

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, April 17, 2018
Council Conference Room – Main Municipal Building
26000 Evergreen Road, Southfield, MI**

MINUTES

SERS Board Members Present: L. Susan Mannisto, Chair; Edward Gardella; David Hersh; Mark Jubas; Shirley Lightsey; Julius Maisano; Ronald Miller; Donna Sanders (*Alternate*)

Others Present: Lauri Siskind, Human Resources Director/SERS Plan Liaison
Penelope Scharmberg, Administrative Assistant HR/LR/SERS Secretary
Michael VanOverbeke, VanOverbeke, Michaud & Timmony P.C.
Christopher Kuhn, CFA, CAIA; &Co Consulting
Christine Catalanotte, Human Resources Manager of Operations

The meeting was called to order at 6:05 p.m.

AGENDA

Approval of Agenda.

Ms. Mannisto requested to defer the legal section until Mr. Jubas arrived.

MOTION #S-18-034

Motion by Hersh, supported by Maisano to approve the agenda of the April 17, 2018 SERS Regular meeting.

Motion carried.

MINUTES

Review and approve Minutes of the March 13, 2018 Southfield Employee Retirement System Board Meeting.

MOTION #S-18-035

Motion by Hersh, supported by Lightsey to approve the Minutes of the March 13, 2018 Southfield Employee Retirement System Board Meeting.

Motion carried.

APPROVAL OF BENEFITS

Review and approve monthly benefit payments and contribution refund to Kenneth Czarnomski.

MOTION #S-18-036

Motion by Maisano, supported by Gardella to approve monthly benefit payments and contribution refund to Kenneth Czarnomski, effective March 10, 2018.

Motion carried.

INVESTMENT CONSULTANT

Investment Performance Report

Mr. Kuhn reviewed the SERS Asset/Manager Summary as of April 16, 2018, relaying target allocation levels are relatively close to current allocations therefore, no action was recommended. The portfolio was down \$2MM this month due to market fluctuation.

Mr. Kuhn informed the board he would bring the Investment Policy Statement to the next meeting for review.

MOTION #S-18-037

Motion by Maisano, supported by Hersh to receive and file the investment report presented by Christopher Kuhn, AndCo Consulting.

Motion carried.

FINANCIAL REPORT

The board reviewed the financial reports for the periods ending December 31, 2017 and January 31, 2018. The net asset balance as of the January 31, 2018 was \$119,069,712.

MOTION #S-18-038

Motion by Miller, supported by Hersh to receive and file the Southfield Employee Retirement System financial reports for periods December 31, 2017 and January 31, 2018.
Motion carried.

FINANCIAL MATTERS

1. *Review and approve payment to &Co for investment management services provided during period 1/1/18-3/31/18, in the amount of \$31,500.00.*

MOTION #S-18-039

Motion by Hersh, supported by Maisano to approve payment to &Co for investment management services provided during period 1/1/18-3/31/18, in the amount of \$31,500.00.
Motion carried.

2. *Review and approve payment to SouthernSun Asset Management for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$32,116.00.*

MOTION #S-18-040

Motion by Hersh, supported by Maisano to approve payment to SouthernSun Asset Management for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$32,116.00.
Motion carried.

3. *Review and approve payment to LSV Asset Management for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$19,164.00.*

MOTION #S-18-041

Motion by Hersh, supported by Maisano to approve payment to LSV Asset Management for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$19,164.00.
Motion carried.

4. *Review and approve payment to Walhausen & Company for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$14,530.32.*

MOTION #S-18-042

Motion by Hersh, supported by Maisano to approve payment to Walhausen & Company for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$14,530.32.
Motion carried.

5. *Review Comerica Bank Cardmember Service for activity during period 3/6/18 – 4/4/18.*

The board reviewed the Comerica Bank Cardmember Service activity during period 3/6/18 – 4/4/18.
No monies were owed.

Mr. Jubas joined the meeting at this time.

LEGAL REPORT***Review of Legal Memorandum***

Mr. VanOverbeke provided his memorandum to the board members on non-career employees and their status in SERS. Two questions were addressed: (1) If certain current employees who are retired members of SERS should have the payment of their pension suspended as a result of reemployment by the City of Southfield in non-career positions. Mr. VanOverbeke reviewed Section 1.342 of the SERS Ordinance which, in part, states, membership in SERS shall not include any employee classified by the City as non-career. It is vested in the City to classify all employees; SERS does not have authority to reclassify them as career employees and include them in SERS.

(2) If these reemployed retirees are not contributing employee contributions to SERS, it is adversely impacting the funding level of SERS.

It was Mr. VanOverbeke's opinion that this statement is false. If the reemployed retirees are not covered by SERS, there is no benefit accrual and correspondingly no pension liability that needs to be funded. Therefore, no burden is placed on the pension system.

MOTION #S-18-043

Motion by Hersh, supported by Jubas to concur with the Legal Memorandum dated April 10, 2018, regarding Non-Career Employees, provided by Michael VanOverbeke, VanOverbeke, Michaud & Timmony, P.C.
Motion carried.

MOTION #S-18-044

Motion by Lightsey, supported by Hersh to receive and file the legal report provided by Michael VanOverbeke, VanOverbeke, Michaud & Timmony, P.C.
Motion carried.

PUBLIC COMMENTS

Paul Frost came before the board to ask about his retirement status. Ms. Siskind confirmed he was scheduled for a second opinion exam on June 19, 2018, and that report will be provided to the board to use in clarifying any matters that may be remaining regarding Mr. Frost's pension benefit.

OTHER BUSINESS

Review and address letter from Councilman Lloyd Crews.

The City Council wished to meet with all boards for an update on current and future matters before them. Chair Mannisto suggested a subcommittee be formed to gather information to bring before Council. They would discuss the matter at a future meeting.

To Do List

- *Website Pension Calculator* – Posting necessary.
- *Retiree Update Report* – In process.
- *IPS redraft*

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

MOTION #S-18-045

Motion by Jubas, supported by Gardella to adjourn the Southfield Employee Retirement System Board Regular Meeting of April 17, 2018 at 8:24 p.m.
Motion carried.

*Approved this 15th day of May 2018
L. Susan Mannisto, Chair
Southfield Employee Retirement System Board*