

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

Thursday May 16, 2019

Location: Room #202 40555 Utica Road, Sterling Heights, MI 48313 (586) 446-2783

Chairperson Weiler called the meeting to order at 12:05 p.m.

BOARD MEMBERS PRESENT: Richard Weiler, Chairperson
Jennifer Varney, Secretary
Paul Henig, Trustee
Todd Marsh, Trustee
Mary Jaganjac, Treasurer

BOARD MEMBERS ABSENT: None

ALSO PRESENT: Tom Michaud, Legal Counsel
Tim Brice, Morgan Stanley, The Brice Group
Ryan Clark, Treasury Service Coordinator

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

Ayes: All. Motion carried unanimously.

APPROVAL OF MINUTES:
Motion by Henig, supported by Jaganjac, to approve the minutes of the following:

- Regular Meeting of April 18, 2019

Ayes: All. Motion carried unanimously.

COMMUNICATION FROM CITIZENS: None

REPORT FROM LEGAL COUNSEL: Reviewed status of the Lang case.

CONSENT AGENDA:
Motion by Jaganjac, supported by Henig, to receive and file consent items I.A through I.D2

Ayes: All. Motion carried unanimously.

RECEIVE AND FILE:

A. Benefit Register Listing for May 1, 2019 from Comerica Bank showing 365 active retirees with a payout for the benefit month of \$ \$933,379 and a year-to-date of \$ \$4,663,176.

B. Cash and Asset Statements as of April 31, 2019 from Comerica Bank and Morgan Stanley showing a total market value comprised as follows:

<u>Desired Allocation</u>	<u>Percentage</u>	<u>Asset Class</u>	<u>Manager / Fund</u>	<u>\$ Balance</u>
2.00%	2.72%	LARGE CAP GROWTH	CLEARBRIDGE	\$ 2,972,443.43
2.00%	3.01%	LARGE CAP GROWTH	ISHARES RUSSELL 1000 GROWTH ETF	\$ 3,283,005.44
3.00%	2.59%	LARGE CAP GROWTH	JANUS CAPITAL	\$ 2,823,533.51
4.00%	3.93%	LARGE CAP VALUE	CONFLUENCE	\$ 4,294,863.04
3.00%	3.59%	LARGE CAP VALUE	ISHARES RUSSELL 1000 VALUE ETF	\$ 3,917,709.25
4.00%	3.74%	LARGE CAP VALUE	MFS	\$ 4,079,301.74
6.00%	4.60%	LARGE CAP CORE	JOHN HANCOCK	\$ 5,019,797.63
4.00%	4.23%	LARGE CAP CORE	ISHARES S&P 500 ETF	\$ 4,622,582.80
4.00%	4.15%	SMID CAP VALUE	EDGE	\$ 4,534,267.35
11.00%	7.50%	SMID CORE	EARNEST PARTNERS	\$ 8,193,194.04
11.00%	9.74%	INTERNATIONAL	CAMBIAR	\$ 10,630,540.04
6.00%	7.44%	INTERNATIONAL	WCM	\$ 8,120,930.68
6.00%	6.06%	INTERNATIONAL	HARDING LOEVNER	\$ 6,617,799.41
1.50%	1.99%	EMERGING	HARDING LOEVNER HLEMX	\$ 2,177,809.22
1.50%	1.17%	EMERGING	LAZARD	\$ 1,281,511.02
2.00%	2.58%	REITS	PRINCIPAL	\$ 2,822,113.57
12.00%	11.74%	FIXED INCOME	WESTERN ASSET MANAGEMENT	\$ 12,818,388.28
12.00%	11.63%	FIXED INCOME	BOYD WATTERSON	\$ 12,695,937.56
5.00%	4.83%	MLPS	CUSHING	\$ 5,276,469.30
0.00%	2.74%	CASH	CASH	\$ 2,994,374
100.00%	100.00%			\$ 109,176,571

C. Correspondence items:

<u>Item</u>	<u>Date</u>	<u>Communication</u>
1	Feb 01, 2019	Real Estate Investment Today
2	Feb 01, 2019	Employee Benefit News
3	Feb 15, 2019	From Morgan Stanley: trade confirmation
4	Feb 18, 2019	Pension & Investments publication
5	Feb 22, 2019	Robbins Geller Rudman & Dowd Shareholder Class Actions Portfolio Report
6	Feb 25, 2019	From Morgan Stanley: confirmation of instructions
7	Feb 25, 2019	From Morgan Stanley: confirmation of instructions
8	Feb 26, 2019	Western Assets Smash Series Prospectus
9	Feb 26, 2019	From Morgan Stanley: wire transfer confirmation
10	Mar 01, 2019	From Morgan Stanley: consolidated trade confirmation
11	Mar 04, 2019	Pension & Investments publication
12	Mar 07, 2019	From Morgan Stanley: trade confirmation
13	Mar 18, 2019	Pension & Investments publication

D. Approval items

1. Payable from City Assets for the service period ending March 31, 2019:
 - **Q1 Comerica Bank fees Q1: \$4,893.50**
2. Payable from Fund Assets for the service period ending March 31, 2019:
\$166,360.45 total
 - **Q1 Boyd Watterson management fees: \$4,828**
 - **Q1 WCM management fees: \$16,814.05**
 - **Q1 Morgan Stanley consolidated management fees: \$144,718.40**

REGULAR AGENDA:

II. OLD BUSINESS: None

III. NEW BUSINESS

A. Change in retiree status – James Carpenter (deceased)

Motion by Henig, supported by Marsh, to approve termination of Option A 100% with Annuity Withdraw retiree benefit in the amount of \$4,002.13 for James Carpenter due to his death on May 7, 2019 and begin survivor retiree benefits for Debra Carpenter in the amount of \$4,002.13.

Ayes: All. Motion carried unanimously.

B. Application for Retiree Benefits – Keri Marshall

Motion by Henig, supported by Varney, to approve application for Keri Marshall Option A with pop-up with annuity withdrawal benefit effective June 22, 2019 to be processed and that final calculation request be sent to actuary upon departure once leave banks payout and FAC can be calculated.

Ayes: All. Motion carried unanimously.

C. Pension Administration Comments

- Comerica service level transition
- Actuarial RFI – Response Review

D. Quarterly Market Review – Morgan Stanley The Brice Group

The Quarterly Market Review consisted of the following reports:

Inputs for GIC Asset Allocation – April 2019
On the Markets – May 2019
Small Cap International Equity Presentation – May 2019
Asset Allocation Review – May 2019
Investment Performance Analysis

Each report was reviewed in-depth for opportunities and concerns in the market, its segments, our money managers and how they are tracking against relational indexes. There was further discussion on REITs and International Small Cap Equity as opportunities.

E. Trustee Comments

Richard Weiler is willing to continue on as Chairman
Paul Henig's last board meeting will be in August 2019.

F. Change in retiree status – Burt Lambert (deceased)

Motion by Henig, supported by Marsh, to approve termination of survivor retiree monthly benefit in the amount of \$1,407.13 for Burt Lambert due to his death on April 19, 2019.

Ayes: All. Motion carried unanimously.

ADJOURN:

Motion by Marsh, supported by Henig, to adjourn the meeting at 2:30 p.m.

Ayes: All. Motion carried unanimously.

Respectfully Submitted,

Mary Jaganjac, Treasurer / Acting Secretary