

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, April 21, 2015
Council Conference Room – Main Municipal Building
26000 Evergreen Road, Southfield, MI**

MINUTES

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

SERS Board Members Absent: David Hersh

Others Present: Lauri Siskind, Human Resources Director/SERS Plan Liaison
Laurence O. Gray; Gray & Company
Rebecca J. Smith and M. Tucker Davis; SouthernSun Asset Management
Michael VanOverbeke; VanOverbeke, Michaud & Timmony, PC
Penelope Scharmberg, Administrative Assistant HR/LR/SERS Secretary

The meeting was called to order at 5:48 p.m.

AGENDA

1. Approval of Agenda.

MOTION #S-15-052

Motion by Jubas, supported by Pierce to approve the agenda of the April 21, 2015 SERS meeting, with a request to move the investment portion to the beginning of the agenda from visiting consultants.

Motion carried.

INVESTMENT CONSULTANT REPORT

1. SouthernSun Performance Review.

Ms. Smith and Mr. Davis reported that SouthernSun, a small boutique, currently with 36 employees, had been slightly restructured to now include a 7-person small/smud investment team. Their investment philosophy has not changed; +/- 20 longtime holdings. With the downturn of oil prices, and many oil related entities in their portfolio, the SERS invested account has underperformed for the last three years. Taking advantage of market volatility, they made significant trims to the oil related positions, added to the consumer staples and manufacturing positions and fully exited a design firm. Newly added positions include steel and vehicle part manufacturing. SouthernSun is tracking those positions affected adversely; however, comfortable with the volatility knowing that the market is in a steep correction and their other investments are positive. Their sell philosophy is only to vacate when a target is met or a thesis falls apart, which does not happen often.

Mr. Gray reviewed the investment performance for the first quarter ending March 31, 2015. The current month was -.36, however the quarter stood at +2.77. Victory Capital did well and World Asset Management was even with the benchmark. Mr. Gray still had confidence in SouthernSun but will call the CEO to clarify their sell discipline with the 77% drop in the identified security. The international investments were working with a balanced approach and were strong. Most value will be in international investment going forward. Pacific Income Advisors (PIA) fixed income was up slightly for the quarter. Mr. Gray would arrange to bring PIA to the June meeting. The real estate numbers need to be updated. The market value of the fund as of 4/17/15 was \$116,454,546.50.

MOTION #S-15-053

Motion by Houge, supported by Pierce to receive and file the SERS performance review presented by Laurence O. Gray, Gray & Company investment consultants.

Motion carried.

ELECTION OF OFFICERS

Ms. Houge raised a motion to keep those presently holding their positions in place. Members agreed.

MOTION #S-15-054

Motion by Houge, supported by Jubas to allow the following to hold their current board positions:

L. Susan Mannisto, Chair
Julius Maisano, Vice-Chair
Mark Jubas, Secretary

Motion carried.

MINUTES

1. *Review and approve Minutes of the Southfield Employee Retirement System Board Meeting of March 17, 2015.*

MOTION #S-15-055

Motion by Houge, supported by Pierce to approve the Minutes of the Southfield Employee Retirement System Board Meeting of March 17, 2015.

Motion carried.

APPLICATIONS FOR RETIREMENT

1. *Review and approve Application for Early Retirement from Linda Williams, Police Department Civilian, effective May 23, 2015.*

MOTION #S-15-056

Motion by Pierce, supported by Houge to approve the Application for Early Retirement from Linda Williams, Police Department Civilian, effective May 23, 2015.

Motion carried.

2. *Review and approve Application for Normal Retirement from Iris McCallum-Bowman, 46th District Court, effective May 30, 2015.*

MOTION #S-15-057

Motion by Pierce, supported by Houge to approve the Application for Normal Retirement from Iris McCallum-Bowman, 46th District Court, effective May 30, 2015.

Motion carried.

3. *Review and approve Application for Normal Retirement from Mildred Pivoz, Career Center, effective May 16, 2015.*

MOTION #S-15-058

Motion by Pierce, supported by Houge to approve the Application for Normal Retirement from Mildred Pivoz, Career Center, effective May 16, 2015.

Motion carried.

AUTHORIZATION OF BENEFITS

1. *Review and approve Application for Survivor Pension Benefits from Raymond H. Meyers, surviving spouse of Nancy A. Meyers.*

MOTION #S-15-059

Motion by Houge, supported by Pierce to approve Application for Survivor Pension Benefits from Raymond H. Meyers, surviving spouse of Nancy A. Meyers.

Motion carried.

2. *Review and approve authorization to pay monthly pension and distribution of lump sum benefits to Michele Tiska-Davis.*

MOTION #S-15-060

Motion by Houge, supported by Pierce to approve authorization to pay monthly pension and distribution of lump sum benefits to Michele Tiska-Davis.

Motion carried.

Mr. Pierce left the meeting at this point.

LEGAL

Public Act 563 of 2014 amended the Freedom of Information Act (FOIA) Policy effective July 1, 2015. With that, Mr. VanOverbeke reviewed the current law changes his office incorporated in the updated FOIA Policy & Procedures. He mentioned that a fee should be charged for all FOIA requests. The board agreed to approve the redraft, of which he would send a final copy after reviewing a few questionable statements in the policy.

MOTION #S-15-061

Motion by Houge, supported by Maisano to approve the Freedom of Information Act Policy & Procedures, as amended by Public Act 563 of 2014, and updated by VanOverbeke, Michaud & Timmony, P. C.
Motion carried.

MONTHLY FINANCIAL REPORT

The board reviewed Financial Reports for the periods ending February 28, 2015. As of the February date, the net value of assets was \$116,063,522.

MOTION #S-15-062

Motion by Maisano, supported by Jubas to receive and file the SERS Financial Report for the period ending February 28, 2015.
Motion carried.

FINANCIAL MATTERS

1. *Review and approve payment to Gray & Company for investment consultant services provided for the period January 1, 2015 – March 31, 2015, in the amount of \$14,768.15.*

MOTION #S-15-063

Motion by Houge, supported by Maisano to approve payment to Gray & Company for investment consultant services provided for the period January 1, 2015 – March 31, 2015, in the amount of \$14,768.15.
Motion carried.

2. *Review and approve payment to SouthernSun Asset Management for investment management services provided for the period January 1, 2015 – March 31, 2015, in the amount of \$37,952.00.*

MOTION #S-15-064

Motion by Houge, supported by Maisano to approve payment to SouthernSun Asset Management for investment management services provided for the period January 1, 2015 – March 31, 2015, in the amount of \$37,952.00.
Motion carried.

3. *Review and approve payment to LSV Asset Management for investment management services provided for the period January 1, 2015 – March 31, 2015, in the amount of \$20,475.00.*

MOTION #S-15-065

Motion by Houge, supported by Maisano to approve payment to LSV Asset Management for investment management services provided for the period January 1, 2015 – March 31, 2015, in the amount of \$20,475.00.
Motion carried.

4. *Review and approve payment to MedSource Services/Consulting Physicians for medical services provided by William Leuchter, M.D., on January 7, 2015, in the amount of \$1,050.00.*

MOTION #S-15-066

Motion by Houge, supported by Maisano to approve payment to MedSource Services/Consulting Physicians for medical services provided by William Leuchter, M.D., on January 7, 2015, in the amount of \$1,050.00.
Motion carried.

5. *Review and approve payment to VanOverbeke, Michaud & Timmony, P.C. for legal services rendered during the period October 1, 2014 through December 31, 2014, in the amount of \$3,870.00.*

MOTION #S-15-067

Motion by Houge, supported by Maisano to approve payment to VanOverbeke, Michaud & Timmony, P.C. for legal services rendered during the period October 1, 2014 through December 31, 2014, in the amount of \$3,870.00.
Motion carried.

PUBLIC COMMENTS

There were no public comments.

OTHER MATTERS

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
 - Pension Benefit Calculator (working on kinks)
- Ms. Siskind mentioned that a SERS weblink is being created and she will provide an update at the July meeting.

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

MOTION #S-15-068

Motion by Jubas, supported by Maisano to adjourn the Southfield Employee Retirement System Board's April 21, 2015 meeting at 7:32 p.m.

Motion carried.

*Approved this 12th day of May 2015
L. Susan Mannisto, Chair
Southfield Employee Retirement System Board*