

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, May 16, 2017
Room #112 – Parks & Recreation Building
26000 Evergreen Road, Southfield, MI**

MINUTES

SERS Board Members Present: L. Susan Mannisto, Chair; David Hersh; Coretta Houge; Shirley Lightsey; Julius Maisano; James Pierce

SERS Board Members Absent: Jeannie Jackson; Mark Jubas

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

The meeting was called to order at 4:40 p.m.

AGENDA

1. *Approval of Agenda.*
MOTION #S-17-071
Motion by Houge supported by Pierce to approve the agenda of the May 16, 2017 SERS Regular meeting.
Motion carried.

MINUTES

1. *Review and approve Minutes of the April 18, 2017 Southfield Employee Retirement System Board Meeting.*
MOTION #S-17-072
Motion by Houge, supported by Maisano to approve the Minutes of the April 18, 2017 Southfield Employee Retirement System Board Meeting.
Motion carried.

APPROVAL OF RETIREMENT

1. *Review and approve Early Retirement to Pamela Devlin, Southfield Public Library, effective May 27, 2017.*
MOTION #S-17-073
Motion by Pierce, supported by Houge to approve Early Retirement to Pamela Devlin, Southfield Public Library, effective May 27, 2017.
Motion carried.
2. *Review and approve Early Retirement to Anne Kabel, Southfield Public Library, effective June 17, 2017.*
MOTION #S-17-074
Motion by Pierce, supported by Houge to approve Early Retirement to Anne Kabel, Southfield Public Library, effective June 17, 2017.
Motion carried.

AUTHORIZATION OF BENEFITS

1. *Review and approve monthly benefit payment and distribution of accumulated contributions to Stanley Wozniak.*
MOTION #S-17-075
Motion by Pierce, supported by Hersh to approve monthly benefit payment and distribution of accumulated contributions to Stanley Wozniak.
Motion carried.

INVESTMENT CONSULTANT***I. Portfolio Summary Review***

Mr. Kuhn presented the 1Q Performance Report with a review of the capital markets highlighting the impact of the Trump rally, the strong returns from the U.S. and international equity markets, and the modest gains from domestic bonds. Also evaluated were the Fund's asset allocation vs. targets, financial transactions during the quarter, and performance. The Fund was up 5.6% for the quarter and 13.0% for the year. Individual manager performance was assessed. He discussed shortening the printed version of the report. Updated market values (\$110 MM) were distributed; and he had no recommendations for the Board at this time.

Mr. Kuhn reviewed recent communications from SouthernSun regarding recently named principals to the organization and the departure of one senior analyst. He recommended no action at this time.

Mr. Kuhn went on to present a large cap index review. The report provided an overview of the S&P 500, S&P 500 Equal Weight, S&P 500 Dividend Aristocrats, and S&P 500 Low Vol, with sector allocations, rebalancing approaches, and historical data. He suggested reviewing the large cap allocation at a later date.

MOTION #S-17-076

Motion by Houge, supported by Pierce to receive and file the 2017 1st Quarter Performance Report, presented by Christopher Kuhn of &Co Consulting.

Motion carried.

LEGAL REPORT

Mr. VanOverbeke reviewed recommended amendments to the Retirement System provisions for Disability Benefit Offset Procedure.

MOTION #S-17-077

Motion by Houge, supported by Lightsey to approve policy revisions as recommended.

Motion carried.

FINANCIAL REPORT

The financial report for period ending March 31, 2017 was reviewed. Net assets as of the March date were \$110,348,785; an increase of over \$5MM since February 2017.

MOTION #S-17-078

Motion by Pierce, supported by Houge to approve the SERS Financial Report for period ending March 31, 2017.

Motion carried.

FINANCIAL MATTERS

1. *Review and approve payment to Pacific Income Advisors for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$6,946.00.*

MOTION #S-17-079

Motion by Pierce, supported by Hough to approve payment to Pacific Income Advisors for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$6,946.00.

Motion carried.

2. *Review and approve payment to Victory Capital Management, Inc. for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$26,216.00.*

MOTION #S-17-080

Motion by Pierce, supported by Hough to approve payment to Victory Capital Management, Inc. for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$26,216.00.

Motion carried.

3. *Review and approve payment to WCM Investment Management for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$16,339.06.*

MOTION #S-17-081

Motion by Pierce, supported by Hough to approve payment to WCM Investment Management for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$16,339.06.

Motion carried.

4. *Review and approve payment to SouthernSun Asset Management for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$33,672.00.*

MOTION #S-17-082

Motion by Pierce, supported by Hough to approve payment to SouthernSun Asset Management for investment management services provided during the period 1/1/17 – 3/31/17, in the amount of \$33,672.00.

Motion carried.

5. *Review and approve payment to Comerica Bank Cardmember Service for activity during the period 4/6/17 – 5/4/17.*

MOTION #S-17-083

Motion by Pierce, supported by Hough to approve payment to Comerica Bank Cardmember Service for activity during the period 4/6/17 – 5/4/17.

Motion carried.

PUBLIC COMMENTS

No member of the public wished to make a comment.

OTHER MATTERS

1. *Update on On-Line Pension Calculator.*

Ms. Siskind notified the board that revisions had not been made yet to the mortality tables.

2. *MAPERS Delegates*

Mr. Hersh and Ms. Houge volunteered as delegates and a motion was raised.

MOTION #17-084

Motion by Pierce, supported by Maisano to appoint David Hersh and Coretta Houge as voting delegates at the MAPERS Spring Conference.

Motion carried.

2. Mr. VanOverbeke encouraged the board members to write letters in support of the teacher's hybrid retirement plan currently being deliberated in legislature.

To Do List

- *Service Provider Review – Custodial Bank – Check fees by end of June (LS)*
- *Website Pension Calculator – Update mortality tables by next meeting (LS)*
- *Board Policies – Review for any needed/missed/updated*

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

MOTION #S-17-085

Motion by Pierce, supported by Maisano to adjourn the Southfield Employee Retirement System Board's May 16, 2017 Regular Meeting at 5:52 p.m.

Motion carried.

*Approved this 20th day of June 2017
L. Susan Mannisto, Chair
Southfield Employee Retirement System Board*