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

Thursday, February 16, 2017

Location: Room #202 40555 Utica Road, Sterling Heights, MI 48313 (586) 446-2331

Chairperson Weiler called the meeting to order at 1:30 p.m.

BOARD MEMBERS PRESENT: Rich Weiler, Chairperson (via teleconference)
Julie DeClercq, Acting Secretary / Interim Treasurer
Todd Marsh, Trustee
Paul Henig, Trustee

BOARD MEMBERS ABSENT: Jennifer Varney, Vice Chair (Excused)

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

APPROVAL OF AGENDA:
Motion by Marsh, supported by Henig, to approve the agenda as presented.

Ayes: All. Motion carried unanimously.

APPROVAL OF MINUTES:
Motion by Marsh, supported by Henig, to approve the minutes of the regular meeting held December 15, 2016

Ayes: All. Motion carried unanimously.

COMMUNICATION FROM CITIZENS: None

REPORT FROM LEGAL COUNSEL –PUBLIC ACT 530 OF 2016
Michaud reviewed the memo advising the Board of new amendments to Act 314 that were recently signed into law by the Governor. Public Act 530 of 2016 requires the summary annual report to be filed with the Department of Treasury not less than 30 days after its publication. The Act also mandates additional disclosures for any retiree healthcare benefits provided through the defined benefit retirement systems. Michaud commented that this provision is largely irrelevant since virtually no defined benefit retirement systems provide retiree healthcare benefits.

Michaud informed the Board of his firm's appointment to the Governor's Municipal Retiree's task force and that they would be active in the legislative process. Michaud anticipates that a significant volume of new legislation will be presented by mid-summer 2017.

Motion by Marsh, supported by Henig, to receive and file the legislative update memo regarding Public Act 530 of 2016 from VanOverbeke Michaud & Timmony, P. C.

Ayes: All. Motion carried unanimously.

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

CONSENT AGENDA:
Motion by Henig, supported by Marsh, to receive and file consent items I A through I D-2.

Ayes: All. Motion carried unanimously.

I. RECEIVE AND FILE:

A. Benefit register listing for February 1, 2017 from Comerica Bank showing 356 active retirees with a payout for January 2017 of $893,176.96 and a year-to-date payout of $1,791,660.64.

B. Cash and Asset Statements as of January 31, 2017 from Comerica Bank and Morgan Stanley showing a total market value of $108,204,950.92 comprised as follows:

Desired Allocation	Asset Class / Percentage			
0%	Cash	0.02%	Comerica Bank	$ 26,535.09
16%	Fixed Income	16.13%	Boyd Watterson	17,452,876.99
8%	Fixed Income	8.83%	Western	9,554,252.00
15%	Small Cap	16.92%	Earnest Partners	18,310,202.49
5.8%	Large Cap Value	5.56%	Confluence	6,010,593.01
5.8%	Large Cap Value	5.90%	MFS	6,388,048.58
4%	Large Cap Growth	4.14%	AMI	4,472,679.26
4.5%	Large Cap Growth	3.54%	Winslow	3,829,463.80
2.9%	Large Cap Growth	3.22%	Janus Capital	3,487,457.57
7%	Large Cap Core	7.08%	London	7,654,452.03
5%	Large Cap Core	4.23%	S&P Index	4,577,913.21
8.5%	Large Cap Global	8.17%	INVESCO	8,844,263.06
8.5%	Large Cap Global	8.28%	Cambiar	8,962,146.29
4%	REITS	2.19%	Principal REIT	2,373,420.52
5%	MLP's	5.79%	Cushing Asset Mgt	6,260,647.02

C. Correspondence

1. December 31, 2016 Settlement Report – Robbins Geller Rudman & Dowd.
2. Litigation Reports – Q4 2016 – Robbins Geller Rudman & Dowd.
3. Email correspondence and letter sent to Morgan Stanley dated December 15, 2016 regarding the transfer of funds for the payment of benefits.
4. Wire transfer confirmations received form Morgan Stanley dated December 22, 2016.
5. Letter sent to Helen Tsouroullis dated January 19, 2017 regarding Act 88 status.
6. Email correspondence and letter sent to Morgan Stanley dated January 19, 2017 regarding the transfer of funds for the payment of benefits.
7. Fee information for Morgan Stanley Qualified Retirement Plans.

8. Email correspondence with active member dated January 23, 2017 regarding breaks in service due to short term disability.
9. Wire transfer confirmations received form Morgan Stanley dated January 24, 2017.
10. January 27, 2017 Settlement Report – Robbins Geller Rudman & Dowd.
11. "Pension & Investments" magazines dated December 12 & 26, 2016 and January 9 & 23, 2017.

D. 1. Payable from System Assets for the service period ending December 31, 2016:

Quarterly management fees from Morgan Stanley in the amount of $153,640.79 and from Boyd Watterson in the amount of $6,754.00.

2. Payable form City Assets for the service period ending December 31, 2016:

Benefit calculation fees from Gabriel Roeder Smith & Co. in the amount of $700.00 and bank custodian fees from Comerica Bank in the amount of $4,867.07.

REGULAR AGENDA:

II. OLD BUSINESS:

A. Application for Service Retirement and Retirement Information for Joseph Myny, Engineering Aide, Engineering Department

Motion by Henig, supported by Marsh, to receive and file the application for service retirement and to approve the service retirement for Joseph Myny, effective January 21, 2017 with service credit of 25 years, 9 months and the monthly pension amount of $4,948.67 under Option B 50% Pop-Up with Annuity Withdrawal based on a monthly final average compensation of $9,776.15.

Ayes: All. Motion carried unanimously.

B. Approval of Payment Schedule for QEBA Participants

Motion by Marsh, supported by Henig, to receive and adopt the 2017 payment schedule for the QEBA participants as specified in Section Two of the Qualified Excess Benefit Arrangement Trust Document.

Ayes: All. Motion carried unanimously.

III. NEW BUSINESS

A. Application for Service Retirement, Karen Treppa, Deputy Court Clerk, 41-A Court

Motion by Marsh, supported by Henig, to receive and file the application for service retirement for Karen Treppa, Deputy Court Clerk, 41-A District Court

Ayes: All. Motion carried unanimously.

B. Change in Retiree Status – Christine Konior (Deceased)

Motion by Henig, supported by Marsh, to approve termination of Option B benefits for retiree, Christine Konior, due to her death on December 20, 2016 and the death of her husband on October 28, 2016.

Ayes: All. Motion carried unanimously.

C. Pension Administration Comments – Hessell informed the Board that no contact has been made by the three retirees who had pension benefits suspended after failing to reply to multiple verification requests as of the meeting date.

D. Trustee Comments- None.

ADJOURN:
Motion by Henig, supported by Weiler, to adjourn the meeting at 1:50 p.m.

Ayes: All. Motion carried unanimously.

Respectfully Submitted,

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Julie DeClercq, Acting Secretary / Interim Treasurer