

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

MINUTES

SERS Board Members Present: Julius Maisano, Vice Chair; Edward Gardella; David Hersh; Shirley Lightsey; Ronald Miller; Donna Sanders

SERS Board Members Absent: Mark Jubas; L. Susan Mannisto

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

The meeting was called to order at 5:59 p.m.

AGENDA

Approval of Agenda.

MOTION #S-18-077

Motion by Hersh, supported by Lightsey to approve the agenda of the July 17, 2018 SERS Regular meeting.
Motion carried.

MINUTES

Review and approve Minutes of the June 19, 2018 Southfield Employee Retirement System Board Meeting.

MOTION #S-18-078

Motion by Gardella, supported by Hersh to approve the Minutes of the June 19, 2018 Southfield Employee Retirement System Board Meeting.
Motion carried.

APPLICATION FOR RETIREMENT

- 1. Review and approve Application for Normal Retirement from Susan Ward-Witkowski, City Attorney, Legal Department, effective August 25, 2018.*

MOTION #S-18-079

Motion by Gardella, supported by Miller to approve the Application for Normal Retirement from Susan Ward-Witkowski, City Attorney, Legal Department, effective August 25, 2018.
Motion carried.

- 2. Review and approve Application for Vested Termination from Catherine Everhart, Library Systems Administrator, Southfield Public Library, effective July 27, 2018.*

MOTION #S-18-080

Motion by Gardella, supported by Miller to approve the Application for Vested Termination from Catherine Everhart, Library Systems Administrator, Southfield Public Library, effective July 27, 2018.
Motion carried.

AUTHORIZATION OF BENEFITS

- 1. Review and approve monthly benefit and contribution refund to Mark Sleboda.*

MOTION #S-18-081

Motion by Gardella, supported by Hersh to approve monthly benefit and contribution refund to Mark Sleboda.
Motion carried.

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

MOTION #S-18-082

Motion by Hersh, supported by Gardella to approve monthly benefit to Robin DeMaagd, surviving spouse of Ronald DeMaagd.
Motion carried.

3. *Review and approve refund of non-vested contributions to Damon Martin.*

MOTION #S-18-083

Motion by Hersh, supported by Gardella to approve refund of non-vested contributions to Damon Martin.
Motion carried.

INVESTMENT CONSULTANT*SouthernSun Presentation*

Michael Cross, Senior Analyst & Principal of SouthernSun, attended the meeting to address their recent under performance. He discussed the sector concentrations associated with their strategy (Industrials and Cyclical) and lack of technology exposure and the markets leadership by growth oriented sectors (Tech). He reviewed other periods of time in which the strategy has underperformed and the following periods of outperformance.

Mr. Kuhn recommended maintaining their exposure to the strategy based on longer term performance and anticipating a rotation in the market cycle.

Investment Performance Report

Chris Kuhn presented updated market values (\$117MM) as of July 13, 2018, noting that the Fund was relatively close to all targets. No recommendation for allocation changes were necessary at this time.

MOTION #S-18-084

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

Ms. Siskind noted that the auditors were in need of end of the year numbers earlier than usual. It was suggested that the most recent available statements be used in those cases in which investment managers were not able to attain final year numbers until after the needed timeframe.

IPS Update

Ms. Siskind reported that Mr. VanOverbeke had met with the Council President and Chair of the Council Finance Committee to provide background information on the Investment Policy Statement (IPS). With the current legislative requirements and efforts that the SERS board has made in investment decisions, it was agreed that the matter of naming the SERS board as the investment fiduciary should come before the City Council, with Mr. VanOverbeke drafting proposed changes to the SERS ordinance.

FINANCIAL MATTERS

1. *Review and approve payment to &Co for investment consultant services provided during the period 4/1/18 - 6/30/18, in the amount of \$13,750.00.*

MOTION #S-18-084

Motion by Hersh, supported by Gardella to approve payment to &Co for investment consultant services provided during the period 4/1/18 - 6/30/18, in the amount of \$13,750.00.
Motion carried.

2. *Review and approve payment to LSV Asset Management for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$18,716.00.*

MOTION #S-18-085

Motion by Hersh, supported by Gardella to approve payment to LSV Asset Management for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$18,716.00.

Motion carried.

3. *Review and approve payment to Champlain Investment Partners for investment management services provided during the period 1/1/18 – 3/31/18, in the amount of \$16,309.37.*

MOTION #S-18-086

Motion by Hersh, supported by Gardella to approve payment to Champlain Investment Partners for investment management services provided during the period 1/1/18 – 3/31/18, in the amount of \$16,309.37.

Motion carried.

4. *Review and approve payment to Champlain Investment Partners for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$16,952.01.*

MOTION #S-18-087

Motion by Hersh, supported by Gardella to approve payment to Champlain Investment Partners for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$16,952.01.

Motion carried.

5. *Review and approve payment to SouthernSun Asset Management for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$30,317.00.*

MOTION #S-18-088

Motion by Hersh, supported by Gardella to approve payment to SouthernSun Asset Management for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$30,317.00.

Motion carried.

6. *Review and approve payment to Walthausen & Co. for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$15,161.59.*

MOTION #S-18-089

Motion by Hersh, supported by Gardella to approve payment to Walthausen & Co. for investment management services provided during the period 4/1/18 – 6/30/18, in the amount of \$15,161.59.

Motion carried.

7. *Review and approve payment to City of Southfield for reimbursement of SERS Fiduciary Liability Insurance for the 7/1/18 – 6/30/19 policy year, in the amount of \$12,214.00.*

MOTION #S-18-090

Motion by Hersh, supported by Gardella to approve payment to City of Southfield for reimbursement of SERS Fiduciary Liability Insurance for the 7/1/18 – 6/30/19 policy year, in the amount of \$12,214.00.

Motion carried.

8. *Review and approve payment to Med Source Services/Consulting Physicians for an Independent Evaluation & Review of Records for Paul Frost on 6/19/18, in the amount of \$3,450.00.*

MOTION #S-18-091

Motion by Hersh, supported by Gardella to approve payment to Med Source Services/Consulting Physicians for an Independent Evaluation & Review of Records for Paul Frost on 6/19/18, in the amount of \$3,450.00.

Motion carried.

9. *Review and approve activity on Comerica Cardmember Service during period 6/6/18 – 7/5/18.*

MOTION #S-18-092

Motion by Hersh, supported by Lightsey to approve activity on Comerica Cardmember Service during period 6/6/18 – 7/5/18.

Motion carried.

To Do List

- *Website Pension Calculator* – Posting necessary.
- *Council Presentation* – Need goals requested by City Council & Coordination with IPS Ordinance.

PUBLIC COMMENTS

There were no members of the public in attendance.

OTHER MATTERS

Mr. Kuhn mentioned he was not available for the August 14, 2018 scheduled meeting. After discussion, the board agreed to reschedule the meeting to August 28, 2018.

MOTION #S-18-093

Motion by Lightsey, supported by Gardella to reschedule the August 14, 2018 Southfield Employee Retirement System board meeting to Tuesday, August 28, 2018.

Motion carried.

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

MOTION #S-18-094

Motion by Hersh supported by Miller to adjourn the Southfield Employee Retirement System Board Regular Meeting of July 17, 2018 at 7:47 p.m.

Motion carried.

*Approved this 28th day of August 2018
L. Susan Mannisto, Chair
Southfield Employee Retirement System Board*