

**CITY OF SOUTHFIELD  
SPECIAL MEETING  
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD  
Wednesday, July 20, 2016  
Room #115 – Parks & Recreation Building  
26000 Evergreen Road, Southfield, MI**

**MINUTES**

**SERS Board Members Present:** L. Susan Mannisto, Chair; David Hersh; Jeannie Jackson; Mark Jubas; Shirley Lightsey; Julius Maisano; James Pierce

**SERS Board Members Absent:** Coretta Houge

**Others Present:** Lauri Siskind, Human Resources Director/SERS Plan Liaison  
Christopher Kuhn, CFA, CAIA; The Bogdahn Group  
Francis E. Judd; VanOverbeke, Michaud & Timmony, PC  
John Michrina; Deputy City Administrator  
Irv Lowenberg; City Treasurer  
Daniel Brightwell; City Council Member, CFC Chair  
Penelope Scharmberg, Administrative Assistant HR/LR/SERS Secretary

**The meeting was called to order at 4:30 p.m.**

**AGENDA**

1. *Approval of Agenda.*  
**MOTION #S-16-111**  
Motion by Maisano, supported by Hersh to approve the agenda of the July 20, 2016 SERS Special meeting.  
Motion carried.

**MINUTES**

1. *Review and approve Minutes of the Southfield Employee Retirement System Board Special Meeting of April 12, 2016.*  
**MOTION #S-16-112**  
Motion by Hersh, supported by Lightsey to approve the Minutes of the Southfield Employee Retirement System Board Special Meeting of April 12, 2016.  
Motion carried.
2. *Review and approve Minutes of the Southfield Employee Retirement System Board Regular Meeting of June 21, 2016.*  
**MOTION #S-16-113**  
Motion by Hersh, supported by Maisano to approve the Minutes of the Southfield Employee Retirement System Board Regular Meeting of June 21, 2016.  
Motion carried.

*Ms. Jackson joined the meeting at this point.*

**APPLICATIONS FOR RETIREMENT**

1. *Review and approve Application for Early Retirement from Tina Coughley, Police Civilian, effective July 20, 2016.*  
**MOTION # S-16-114**  
Motion by Hersh, supported by Maisano to approve the Application for Early Retirement from Tina Coughley, Police Civilian, effective July 20, 2016.  
Motion carried.

*Mr. Pierce joined the meeting at this point.*

2. *Review and approve Application for Normal Retirement from Yvonne Helfer, Accounting Department, effective August 13, 2016.*

**MOTION # S-16-115**

Motion by Hersh, supported by Maisano to approve the Application for Normal Retirement from Yvonne Helfer, Accounting Department, effective August 13, 2016.

Motion carried.

3. *Review and approve Application for Normal Retirement from Mary Steflja, City Clerk's Office, effective August 13, 2016*

**MOTION # S-16-116**

Motion by Hersh, supported by Maisano to approve the Application for Normal Retirement from Mary Steflja, City Clerk's Office, effective August 13, 2016.

Motion carried.

**AUTHORIZATION OF BENEFITS**

1. *Review and approve refund of accumulated contributions to Sherry Merola.*

**MOTION #S-16-117**

Motion by Pierce, supported by Hersh to approve refund of accumulated contributions to Sherry Merola, effective immediately.

Motion carried.

2. *Review and approve monthly benefit payment to Monica Stone.*

**MOTION #S-16-118**

Motion by Pierce, supported by Hersh to approve monthly benefit payment to Monica Stone, effective June 4, 2016.

Motion carried.

**FINANCIAL REPORT**

The board reviewed the financial report for the period ending May 31 2016, showing the net value of assets ending at \$101,105,198.

**MOTION #S-16-119**

Motion by Pierce, supported by Hersh to receive and file the SERS financial report as of May 31, 2016.

Motion carried.

**FINANCIAL MATTERS**

1. *Review and approve payment to The Bogdhan Group for investment consulting services provided during the period 4/1/16 – 6/30/16, in the amount of \$12,500.00.*

**MOTION #S-16-120**

Motion by Pierce, supported by Hersh to approve payment to Bogdhan Group for investment consulting services provided during the period 4/1/16 – 6/30/16, in the amount of \$12,500.00.

Motion carried.

2. *Review and approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services provided during the period 1/1/16 – 3/31/16, in the amount of \$2,898.00.*

**MOTION #S-16-121**

Motion by Pierce, supported by Hersh to approve payment to VanOverbeke Michaud & Timmony, P.C. for legal services provided during the period 1/1/16 – 3/31/16, in the amount of \$2,898.00.

Motion carried.

3. *Review and approve payment to Gabriel, Roeder, Smith & Company for issuance of a 5-Year Experience Study, 7/1/10 – 6/30/15, in the amount of \$16,500.00.*

**MOTION #S-16-122**

Motion by Pierce, supported by Hersh to approve payment to Gabriel, Roeder, Smith & Company for issuance of a 5-Year Experience Study, 7/1/10 – 6/30/15, in the amount of \$16,500.00.

Motion carried.

4. *Review and approve payment to Walthausen & Co. for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$13,117.58.*

**MOTION #S-16-123**

Motion by Pierce, supported by Hersh to approve payment to Walthausen & Co. for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$13,117.58.

Motion carried.

5. *Review and approve payment to SouthernSun Asset Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$32,232.00.*

**MOTION #S-16-124**

Motion by Pierce, supported by Hersh to approve payment to SouthernSun Asset Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$32,232.00.

Motion carried.

6. *Review and approve payment to LSV Asset Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$19,781.00.*

**MOTION #S-16-125**

Motion by Pierce, supported by Hersh to approve payment to LSV Asset Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$19,781.00.

Motion carried.

7. *Review and approve payment to Comerica Bank Cardmember Service for purchases during the period 6/4/16 – 7/6/16.*

**MOTION #S-16-126**

Motion by Pierce, supported by Hersh to approve payment to Comerica Bank Cardmember Service for purchases during the period June 4, 2016 – July 6, 2016.

Motion carried

*Mark Jubas & John Michrina joined the meeting at this time. Mr. Judd left the meeting at this time.*

**SERS ROUNDTABLE**

The Board held their annual manager roundtable. The first session was devoted to discussing the current capital market environment including BREXIT, central bank policies and negative interest rates, global economic growth, equity valuations, inflation and interest rate expectations, and other topics. The second session was devoted to manager reviews. Each manager addressed recent returns (absolute and relative to their benchmark), performance attribution, and current portfolio positioning. In attendance were:

***Walthausen & Company, Clifton Park NY – Small/Mid cap***

JOHN WALTHAUSEN, President & ERIK NERO, Director of Marketing and Client Service

***SouthernSun, Memphis TN***

RICHARD FRIARY, Portfolio Specialist

***LSV Asset Management, Chicago IL – International Equity***

SCOTT KEMPER, Director Client Portfolio Services

**WCM Investment Management, Laguna Beach CA**  
JON TRINGALE, Client Portfolio Manager

**Pacific Income Advisors, Santa Monica, CA**  
GUY TORRES, Managing Director Business Development Central District

**AEW Advisors, Boston, MA**  
EMILY MARGOLIS, Investor Relations & CRISTEN CONKLING, Assistant Vice President

**Magnitude Capital, New York NY**  
GRAEME DAYKIN, Partner/Director of Investor Relations

**BTG Pactual, São Paulo, Brazil**  
BOG HAGLER, Investment Strategy Head

**Munder Capital Management, Birmingham, MI**  
ROBERT CROSBY, Senior Portfolio Manager & ANDREA LEISTRA, Director of Institutional Markets

The investment managers were thanked for attending the roundtable while those attending thanked the SERS members for their continued support.

### **INVESTMENT CONSULTANT**

#### ***1. Consultant Recommendations***

Mr. Kuhn recommended that with the recent rebound in the market, a reallocation of \$3M from WAM to PIA to begin to restore the fixed income account would be prudent.

##### **MOTION #S-16-127**

Motion by Hersh, supported by Pierce to approve the transfer of \$3M from World Asset Management to Pacific Income Advisors as recommended by Christopher Kuhn, the Bogdahn Group.  
Motion carried.

#### ***2. Cash Election – QEBA***

A Cash Management Fund Election Form was received from Comerica Bank with optional investments on the placement of QEBA funds.

Mr. Kuhn recommended Goldman Sachs Financial Square Government Fund, which is a money market mutual fund designed to maximize income, preserve capital and maintain liquidity. It is AAA rated and does not have a floating rate.

##### **MOTION #S-16-128**

Motion by Jubas, supported by Hersh to approve the investment of SERS QEBA funds, residing with Comerica Bank, into the Goldman Sachs Financial Square Government Fund.  
Motion carried.

### **PUBLIC COMMENTS**

No member of the public was in attendance.

### **OTHER MATTERS**

An Ethics Policy was approved by the Southfield City Council. One feature of the policy involves a conflict of interest disclosure form that must be signed by members of various boards of the City, including the SERS board. The policy and disclosure form will be reviewed by VanOverbeke, Michaud & Timmony, P. C. for compatibility with the SERS Board's existing Ethics Policy.

**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
  - Ordinance Overlooked Matters

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

**MOTION #S-16-129**

Motion by Lightsey, supported by Jackson to adjourn the Southfield Employee Retirement System Board's July 20, 2016 Special Meeting at 8:53 p.m.

Motion carried.

*Approved this 16<sup>th</sup> day of August 2016  
Julius Maisano, Vice – Chair  
Southfield Employee Retirement System Board*