Board will hold its organizational meeting at the first regular meeting following the installation of new trustees each year.
9. Pursuant to Section 2-408 (a), the Board shall elect from its membership a Chair and Vice-Chair, and will do so each year at its organizational meeting.
10. The Chair shall preside at all meetings of the Board and shall have an equal voice and vote upon all matters of the Board.
11. In the absence or disability of the Chair the Vice-Chair shall act in their place.
12. In the absence of both the Chair and Vice-Chair the trustees present at any meeting shall appoint one of their number to act as Chair during such absence.
13. The Chair and persons acting in his place shall not possess veto power.
14. The Vice-Chair shall succeed to the office of Chair when a vacancy occurs in that office and the Board shall then elect from its membership a new Vice-Chair.
15. Vacancies on the Board will be filled pursuant to Section 2-405 of the City of Owosso Retirement System Ordinance.

16. By order of these rules, an office of trustee shall become vacant upon the occurrence of any of the following events: (1) Expiration of the term of office; (2) Death of the trustee; (3) Resignation of the trustee; (4) Removal from office; (5) Ceasing to possess the qualifications or eligibility required for election or appointment to office; (6) Failure to take the oath for the office within ten days from the date of election or appointment; or (7) Any other event which by law, creates a vacancy.
17. Resignations of trustees who are not members of the City Council or appointed by the City Council shall be made in writing and filed with the Clerk. The Clerk shall notify the Board, forthwith of all resignations and shall read the same to the Board at its next meeting. All such resignations shall be effective when filed with the Clerk, unless a later time of taking effect is specifically stated therein.
18. Absences from more than fifty percent of all meetings in any calendar year shall require notice by the City Clerk to the appropriate appointing or electing entity.
19. Special meetings of the Board, upon notification to the Clerk, shall be held at the regular meeting place of the Board unless otherwise specified at the time a meeting is called, and shall be called on the written request of the Chair, or any two members of the Board, designating the time and purpose of such meeting. The Clerk shall serve a copy of such meeting notice on each member of the Board, and post such meeting notice in a conspicuous place as notice to the membership and general public.
20. No business shall be transacted at any special meeting of the Board except that stated in the notice of the meeting.
21. All regular and special meetings of the Board shall be public meetings and the public shall have a reasonable opportunity to be heard.
22. Pursuant to section 2-408 (b), of the City of Owosso Retirement System Ordinance the city clerk shall serve as secretary to the board, and shall be the administrative officer of the retirement system. By order of these rules and as required of section 2-403 (b) of this ordinance, the Clerk shall conduct an election of trustees each May. Elections will be administered in accordance with Attachment A, Procedure For Electing Trustees To The Employees Retirement System Board Of Trustees.
23. Pursuant to section 2-408 (d), of the City of Owosso Retirement System Ordinance the Board shall appoint an actuary who shall be the technical advisor to the board on matters regarding the operation of the retirement system. By order of these rules the Board shall review and appoint an actuary annually at its organizational meeting each year.
24. Pursuant to Section 2-409, the board shall from time to time adopt such mortality, service, and other tables of experience, and a rate or rates of regular interest, as are necessary to maintain the operation of the retirement system on an actuarial basis. By order of these rules and as recommended by generally accepted practice, an experience review of assumptions and methods used in the actuarial valuations should be accomplished by the actuary every five to ten years, as ordered by this board. (Editor's Note: Date of last experience review 2004)
25. Pursuant to section 2-408 (e), of the City of Owosso Retirement System Ordinance, the Board shall appoint a medical director to hold office at the pleasure of the Board. By order of these rules the Board shall review and appoint a medical director annually at its organizational meeting each year.
26. The Board will refer to and follow by Roberts Rules of Order when not in conflict with the preceding rules of procedure.

Motion supported by Vice Chairperson Sedlak and concurred in by unanimous vote.

**DESIGNATE DATE, TIME AND PLACE OF 2016 BOARD MEETINGS**

Motion by Trustee Fox to continue with the same meeting schedule of six meetings per year at 7:15 a.m. in the City Hall Council Chambers on the fourth Wednesday of even months (save December) as follows:

February 24, 2016  
April 27, 2016  
June 22, 2016  
August 24, 2016  
October 26, 2016  
December 14, 2016

Motion supported by Trustee Greenway and concurred in by unanimous vote.

**REVIEW OF ATTACHMENT A, PROCEDURE FOR ELECTING TRUSTEES TO THE EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES**

City Clerk Kirkland noted that there was no need for changes to Attachment A at this time. Should the Board decide in the future to allow retirees to serve the document would need to be revised at that time.

Motion by Chairperson Farrell to adopt Attachment A, Procedure for Electing Trustees to the Employees Retirement System Board of Trustees as follows:

**ATTACHMENT A**

***PROCEDURE FOR ELECTING TRUSTEES TO THE EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES***

As required by City Code Section 2-403 (b), trustee elections are held each year in May as follows:

- The City Clerk notifies the appropriate current members (i.e. Police members for Police Representative) of the System in April of each year of the vacancies and the availability of nominating petitions.
- Nominating petitions are signed by 33% of employees, but not more than ten (10), who are appropriate current members of the System and filed with the City Clerk.
- Upon receipt of the nominating petitions by the City Clerk, an election is scheduled during the month of May.
- Ballots are distributed to all appropriate current members of the System. This is a secret ballot and is placed in a sealed secrecy envelope and signed by the member. The ballots are placed in a locked ballot box in the City Clerk's office.
- At the close of the voting period, the ballots are removed from the locked ballot box by the City Clerk in the presence of two (2) other current members of the System. The three (3) persons act as the counting board for the election.
- The candidate who receives the highest number of votes is awarded the trustee position.

Motion supported by Trustee Perry and concurred in by unanimous vote.

**REVIEW OF ATTACHMENT B, RESOLUTION OF AUTHORIZATION-CITY TREASURER**

City Treasurer Ronald Tobey noted that it has been his practice to wait for Board approval before issuing payment to investment managers, despite the fact that Attachment B provides him the authority to pay them in advance of approval.

Motion by Trustee Fox to adopt Attachment B, Resolution of Authorization, City Treasurer, removing section c to reflect the fact that the Board approves payment to money managers prior to funds being issued as follows:

**ATTACHMENT B**

**RESOLUTION OF AUTHORIZATION  
CITY TREASURER**

Whereas, pursuant to Chapter 2, Administration, Article VII, Municipal Employees' Pension, Section 2-408, Retirement system officers, Subsection (3), that the City of Owosso Employee Retirement System Board of Trustees hereby resolves that:

- 1) The treasurer is hereby given authorization to pay the following items without prior board action:
  - a. Monthly pension payments to retirees along with associated Federal and State withholding taxes. Such payments may be for previously adopted retirees or new retirees that meet qualifications, but have not yet been approved by the board.
  - b. Physicians Health Plan insurance premiums for retired members through payroll deduction, direct payment or city reimbursable premiums per employee agreement.
  - ~~e. Contractual money manager fees.~~
  - c. Refund or rollover of member contributions with credited interest for persons withdrawing from the retirement system.
  - d. Office supplies such as check stock, postage or mailing fees required to carry out the administration of the system.
- 2) Items paid under this resolution shall be submitted to the board at the next regularly scheduled meeting for review and approval.
- 3) The treasurer and board shall annually review this resolution at the organizational meeting for appropriate authorizations to be added or deleted.

Motion supported by Trustee Brewbaker and concurred in by unanimous vote.

**REVIEW AND APPOINT ACTUARY & MEDICAL DIRECTOR**

Motion by Trustee Fox to continue with Gabriel, Roeder, Smith & Company as the Actuary for the Retirement System and the practice of Dr. Fred Van Alstine as medical director for the Retirement System.

Motion supported by Trustee Brewbaker and concurred in by unanimous vote.

**ADJOURNMENT**

The Board adjourned the Organizational Meeting at 7:28 a.m.

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Amy K. Kirkland, Owosso City Clerk

**CITY OF OWOSSO  
EMPLOYEES RETIREMENT SYSTEM BOARD  
OWOSSO CITY HALL COUNCIL CHAMBER**

**AUGUST 26, 2015**

**7:15 AM**

**CALL MEETING TO ORDER:**

Chairperson Farrell called the meeting to order at 7:28 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Richard L. Brewbaker, Burton D. Fox, Elaine M. Greenway, Bobbi Jo Perry, Vice Chairperson Mark A. Sedlak, and Chairperson Wilfred A. Farrell.

**ABSENT:** Trustee Paul P. Kleeman.

**ALSO**

**PRESENT:** City Attorney William C. Brown; Graystone Consulting Advisor Michael W. Holycross; City Clerk Amy K. Kirkland; and City Treasurer Ronald J. Tobey.

**APPROVE AGENDA:**

Motion by Trustee Greenway to approve the Agenda striking the following item from the Consent Agenda:

- 3. **Payment Authorizations**
  - e. Morgan Stanley - Investment Manager Fees \$9,093.98

Motion supported by Vice Chairperson Sedlak and concurred in by unanimous vote.

**APPROVE MINUTES OF JUNE 18, 2015 REGULAR MEETING:**

Motion by Trustee Fox to accept the minutes of the June 18, 2015 Regular Meeting as presented.

Motion supported by Trustee Greenway and concurred in by unanimous vote.

**CITIZEN COMMENTS:**

There were no citizen comments.

**CONSENT AGENDA:**

Motion by Vice Chairperson Sedlak to approve the consent agenda as follows:

1. **Approve Pension Check Reports:**

- a. June 2015 \$ 207,418.20
- b. July 2015 \$ 212,604.88

2. **Approve Statements:**

- a. Atlanta Capital  
As of July 31, 2015
- b. Franklin Templeton Investments  
As of June 30, 2015

- c. Loomis Sayles  
As of July 31, 2015
- d. MD Sass  
As of June 30, 2015
- e. NFJ-Allianz  
As of July 31, 2015
- f. WHV  
As of July 31, 2015
- g. City of Owosso Employees Retirement Fund  
As of May 31, 2015
- h. City of Owosso Employees Retirement Fund  
As of June 30, 2015
- i. City of Owosso Employees Retirement Fund  
As of June 30, 2015, after closing entries
- j. City of Owosso Employees Retirement Fund  
July 31, 2015

3. **Payment Authorizations:**

- a. Franklin Templeton Investments  
For period 04/01/2015 through 06/30/2015 \$ 7,169.50
- b. Franklin Templeton Investments – former Fifth Third equities  
For period 04/01/2015 through 06/30/2015 \$ 300.00
- c. Loomis Sayles/Natixis  
For period 07/01/2015 through 09/30/2015 \$ 12,257.15
- d. M.D. Sass  
For period 04/01/15 through 06/30/15 \$ 5,628.51
- e. Morgan Stanley – Graystone Consulting  
For period 05/20/2015 through 09/30/2015 \$ 28,750.62
  - Consulting Fee \$ 22,708.08
  - UMA Fee – Atlanta \$ 2,705.85
  - UMA Fee – WHV \$ 3,336.69
- f. Ronald J. Tobey, City Treasurer  
Report of Checks Written – June 2015 \$238,543.28
- g. Ronald J. Tobey, City Treasurer  
Report of Checks Written – July 2015 \$213,428.43

Motion supported by Trustee Fox and concurred in by unanimous vote.

**COMMUNICATIONS:**

- o Gabriel Roeder Smith – *GASB Financial Reporting for Pensions December 31, 2014*

- o Loomis Sayles – Dinner Invitation, 2015 MAPERS Fall Conference
- o Gabriel Roeder Smith – *NewsScan June 30, 2015*
- o Gabriel Roeder Smith – *NewsScan July 23, 2015*
- o Gabriel Roeder Smith – *NewsScan August 13, 2015*
- o MD Sass – *Mid-Year Outlook*

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

**2015 MAPERS FALL CONFERENCE ATTENDANCE**

There was a brief discussion regarding when the fall conference would be taking place and if there was interest in attendance. The conference will be held September 26<sup>th</sup>-29<sup>th</sup> at Grand Traverse Resort. Three members expressed interest in attending. Given the fact this conference is the first of the new fiscal year funding is available and the Board was agreeable to sending three members instead of the usual two.

**REQUEST FOR REINSTATEMENT – DANNIE MUNRO**

City Treasurer Tobey indicated that he was in receipt of a request from former fire fighter Dannie Munro asking that he be reinstated to the Retirement System. Mr. Munro left the employ of the City in 2008 and secured employment with the City of Perry on October 1, 2008. Mr. Munro is now a member of MERS and they have informed him he needs to reinstate his retirement with the City in order to be credited with his City of Owosso service time to qualify for a MERS pension. Mr. Tobey noted that According to the Reciprocal Act statute a former member may reinstate his/her membership in the system not more than five years after securing employment at a succeeding municipal unit. In this case the window for reinstatement expired October 1, 2013, as such City Treasurer Tobey recommended formally denying the request.

City Attorney Brown indicated that he had not researched this particular situation but his recollection of the statute coincides with Mr. Tobey's. He suggested Mr. Munro obtain counsel to advise him as to his options. Further, he indicated that should the opinion of Mr. Munro's legal counsel differ from that presented today the Board would be willing to reconsider the request.

Motion by Trustee Brewbaker to formally deny the reinstatement request from Dannie Munro and direct staff to prepare a letter notifying Mr. Munro of the decision.

Motion supported by Trustee Fox and concurred in by unanimous vote.

**INVESTMENT POLICY UPDATE:**

Graystone Consultant Holycross started the discussion saying he would like to see the Board make a few changes to the Investment Policy which in turn would facilitate the changes he would be suggesting to the roster of money managers.

He reviewed the suggested policy changes with the Board as follows:

Speaking about the proposed asset allocation changes he indicated the ratio of equities to fixed income would remain the same but the investments within each of those allocations would be further diversified. On the equity side he suggested adding a class of dividend paying firms, on the fixed income side he suggested adding two new classes to better weather the storm that is coming with increased interest rates.



## VI. Asset Allocation Strategy

### *Current Asset Allocation:*

Asset Class/ Investment Style	Minimum	Target Average	Maximum
Large / Mid Cap Growth Equity Manager	19.75%	24.75% <sup>1</sup>	29.75%
Large / Mid Cap Value Equity Manager	19.75%	24.75% <sup>1</sup>	29.75%
Small / Mid Cap Equity Manager	3.5%	5.5% <sup>1</sup>	7.5%
International Equity	10%	15% <sup>1</sup>	20%
<b>Total Equity</b>	<b>40%</b>	<b>67%</b>	<b>67.5%</b>
Investment Grade Fixed Income	20% <sup>2</sup>	30% <sup>2</sup>	40% <sup>2</sup>
Cash and Cash Equivalents	0%	3%	30%
<b>Total Fixed Income</b>	<b>25%</b>	<b>33%</b>	<b>65%</b>

### *Proposed Asset Allocation:* (changes are noted in bold, blue text)

Asset Class/ Investment Style	Minimum	Target Average	Maximum	Difference from Current
Large / Mid Cap Growth Equity	<b>12%</b>	<b>17%</b>	<b>22%</b>	<b>-7.75%</b>
Large / Mid Cap Value Equity	<b>12%</b>	<b>17%</b>	<b>22%</b>	<b>-7.75%</b>
<b>Dividend Manager</b>	<b>7%</b>	<b>10%</b>	<b>13%</b>	<b>10%</b>
Small / Mid Cap Equity Manager	<b>6%</b>	<b>8%</b>	<b>10%</b>	<b>2.5%</b>
International Equity	10%	15%	20%	-
<b>Total Equity</b>	<b>40%</b>	<b>67%</b>	<b>70%</b>	
Investment Grade Fixed Income	<b>15%</b>	<b>20%</b>	40%	<b>-10%</b>
<b>Global Fixed Income</b>	<b>0%</b>	<b>5%</b>	<b>7.5%</b>	<b>5%</b>
<b>Non-Traditional Fixed Income</b>	<b>0%</b>	<b>5%</b>	<b>7.5%</b>	<b>5%</b>
Cash and Cash Equivalents	0%	3%	<b>10%</b>	-
<b>Total Fixed Income</b>	<b>25%</b>	<b>33%</b>	<b>65%</b>	

His next suggestion was to redefine the policy index so that it is very generic rather than naming specific indexes, indicating that the policy index will be defined in the quarterly report rather than the Investment Policy.

## VII. Investment Return Objectives

### **Secondary Performance Targets**

It is desired that the Plan's investments earn returns higher than the "market," as represented by a benchmark index or mix of indexes reflective of the Plan's return objectives and risk tolerance.

This benchmark or "policy index" is to be constructed ~~as follows:~~ **based on the fund's and investment manager's investment style, actual asset allocations, and constructed with appropriate indices given the asset mix.**

- ~~49.5% Russell1000~~
- ~~5.5% Russell2000~~
- ~~12.0% MSCI EAFE~~
- ~~30.0% Merrill Lynch Domestic Master 1-10yr.~~

Lastly, he suggested striking the statements requiring money managers not to exceed 5% of their portfolio in one stock, saying this limit was a bit too restrictive and the Board should let the individual managers manage as they see fit. He said that PA 314 prohibited the system from owning a single stock that exceeded more than 5% of the entire portfolio and there was no such prohibition on individual asset classes.

## **IX. Investment Guidelines**

### **C. Diversification Requirements**

#### **Domestic Large/Mid Capitalization Equity Portfolio(s)**

- ~~Investments in any individual equity security should not exceed 5% of the market value of the investment manager's portfolio;~~
- Holdings of any single issue in each investment manager's portfolio shall not exceed more than 5% of the market value of the total outstanding common stock of any one company;
- ~~The maximum allocation to any single sector in a portfolio shall not exceed the greater of 20% of the market value of the investment manager's portfolio or 150% of the economic sector weighting in the investment managers primary equity policy index. Economic sector definition shall be according to the investment managers own classification, which shall be provided to the Board of Trustees upon request;~~
- **There is no constraint on the economic sector allocations of the portfolio. It is understood the investment manager may concentrate portfolio holdings in a limited number of economic sectors from time-to-time;**
- Equities are limited to large and medium capitalization stocks. The minimum market capitalization at the time of purchase should be greater than \$1 billion;
- From time-to-time, the investment manager may invest in U.S. dollar denominated equities of non-US companies that otherwise conform to the provisions of this investment policy.

#### **Small/Medium Capitalization Equity Portfolio(s)**

- ~~Investments in any one individual security should not exceed approximately 5% of the market value of the investment manager's portfolio;~~
- Equities are limited to small and medium capitalization stocks. The market capitalization of any one equity security shall be between \$100 million and \$10 billion at the time of purchase;
- Holdings of any single issue in this investment manager's portfolio shall not exceed more than 5% of the market value of the total outstanding common stock of any one company\*;
- There is no constraint on the economic sector allocations of the portfolio. It is understood the investment manager may concentrate portfolio holdings in a limited number of economic sectors from time-to-time;
- From time-to-time, the investment manager may invest in U.S. dollar denominated equities of non-US companies that otherwise conform to the provisions of this investment policy.

*\*It is recognized, however, that an investment manager's holdings of a single issue in all portfolios firm wide may exceed this limit. This constraint applies only to the Plan's holdings.*

There was general discussion regarding all of the proposed changes, the Board's comfort level with each proposed change, how Holycross determined what changes should be made, and whether to allow the use of derivatives by managers. Chairperson Farrell expressed his concern with allowing the use of derivatives.

Motion by Trustee Fox to approve the changes to the Investment Policy as proposed.

Motion supported by Trustee Greenway.

Voice vote. Ayes – 5, Nays – 1

Consultant Holycross indicated he would provide an amended version of the investment policy incorporating the changes at the next meeting.

### **INVESTMENT MANAGER ROSTER CHANGES**

Graystone Consultant Holycross addressed the Board explaining the process used to select the managers suggested in the proposal. He went on to say that Graystone's analysts were recommending termination of all accounts with WHV due to their poor performance in the last 3 quarters, the fact that they have made no moves to adjust their portfolio in that time, and the fact that Graystone feels there are better options to be had.

In light of the roster changes suggested by Graystone Chairperson Farrell inquired whether the Board felt comfortable handing over manager selection to the System's consultant, saying this would represent a major change from past practice. He went on to say that he was particularly interested in the opinion of those in attendance that were members of the System. There was discussion among all in attendance. All agreed they would like the Board to maintain control over the selection of money managers.

Mr. Holycross indicated that if the Board was comfortable with the existing cost structure he would proceed with a series of manager searches, working with the Board on a couple of asset classes at a time. He suggested beginning with the Large Cap Growth, Large Cap Value, and International Equities classes for the October meeting, with the intention of selecting two managers from each class for interview at a later date.

The discussion then returned to Graystone's recommendation to terminate the relationship with WHV. Chairperson Farrell inquired whether 3 quarters was a long enough period of time to recommend termination. Mr. Holycross indicated that the bigger concern was not the low returns but was qualitative in nature as stated previously, namely that the firm seems to be making no changes to the portfolio based on recent market changes.

It was estimated it would take at least 6 months to work through all the manager searches and special meetings may be required. In the meantime Mr. Holycross indicated that he would bring to the Board's immediate attention any managers they have concerns with, noting that WHV was the only firm of concern at this time.

Motion by Vice Chairperson Sedlak to terminate the relationship with WHV and move the funds to the iShares MSCI EAFE index fund (ticker symbol: EFA).

Motion supported by Trustee Fox and concurred in by unanimous vote.

### **INVESTMENT CONSULTANT REPORT:**

Consultant Holycross indicated that Merrill Lynch had recently transferred the 2<sup>nd</sup> quarter data to them and they were in the process of assembling the quarterly report now. In the meantime he gave the Board a brief oral report on the state of the economy indicating a market correction was long overdue. Despite the market downturn the US dollar continues to strengthen and this has hurt China's export heavy

economy. In response to this the Chinese have made moves to allow the yuan to become a more free floating currency. Overall Graystone is comfortable with the volatility of the market and sees it as a buying opportunity. Though he cautioned that he is forecasting further declines in the coming months before the market starts heading up on a consistent basis.

**CITIZENS COMMENT:**

There were no citizen comments.

**NEXT BOARD MEETING:**

The next board meeting is scheduled for October 28, 2015 at 7:15am

**ADJOURNMENT:**

The meeting adjourned at 8:50 a.m.

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Amy K. Kirkland, City Clerk