

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

Thursday, May 19, 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 1:34 p.m.

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

**BOARD MEMBERS ABSENT:** Paul Henig, Trustee (Excused)

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

**APPROVAL OF AGENDA:**

Motion by Marsh, supported by Baker, to approve the agenda as presented.

Ayes: All. Motion carried unanimously.

**APPROVAL OF MINUTES:**

Motion by Marsb, supported by Varney, to approve the minutes of the regular meeting held April 21, 2016.

Ayes: All. Motion carried unanimously.

**COMMUNICATION FROM CITIZENS:** None

**REPORT FROM LEGAL COUNSEL – CONFIDENTIAL COMMUNICATION**

The confidential memorandum was noted and filed.

Michaud commented on items as they appeared on the agenda.

**CONSENT AGENDA:**

Motion by Varney, supported by Marsh, 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 May 1, 2016 from Comerica Bank showing 359 active retirees with a payout for April 2016 of \$894,033.94 and a year-to-date payout of \$4,604,667.93.
- B. Cash and Asset Statements as of April 30, 2016 from Comerica Bank and Morgan Stanley showing a total market value of \$106,650,879.24 comprised as follows:

<u>Desired Allocation</u>	<u>Asset Class / Percentage</u>				
0%	Cash	0.23%	Comerica Bank	\$	251,916.71
16%	Fixed Income	17.02%	Boyd Watterson		18,194,187.29
8%	Fixed Income	8.86%	WAMCO		9,469,443.68
15%	Small Cap	16.03%	Earnest Partners		17,135,390.57
6.8%	Large Cap Value	6.75%	Confluence		7,216,136.17
6.8%	Large Cap Value	7.23%	MFS		7,725,517.62
5%	Large Cap Growth	4.89%	AMI		5,224,826.52
5%	Large Cap Growth	4.48%	Winslow		4,791,562.95
3.4%	Large Cap Growth	3.51%	Janus Capital		3,754,356.39
8%	Large Cap Core	7.72%	London		8,253,133.14
5%	Large Cap Core	4.63%	S&P Index		4,948,335.92
8.5%	Large Cap Global	8.34%	INVESCO		8,920,298.92
8.5%	Large Cap Global	8.15%	Cambiar		8,710,658.37
4%	REITS	2.16%	Principal REIT		2,307,031.70

C. Correspondence

1. Email and letter correspondence with Morgan Stanley dated April 21, 2016 regarding the transfer of funds for the payment of benefits.
2. Email and letter correspondence with Morgan Stanley dated April 21, 2016 regarding the payment of money manager fees – Boyd Watterson.
3. Email and letter correspondence with Comerica dated April 21, 2016 regarding the payment of money manager fees –Victory Capital (final).
4. Confirmation of money manager fee payment received from Morgan Stanley dated April 22, 2016.
5. Notice of changes to the bank deposit program received from Morgan Stanley dated April 27, 2016.
6. Confirmation of transfer of funds received from Morgan Stanley dated April 28, 2016 for the payment of benefits.
7. April 29, 2016 Settlement Report – securities litigation.
8. Email correspondence with City Clerk dated May 6, 2016 regarding pending appointment of Richard R. Weiler to the GERS Board.
9. Notice of Pendency of Class Action – St Jude Medical, Inc.
10. Form ADV Brochure received from Cambiar Investors dated March 23, 2016.
11. Form ADV Brochure received from INVESCO Advisors dated March 30, 2016.
12. Form ADV Brochure received from Winslow Capital dated March 24, 2016.
13. Form ADV Brochures received from MFS Institutional dated March 30, 2016.
14. Form ADV Brochure received from Principal Global Advisors dated April 22, 2016.
15. Form ADV Brochure received from Janus Capital dated April 27, 2016.
16. Form ADV Brochure received from Boyd Watterson dated April 2016.
17. Form ADV Brochure received from The London Company dated April 15, 2016.
18. Form ADV Brochure received from Earnest Partners dated March 29, 2016.
19. Form ADV Brochure received from Western Asset dated April 8, 2016.

20. "Pension & Investments" magazines dated April 18 & May 2, 2016.

D. Approve Invoices for Payment

1. Payable from System Assets for the quarter ending March 31, 2016

Quarterly management fees from Morgan Stanley in the amount of \$153,626.85.

**REGULAR AGENDA:**

**II. OLD BUSINESS:**

**A. One-Time \$500 Payment for Sterling Heights Police Clerical Association Retirees**

Motion by Baker, supported by Varney, to receive and file the summary update for the one-time \$500 payment for Sterling Heights Police Clerical Association Retirees and authorize the payments due for the June 1, 2016 payout date to Rosemary Weidner and Sandra Keith.

Ayes: All. Motion carried unanimously.

**NEW BUSINESS**

**A. Pension Administration Comments**

**1. Annual Update & Review RFP Status – Service Providers**

Motion by Baker, supported by Weiler, to receive and file the Annual Update and Review RFP (request for proposals) Status – Service Providers.

Ayes: All. Motion carried unanimously.

**2. Review of Proposed 2016 /2017 GERS Meeting Schedule**

Motion by Marsh, supported by Varney, to approve the proposed 2016 / 2017 GERS meeting schedule.

Ayes: All. Motion carried unanimously.

**B. Trustee Comments** – Varney reminded the Board that registration for next week's spring MAPERS conference was still available. Due to schedule conflicts, no Board member will be attending the conference.

**ADJOURN:**

Motion by Baker, supported by Weiler, to adjourn the meeting at 1:45 p.m.

Ayes: All. Motion carried unanimously.

Respectfully Submitted,

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Brian Baker, Secretary