

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, August 16, 2016
Council Conference Room – Main Municipal Building
26000 Evergreen Road, Southfield, MI**

MINUTES

SERS Board Members Present: Julius Maisano, Vice-Chair; David Hersh; Coretta Houge; Mark Jubas; Shirley Lightsey; James Pierce

SERS Board Members Absent: Jeannie Jackson; L. Susan Mannisto

Others Present: Lauri Siskind, Human Resources Director/SERS Plan Liaison
Christopher Kuhn, CFA, CAIA; The Bogdahn Group
Michael VanOverbeke; VanOverbeke, Michaud & Timmony, PC

The meeting was called to order at 5:55 p.m.

AGENDA

1. *Approval of Agenda.*
MOTION #S-16-130
Motion by Houge, supported by Lightsey to approve the agenda of the August 16, 2016 SERS Regular meeting.
Motion carried.

MINUTES

1. *Review and approve Minutes of the Southfield Employee Retirement System Board Special Meeting of July 20, 2016.*

It was mentioned that the date span of the 5-Year Experience Study produced by GRS should be corrected to 7/1/10 – 6/30/15.

MOTION #S-16-131

Motion by Houge, supported by Pierce to approve the Minutes of the Southfield Employee Retirement System Board Special Meeting of July 20, 2016, with above noted corrections.
Motion carried.

APPLICATIONS FOR RETIREMENT

1. *Review and approve Application for Early Retirement from Diana Williams, Administration, effective August 27, 2016.*

MOTION # S-16-132

Motion by Pierce, supported by Hersh to approve the Application for Early Retirement from Diana Williams, Administration, effective August 27, 2016.
Motion carried.

2. *Review and approve Application for Normal Retirement from Louise Carr, Community Relations Department, effective September 10, 2016.*

MOTION # S-16-133

Motion by Pierce, supported by Hersh to approve the Application for Normal Retirement from Louise Carr, Community Relations Department, effective September 10, 2016.
Motion carried.

3. *Review and approve Notice of Vested Termination from Laurie Pettinaro, City Assessor's Office, effective August 23, 2016.*

MOTION # S-16-134

Motion by Pierce, supported by Hersh to approve the Notice of Vested Termination from Laurie Pettinaro, City Assessor's Office, effective August 23, 2016.

Motion carried.

4. *Review and approve Notice of Non-Vested Termination and Distribution of Accumulated Contributions to Michelle Haggerson, 46th District Court, effective July 29, 2016.*

MOTION # S-16-135

Motion by Pierce, supported by Hersh to approve the Notice of Non-Vested Termination and Distribution of Accumulated Contributions to Michelle Haggerson, 46th District Court, effective July 29, 2016.

Motion carried.

5. *CLOSED SESSION - Review Application for Non-Duty Disability Retirement.*

MOTION # S-16-136

Motion by Pierce, supported by Houge that pursuant to Section 8(h) of the Open Meetings Act the Southfield Employee Retirement System Board Meeting of August 16, 2016, adjourn to a Closed Session for the purpose of considering material exempt from discussion or disclosure by state or federal statute.

A roll call vote was taken.

YEA: Hersh, Pierce, Houge, Jubas, Lightsey, Maisano.

NAY: None.

ABSTAIN: None.

ABSENT: Jackson, Mannisto.

Motion carried.

MOTION # S-16-137

Motion by Jubas, supported by Houge that the Closed Session of the Southfield Employee Retirement System Board Meeting of August 16, 2016, does hereby reconvene to Open Session.

Motion carried.

MOTION # S-16-138

Motion by Pierce, supported by Houge to acknowledge receipt of the Application for Non- Duty Disability Retirement from Jeffrey Obear, dated August 10, 2016, and direct the SERS Administrator to arrange for the Medical Director to perform an exam and determination therefrom, consistent with the board policies.

Motion carried.

AUTHORIZATION OF BENEFITS

1. *Review and approve monthly benefit payment to Tina Coughley.*

MOTION #S-16-139

Motion by Pierce, supported by Jubas to approve monthly benefit payment to Tina Coughley, effective July 20, 2016.

Motion carried.

2. *Review and approve distribution of residual 10 Year and Certain benefit to Vickie M. Gordon, beneficiary of Norman Wingo.*

MOTION #S-16-140

Motion by Pierce, supported by Jubas to approve distribution of residual 10 Year and Certain benefit to Vickie M. Gordon, beneficiary of Norman Wingo.

Motion approved.

INVESTMENT CONSULTANT**1. *Quarterly Review***

Mr. Kuhn announced the Bogdahn Group had expanded to 71 employees in 6 offices around the country, with \$64B in assets under advisement, for 530 institutional clients. He expressed his appreciation for the belief SERS had in the Group as trust, integrity, confidence, and respect were their greatest goals.

The 2nd quarter of 2016 was very volatile as financial market returns were influenced by central bank policy expectations, rising commodity prices, mixed economic data, and increased global political and economic uncertainty due to Britain's decision to exit the EU. Despite this volatility, asset class results for the period were positive with the exception of international developed market returns. Small cap equities, emerging market stocks and investment grade and high yield corporate bonds posted the strongest returns throughout the quarter.

The portfolio's performance was down for the fiscal year and past 3 years; however, 5, 7 & 10 year returns exceeded the benchmark and ranked in the top percentile of the peer group of institutional public funds. The portfolio held assets at the end of the 2nd quarter of \$105,365,536.

2. *Consultant Recommendations*

Titan Hedge Fund of Funds was discussed due to their weaker performance. Mr. Kuhn mentioned that after speaking with them he was satisfied with the current research team yet wanted them to come to speak with the board. Agreeing, the board selected the October meeting.

WAM funded PIA last month with a transfer of \$3M. LSV will fund Templeton in September with \$2M; and Bloomfield Capital III is still pending.

MOTION #S-16-141

Motion by Pierce, supported by Hersh to receive and file the 2nd Quarter 2015 Performance Review prepared by Christopher Kuhn, the Bogdahn Group.

Motion carried

LEGAL REPORT

Mr. VanOverbeke mentioned that the SERS Board received a FOIA to which VanOverbeke, Michaud & Timmony, P.C. will respond.

FINANCIAL REPORT

The board reviewed the Investment Summary prepared by Comerica Bank for August 16, 2016, showing the market value of assets ending at \$107,873,175.40.

MOTION #S-16-142

Motion by Houge, supported by Pierce to receive and file the Comerica Bank Investment Summary for SERS as of August 16, 2016.

Motion carried.

FINANCIAL MATTERS

1. *Review and approve payment to WCM Investment Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$17,274.81.*

MOTION #S-16-143

Motion by Houge, supported by Pierce to approve payment to WCM Investment Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$17,274.81.

Motion carried.

2. *Review and approve payment to Victory Capital Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$23,191.00.*

MOTION #S-16-144

Motion by Houge, supported by Pierce to approve payment Victory Capital Management for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$23,191.00.

Motion carried.

3. *Review and approve payment to Pacific Income Advisors for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$7,496.00.*

MOTION #S-16-145

Motion by Houge, supported by Pierce to approve payment Pacific Income Advisors for management investment services provided during the period 4/1/16 – 6/30/16, in the amount of \$7,496.00.

Motion carried.

4. *Review and approve payment to Comerica Bank Cardmember Service for purchases during the period 7/7/16 – 8/4/16.*

MOTION #S-16-146

Motion by Houge, supported by Pierce to approve payment to Comerica Bank Cardmember Service for purchases during the period July 7, 2016 – August 4, 2016.

Motion carried

MAPERS CONFERENCE DELEGATES

Ms. Siskind advised the board that delegates were needed for the upcoming 2016 Fall MAPERS Conference, September 18, 2016 - September 20, 2016 at the Grand Hotel on Mackinac Island. Mr. Jubas and Mr. Hersh volunteered with Ms. Lightsey and Ms. Mannisto as alternates.

MOTION #S-16-147

Motion by Pierce, supported by Houge to approve the selection of Mark Jubas and David Hersh as voting delegates and Shirley Lightsey and Sue Mannisto as alternates at the 2016 Fall MAPERS Conference, September 18, 2016 - September 20, 2016, being held at the Grand Hotel on Mackinac Island.

Motion carried.

PUBLIC COMMENTS

No member of the public chose to make comment.

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-16-148

Motion by Houge, supported by Pierce to adjourn the Southfield Employee Retirement System Board's August 16, 2016 Regular Meeting at 6:29 p.m.

Motion carried.

*Approved this 13th day of September 2016
L. Susan Mannisto, Chair
Southfield Employee Retirement System Board*