

**OFFICIAL  
MINUTES OF REGULAR MEETING OF THE  
STERLING HEIGHTS  
GENERAL EMPLOYEE'S RETIREMENT SYSTEM**

Thursday, January 21, 2016

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Location: Room – City Directors Conference Room #202 40555 Utica Road, Sterling Heights, MI 48313  
Telephone: (586) 446-2331

Chairperson Weiler called the meeting to order at 1:31 p.m.

**BOARD MEMBERS PRESENT:** Rich Weiler, Chairperson  
Brian Baker, Secretary  
Jennifer Varney, Treasurer  
Paul Henig, Trustee

**BOARD MEMBERS ABSENT:** Todd Marsh, Trustee (excused)

**ALSO PRESENT:** Walt Hessel, Pension Administrator; Thomas Michaud, Legal Counsel, VanOverbeke, Michaud & Timmony, P.C.

**APPROVAL OF AGENDA:**

Motion by Varney, supported by Henig, to amend the agenda for the inclusion of invoices for payment under Consent Agenda Item I. D.1

Ayes: All. Motion carried unanimously.

**APPROVAL OF MINUTES:**

Motion by Varney, supported by Henig, to approve the minutes of the regular meeting held December 17, 2015 and the closed session meeting held December 17, 2015.

Ayes: All. Motion carried unanimously.

**COMMUNICATION FROM CITIZENS:** None

**REPORT FROM LEGAL COUNSEL – POTENTIAL LITIGATION (CONFIDENTIAL)**

Michaud reported that there were updates on the potential transfer of assets and liabilities under Act 88 for a vested member no longer working for the City. Michaud stated that an updated transfer value had been obtained from the GRS actuary and that it had been forwarded on to legal counsel representing the member. It was anticipated that the member's legal counsel would be contacting MERS for follow up.

Michaud also commented on items as they appeared on the agenda.

**CONSENT AGENDA:**

Motion by Baker, supported by Henig, to receive and file consent items I A through I D-1.

Ayes: All. Motion carried unanimously.

**I. RECEIVE AND FILE:**

A. Benefit register listing for January 1, 2016 from Comerica Bank showing 357 active retirees with a payout for December 2015 of \$885,317.67 and a year-to-date payout of \$885,317.67.

B. Cash and Asset Statements as of December 31, 2015 from Comerica Bank and Morgan Stanley showing a total market value of \$107,975,180.47 comprised as follows:

<u>Desired Allocation</u>	<u>Asset Class / Percentage</u>			
0%	Cash	0.05%	Comerica Bank	\$ 52,311.23
16%	Fixed Income	16.74%	Boyd Watterson	18,078,468.27
8%	Fixed Income	8.44%	WAMCO	9,118,355.93
15%	Small Cap	16.18%	Earnest Partners	17,466,336.04
6.8%	Large Cap Value	6.68%	Herndon Capital	7,212,969.65
6.8%	Large Cap Value	7.11%	MFS	7,675,243.91
5%	Large Cap Growth	4.97%	AMI	5,362,360.59
5%	Large Cap Growth	4.67%	Winslow	5,043,297.42
3.4%	Large Cap Growth	3.55%	Janus Capital	3,832,158.99
8%	Large Cap Core	8.16%	London	8,809,585.63
5%	Large Cap Core	4.92%	S&P Index	5,312,279.10
8.5%	Large Cap Global	8.18%	INVESCO	8,833,463.97
8.5%	Large Cap Global	8.27%	Cambiar	8,929,928.37
4%	REITS	2.08%	Principal REIT	2,248,421.37

C. Correspondence

1. November 27, 2015 Settlement Reports – Robbins Geller Rudman & Dowd.
2. Email correspondence and letter sent to Morgan Stanley dated December 17, 2015 regarding the transfer of funds for the payment of benefits.
3. Wire transfer confirmations received from Morgan Stanley dated December 22, 2015.
4. Notice of Pendency of Settlement Option – Celgene Corporation.
5. “Pension & Investments” magazines dated December 14 & 28, 2015 and January 11, 2016.

D. 1. Payable from City Assets for the service period ending December 31, 2015:

Quarterly custodian banking fees from Comerica Bank in the amount of \$4,827.22; benefit calculation actuarial fees from Gabriel Roeder Smith & Co. in the amount of \$2,800.00 and legal services from VanOverbeke, Michaud & Timmony, P.C. in the amount of \$5,610.00.

**REGULAR AGENDA:**

## **II. OLD BUSINESS:**

### **A. Retirement Information for William Coffin (subject to EDRO and IRC 415 Limit), General Supervisor, Department of Public Works**

Motion by Henig, supported by Baker, to approve the service retirement for William Coffin (subject to EDRO and IRC 415 Limit), General Supervisor, Department of Public Works, effective December 24, 2015 with service credit of 29 years, four months and the monthly pension (participant) amount of \$5,243.73 under straight life with annuity withdrawal based on a monthly final average compensation of \$12,961.25 (subject to Internal Revenue Code (IRC) Section 415(b)(1)(A) annual 2016 pension limitation for a public general employee retiree)

Ayes: All. Motion carried unanimously.

Motion by Baker, supported by Henig, to approve the revised (recoupment) alternate payee retirement benefit for Sherri Coffin, coinciding benefit effective December 24, 2015 with the monthly pension amount of \$2,796.01 under EDRO straight life option without annuity withdrawal based upon actuaries' EDRO calculation.

Ayes: All. Motion carried unanimously.

### **B. Approval of Payment Schedule for QEBA Participants**

Motion by Henig, supported by Varney, to receive and adopt the 2016 payment schedules for the QEBA participants as specified in Section Two of the Qualified Excess Benefit Arrangement Trust document.

Ayes: All. Motion carried unanimously.

## **NEW BUSINESS**

### **A. Change in Retiree Status – Jean Budyta (Deceased)**

Motion by Henig, supported by Baker, to approve the termination of straight life benefits for retiree, Jean Budyta, due to her death on November 25, 2015.

Ayes: All. Motion carried unanimously.

### **B. Pension Administration Comments**

#### **1. Draft Agenda March 2, 2016 Special Meeting**

Motion by Varney, supported by Henig, to approve agenda for the March 2, 2016 special meeting as presented.

Ayes: All. Motion carried unanimously.

### **C. Trustee Comments – None.**

## **ADJOURN:**

Motion by Henig, supported by Weiler, to adjourn the meeting at 1:51 p.m.

Ayes: All. Motion carried unanimously.

Respectfully Submitted,

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Brian Baker, Secretary