

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, May 15, 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.

MOTION #S-18-046

Motion by Jubas, supported by Gardella to approve the agenda of the May 15, 2018 SERS Regular meeting.
Motion carried.

MINUTES

Review and approve Minutes of the April 17, 2018 Southfield Employee Retirement System Board Meeting.

MOTION #S-18-047

Motion by Jubas, supported by Hersh to approve the Minutes of the April 17, 2018 Southfield Employee Retirement System Board Meeting.
Motion carried.

ELECTION OF OFFICERS

A motion was raised to retain the officers now seated.

MOTION #S-18-048

Motion by Hersh, supported by Gardella to elect L. Susan Mannisto as Chair of the Southfield Employee Retirement System board.
Motion carried.

MOTION #S-18-049

Motion by Hersh, supported by Gardella to elect Julius Maisano as Vice-Chair of the Southfield Employee Retirement System board.
Motion carried.

MOTION #S-18-050

Motion by Hersh, supported by Gardella to elect Mark Jubas as Secretary of the Southfield Employee Retirement System board.
Motion carried.

APPLICATION FOR RETIREMENT

Review and approve Application for Normal Retirement from Lauri Siskind, Human Resources, effective October 13, 2018.

MOTION #S-18-051

Motion by Hersh, supported by Maisano to approve the Application for Normal Retirement from Lauri Siskind, Human Resources, effective October 13, 2018.

Motion carried.

APPROVAL OF BENEFITS

Review and approve monthly benefit payments to Robin DeMaagd, surviving spouse of Ronald DeMaagd.

MOTION #S-18-052

Motion by Maisano, supported by Jubas to approve monthly benefit payments to Robin DeMaagd, surviving spouse of Ronald DeMaagd, effective June 1, 2018.

Motion carried.

INVESTMENT CONSULTANT

Investment Performance Report

Mr. Kuhn reviewed the SERS Quarterly Report as of March 31, 2018. He discussed the capital markets during the 1st quarter, highlighting the volatility of the equity market and the increase in interest rates. He reviewed the Fund's asset allocation vs. targets, quarterly reconciliation, and performance. The Fund was down 0.3% for the quarter and up 11.3% for the year. The weak results from SouthernSun were discussed, and relatively better returns from LSV and WCM during the quarter. Mr. Kuhn indicated that that the fixed income portfolio benefited from the Franklin and Bloomfield allocations during the quarter.

MOTION #S-18-053

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

Motion carried.

Mr. Gardella left the meeting at this point.

IPS Discussion

The last Investment Policy Statement (IPS) was adopted by ordinance, setting the City Council as fiduciaries of the SERS plan and assets in 1998. Act 314 requires an IPS that covers all the current ruling language otherwise the plan could be compromised. Mr. Kuhn presented an updated IPS that outlined the current approach of the SERS Board and City Council and suggested that a more SERS friendly version may be drafted to incorporate more authority to the SERS Board. The board suggested Mr. VanOverbeke meet with the Council Finance Committee to express the potential liability in not updating the IPS.

MOTION #S-18-054

Motion by Jubas, supported by Maisano to approve the board's attorney, Michael VanOverbeke, meet with Southfield Council Finance Committee to express the legal ramifications of the Southfield Employee Retirement System board not having an updated Investment Policy Statement.

Motion carried.

LEGAL REPORT

Mr. VanOverbeke had nothing new to report.

FINANCIAL REPORT

The board reviewed the financial reports for the periods ending February 28, 2018 and March 31, 2018. The net asset balance as of the March 31, 2018 was \$114,204,722.

MOTION #S-18-055

Motion by Hersh, supported by Jubas to receive and file the Southfield Employee Retirement System financial reports for periods February 28, 2018 and March 31, 2018.

Motion carried.

FINANCIAL MATTERS

1. *Review and approve payment to WCM Asset Management for investment consultant services provided during period 1/1/18-3/31/18, in the amount of \$17,607.25.*

MOTION #S-18-056

Motion by Jubas, supported by Maisano to approve payment to WCM Asset Management for investment consultant services provided during period 1/1/18-3/31/18, in the amount of \$17,607.25.

Motion carried.

2. *Review and approve payment to Pacific Income Advisors for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$9,725.00.*

MOTION #S-18-057

Motion by Jubas, supported by Maisano to approve payment to Pacific Income Advisors for investment consultant services provided during period 1/1/18 – 3/31/18, in the amount of \$9,725.00.

Motion carried.

3. *Review and approve activity on Comerica Bank Cardmember Service during period 4/5/18 – 5/4/18.*

MOTION #S-18-058

Motion by Jubas, supported by Maisano to approve payment to Comerica Bank Cardmember Service for activity during period 4/5/18 – 5/4/18.

Motion carried.

SELECTION OF DELEGATES FOR MAPERS

Mr. Hersh and Ms. Sanders volunteered to hold the position of voting delegate at the MAPERS Spring Conference. Ms. Mannisto and Ms. Lightsey will hold the alternate positions.

MOTION #S-18-059

Motion by Jubas, supported by Hersh to approve the selection of David Hersh and Donna Sanders as delegates and L. Susan Mannisto and Shirley Lightsey as alternates at the upcoming MAPERS Spring Conference at Soaring Eagle, Mount Pleasant, Michigan, May 19-22, 2018.

Motion carried.

COUNCIL PRESENTATION DISCUSSION

Ms. Mannisto reviewed the presentation she had put together for a future meeting with the City Council. An explanation of SERS, the health of the pension system, future needs i.e.: IPS, what has been accomplished thus far, and staff going forward was her basic outline. Further discussion was put on hold until the timeline and timeframe were a known quantity.

To Do List

- *Website Pension Calculator – Posting necessary.*
- *Retiree Update Report – In process.*
- *Review of Service Providers – Next agenda.*

PUBLIC COMMENTS

Pamela Gerald, PO Box 155, Southfield, Michigan 48037, questioned payments received by a retired employee who had returned as non-career employee and was working full time.

Mr. VanOverbeke stated the SERS board just handles pension benefits and the employee meets the qualifications to receive a pension.

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

MOTION #S-18-060

Motion by Jubas, supported by Hersh to adjourn the Southfield Employee Retirement System Board Regular Meeting of May 15, 2018 at 7:47 p.m.

Motion carried.

*Approved this 19th day of June 2018
L. Susan Mannisto, Chair
Southfield Employee Retirement System Board*