

**CITY OF SOUTHFIELD  
REGULAR MEETING  
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD  
Tuesday, March 21, 2017  
Council Conference Room – Main Municipal Building  
26000 Evergreen Road, Southfield, MI**

**MINUTES**

**SERS Board Members Present:** L. Susan Mannisto, Chair; David Hersh; Coretta Houge; Jeannie Jackson; Mark Jubas; Shirley Lightsey (*Alternate*); Julius Maisano; James Pierce

**Others Present:** Lauri Siskind, Human Resources Director/SERS Plan Liaison  
Christopher Kuhn, CFA, CAIA; &Co Consulting  
Frank Judd; VanOverbeke, Michaud & Timmony, PC  
Penelope Scharmberg, Administrative Assistant HR/LR/SERS Secretary  
Daniel Brightwell, City Councilman

**The meeting was called to order at 5:10 p.m.**

**AGENDA**

1. *Approval of Agenda.  
Mr. Judd requested 2 items be added to the agenda.*

**MOTION #S-17-040**

Motion by Houge supported by Jackson to approve the agenda of the March 21, 2017 SERS Regular meeting, with two additions.  
Motion carried.

**MINUTES**

1. *Review and approve Minutes of the Southfield Employee Retirement System Board Regular Meeting of February 21, 2017.*

**MOTION #S-17-041**

Motion by Houge, supported by Jackson to approve the Minutes of the Southfield Employee Retirement System Board Regular Meeting of February 21, 2017.  
Motion carried.

**AUTHORIZATION OF BENEFITS**

1. *Review and approve a contribution refund to Aaron Schwartz.*

**MOTION #S-17-042**

Motion by Pierce, supported by Houge to approve a contribution refund to Aaron Schwartz.  
Motion carried.

2. *Review and approve monthly benefit payment to Dawn Rahn, alternate payee of Jonathon Rahn.*

**MOTION #S-17-043**

Motion by Pierce, supported by Houge to approve monthly benefit payment to Dawn Rahn, Alternate Payee of Jonathon Rahn.  
Motion carried.

**INVESTMENT CONSULTANT**

1. *Portfolio Summary Review*

Mr. Kuhn distributed the Asset/Manager Summary for March 2017. The portfolio was up \$400,000 which was exclusive of benefits paid for the month. No recommendation for allocation change was made.

**MOTION #S-17-044**

Motion by Houge, supported by Pierce to receive and file the investment performance update as of March 21, 2017, presented by Christopher Kuhn of &Co Consulting.  
Motion carried.

**SUMMARY ANNUAL REPORT**

The board reviewed the June 30, 2016 Summary Annual Report compiled by Ms. Siskind. Mr. Judd would review for consistency and send an updated version promptly. The report is due to the Treasury 30 days after adoption.

**MOTION #S-17-045**

Motion by Pierce, supported by Houge to approve Summary Annual Report for June 30, 2016, as amended by VanOverbeke, Michaud & Timmony, P.C.

Motion carried.

**LEGAL REPORT**

Mr. Judd had nothing additional to share with the board this evening.

**FINANCIAL REPORT**

Financial reports for periods ending January 31, 2017 and February 28, 2017 were reviewed. Net assets as of the February date were \$109,923,980; an increase of over \$2MM since the end of 2016.

**MOTION #S-17-046**

Motion by Houge, supported by Jackson to receive and file the financial reports for the periods ending January 31, 2017 and February 28, 2017.

Motion carried.

**FINANCIAL MATTERS**

1. *Review and approve payment to AndCo Consulting, LLC for investment consulting services provided during the period 1/1/17 to 3/31/17, in the amount of \$12,500.00.*

**MOTION #S-17-047**

Motion by Maisano, supported by Jackson to approve payment to AndCo Consulting, LLC for investment consulting services provided during the period 1/1/17 to 3/31/17, in the amount of \$12,500.00

Motion carried.

2. *Review and approve payment to Gabriel, Roeder, Smith & Company for EDRO calculations in the matter of Dawn Rahn, alternate payee of Jonathan Rahn, in the amount of \$1,300.00.*

**MOTION #S-17-048**

Motion by Maisano, supported by Jackson to approve payment to Gabriel, Roeder, Smith & Company for EDRO calculations in the matter of Dawn Rahn, alternate payee of Jonathan Rahn, in the amount of \$1,300.00.

Motion carried.

3. *Review and approve payment to Comerica Bank Cardmember Service for purchases during the period 2/4/17 – 3/6/17.*

**MOTION #S-17-049**

Motion by Hersh, supported by Jubas to approve payment to Comerica Bank Cardmember Service for purchases during the period 2/4/17 – 3/6/17.

Motion carried.

4. *Review and approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services rendered during the period 7/1/16 – 9/30/16, in the amount of \$1,044.00.*

**MOTION #S-17-050**

Motion by Hersh, supported by Jubas to approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services rendered during the period 7/1/16 – 9/30/16, in the amount of \$1,044.00.

Motion carried.

5. *Review and approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services rendered during the period 10/1/16 – 12/31/16, in the amount of \$2,124.00.*

**MOTION #S-17-051**

Motion by Hersh, supported by Jubas to approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services rendered during the period 10/1/16 – 12/31/16, in the amount of \$2,124.00.

Motion carried.

**PUBLIC COMMENTS**

No member of the public was in attendance at the meeting.

**OTHER MATTERS**

1. *FOIA* – Ms. Siskind briefly discussed FOIA regulations.
2. *Election* – Ms. Houge volunteered to be available for the SERS Election count on March 31, 2017.
3. *MAPERS* - Ms. Siskind announced the MAPERS Annual Spring Conference at Grand Traverse Conference Hall in Acme, Michigan on May 20, 2017 - May 23, 2017. Board members were asked to inform her if they wished to attend as soon as possible.
4. Ms. Mannisto requested the board review any outstanding projects next month.
5. Ms. Jackson conveyed the outstanding reappointment ceremony by City Council she took part in.

*Mr. Jubas joined the meeting at this time.*

**INVESTMENT MANAGER INTERVIEWS*****Champlain Investment Partners, LLC – Burlington, Vermont***

*Corey N. Bronner, CFA, Analyst and Partner*

*Angie M. Holbrook, CFA, Client Service and Partner*

Mr. Bronner and Ms. Holbrook discussed the goals, philosophy and disciplines of their Small and Mid-Cap investment team and composite of their portfolio.

*Mr. Michrina joined the meeting at this time.*

***QM<sup>a</sup> – Newark, New Jersey***

*Gavin Smith, PhD Portfolio Manager/Strategist*

*Kevin M. Ryan, Relationship Manager, Institutional Client Relations*

Mr. Smith and Mr. Ryan gave an overview of their U.S. Mid-Cap Core Equity fund and the investment team that manages it. They discussed their philosophy, discipline and research processes.

The board questioned Mr. Kuhn on whether they could hire both firms. Mr. Kuhn indicated that this would be a prudent move to diversify the portfolio. He recommended that the board members identify their preferred percentage allocation to each manager. A straw vote was taken:

	<b>Champlain</b>	<b>QM<sup>a</sup></b>
Jackson	60%	40%
Pierce	50%	50%
Jubas		100%
Brightwell	50%	50%
Houge	50%	50%
Maisano	50%	50%
Lightsey	50%	50%
Mannisto	50%	50%

**MOTION #S-17-052**

Motion by Pierce, supported by Houge to recommend to the City Council that Champlain Investment Partners, LLC and Quantitative Management Associates LLC (QM<sup>a</sup>) both be retained as the new U.S. Mid-Cap Equity managers for the SERS portfolio, to be funded with \$7MM each which will be transferred from Munder Capital Management, upon fully exiting the Munder account in accordance with the contractual provisions, subject to Attorney review and qualification of the recommended managers.

Motion carried.

**To Do List**

- Service Provider Review – Actuarial RFI (JBP & LS)
- Service Provider Review – Attorney
- Pending Board Policies: (may be part of other policies)
  - Record Retention
  - Proxy Voting/Corporate Governance
  - Ordinance Overlooked Matters

With no further business to come before the board, a motion to adjourn was raised.

**MOTION #S-17-053**

Motion by Houge, supported by Pierce to adjourn the Southfield Employee System Board's March 21, 2017 Regular Meeting at 7:15 p.m.

Retirement

Motion carried.

*Approved this 18<sup>th</sup> day of April 2017  
L. Susan Mannisto, Chair  
Southfield Employee Retirement System Board*