

**CITY OF SOUTHFIELD  
REGULAR MEETING  
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD  
Tuesday, August 28, 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; Ronald Miller; Donna Sanders

**SERS Board Members Absent:** Julius Maisano

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

**The meeting was called to order at 5:50 p.m.**

**AGENDA**

*Approval of Agenda.*

**MOTION #S-18-095**

Motion by Lightsey, supported by Hersh to approve the agenda of the August 28, 2018 SERS Regular meeting.  
Motion carried.

**MINUTES**

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

**MOTION #S-18-096**

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

**APPLICATION FOR RETIREMENT**

- 1. Review and approve Application for Vested Termination from Douglas Block, Parks & Recreation, effective June 1, 2018.*

**MOTION #S-18-097**

Motion by Hersh, supported by Gardella to approve the Application for Vested Termination from Douglas Block, Parks & Recreation, effective June 1, 2018.  
Motion carried.

- 2. Review and approve Application for Normal Retirement from Richard Waynick, Public Safety Dispatch, effective August 25, 2018.*

**MOTION #S-18-098**

Motion by Hersh, supported by Gardella to approve the Application for Normal Retirement from Richard Waynick, Public Safety Dispatch, effective August 25, 2018.  
Motion carried.

- 3. Review and approve Application for Normal Retirement from Angela Riccardi, Public Safety Dispatch, effective August 31, 2018.*

**MOTION #S-18-098**

Motion by Hersh, supported by Gardella to approve the Application for Normal Retirement from Angela Riccardi, Public Safety Dispatch, effective August 31, 2018.  
Motion carried.

4. *Review and approve Application for Normal Retirement from Kathleen Hicks, Treasurer's Office, effective September 22, 2018.*

**MOTION #S-18-099**

Motion by Hersh, supported by Gardella to approve the Application for Normal Retirement from Kathleen Hicks, Treasurer's Office, effective September 22, 2018.  
Motion carried.

**AUTHORIZATION OF BENEFITS**

1. *Review and approve Application for Receipt of Vested Deferred Pension Benefits from Sherry Smith, effective 9/1/18.*

**MOTION #S-18-100**

Motion by Hersh, supported by Jubas to approve the Application for Receipt of Vested Deferred Pension Benefits from Sherry Smith, effective 9/1/18.  
Motion carried.

2. *Review and approve commencement of monthly pension benefits for Robert White.*

**MOTION #S-18-101**

Motion by Hersh, supported by Jubas to approve commencement of monthly pension benefits to Robert White.  
Motion carried.

3. *CLOSED SESSION*

**MOTION #S-18-102**

Motion by Jubas, supported by Lightsey that pursuant to Section 8(h) of the Open Meetings Act the Southfield Employee Retirement System Board Meeting of August 28, 2018, 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, Miller, Gardella, Jubas, Lightsey, Mannisto.

NAY: None.

ABSTAIN: None.

ABSENT: Sanders, Maisano.

Motion carried.

*Ms. Sanders entered the meeting at this time.*

**MOTION #S-18-103**

Motion by Jubas, supported by Gardella that the Closed Session of the Southfield Employee Retirement System Board Regular Meeting of August 28, 2018, does hereby reconvene to Open Session.

Motion carried.

A motion was raised on the duty disability retirement application filed by Paul Frost.

**MOTION #S-18-104**

Motion by Hersh, supported by Jubas to acknowledge receipt of the Medical Reports of William M. Leuchter, M.D. dated 6/19/18 regarding the applicant's duty disability application, and second determination dated 8/14/18, following examination of the applicant and relative documents, which finds Paul Frost's disability is not a result of causes directly related to the member's actual performance of duty while an employee of the City. Therefore, the Southfield Employee Retirement System board does hereby deny Mr. Frost's request for duty disability retirement.

Motion carried (5-1 RM opposing)

## **INVESTMENT CONSULTANT**

### *Investment Performance Report*

Chris Kuhn presented the 2Q Performance Report, reviewing the capital markets and highlighting the rebound in domestic equities and the continued struggles of international equities and bonds. The Fund's asset allocation vs. targets, cash flows during the quarter, and performance were also reviewed. The Fund was up 1.9% for the quarter and 9.7% for the year with current market values of \$118MM. The continued underperformance of SouthernSun was discussed, and will be reviewed again at the next meeting. No recommendation for allocation changes were necessary at this time.

#### **MOTION #S-18-105**

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

### *Recommendation*

Mr. Kuhn discussed the pending wind down of the Bloomfield Capital Fund II. The manager has offered Fund II investors an incentive to roll over their investment into Fund V – including a 1% preferred return bonus for several years. AndCo had just recently received the necessary materials from the manager and had not fully vetted the new fund. Review was made of the positive results from Fund II and Fund III and the manager's investment process. He recommended the Board approve the rollover, subject to AndCo approving the new fund. Bloomfield Capital's SEC registration was also noted.

#### **MOTION #S-18-106**

Motion by Jubas, supported by Gardella to authorize the rollover of funds (\$2MM) from Bloomfield Capital Fund II to Bloomfield Capital Fund V, including a 1% preferred return bonus for several years, subject to review of the new fund by AndCo.  
Motion carried.

The Board discussed the status of the IPS and the transition of Trustee responsibilities from City Council to the SERS Board. Mr. Kuhn indicated that he would be able to help with redrafting the IPS to meet this objective.

## **LEGAL REPORT**

1. *Review and approved EDRO Resolution in the matter of Richards v Richards, SCCC Case #14-00674-DO.*

#### **MOTION #S-18-107**

Motion by Jubas, supported by Hersh

**IN RE:** Annette J. Richards v Bruce D. Richards

St. Clair County Circuit Court Case No. 14-000674-DO

**WHEREAS**, the Board of Trustees is in receipt of an Eligible Domestic Relations Order dated June 18, 2018, wherein Annette J. Richards, the Alternate Payee, is awarded certain rights to the benefits of Bruce D. Richards, the Participant; and

**WHEREAS**, the Alternate Payee is entitled to a portion of both the Participant's defined benefit plan benefits and the defined contribution plan benefits from the Retirement System; and

**WHEREAS**, the payments from the plan to the Alternate Payee shall begin either when the Participant commences benefits from the Retirement System, or any time after the Participant reaches his earliest retirement date upon the Alternate Payee's application; and

**WHEREAS**, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings, and the order provides that the Participant and the Alternate Payee shall be responsible for any and all additional costs for actuarial services and the Alternate Payee's share of said costs shall be in proportion to her share of the Participant's retirement allowance awarded to her under the EDRO; and

**WHEREAS**, said matter has been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended; therefore, be it

**RESOLVED**, that the Board of Trustees acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to an application being filed by the Participant or the Alternate Payee seeking payment; and further

**RESOLVED**, that upon application of the Participant or the Alternate Payee this file be forwarded to the Board's actuary for calculation of the benefits; and further

**RESOLVED**, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter; and finally

**RESOLVED**, that copies of this resolution be sent to Bruce D. Richards, the Participant; J. A. R. Heyboer, Esq., attorney for the Alternate Payee; and the Board's actuary.

Motion carried.

2. *Review and approve Application for Vested Termination from LaVern Laury, Technology Services, effective August 3, 2018.*

Ms. Siskind explained that in 2005, when LaVern Laury was originally hired, the City had developed a Defined Contribution (DC) plan for new hires. In 2007, all members of the DC plan were given the opportunity to move into the SERS Defined Benefit plan. Such members were also offered the opportunity to purchase their DC service credit for purposes of SERS service credit. Ms. Laury took advantage of the offered service purchase and paid into the plan the amount she was told. However, after calculations were prepared in conjunction with her vested pension calculation, it was found that the full service purchase cost had not been paid, but Ms. Laury was never notified of same. Mr. VanOverbeke advised that the remaining service purchase amount be paid to SERS, and, due to the administrative error, that the additional money be submitted without interest.

**MOTION #S-18-108**

Motion by Hersh, supported by Jubas to authorize the Administrator to collect any monies due from LaVern Laury prior to retirement, without added interest. And further, approve her Application for Vested Termination, effective 8/3/18.

Motion carried.

**FINANCIAL MATTERS**

1. *Review and approve payment to Pacific Income Advisors for investment management services provided during the period 4/1/18 - 6/30/18, in the amount of \$9,201.00.*

**MOTION #S-18-109**

Motion by Hersh, supported by Gardella to approve payment Pacific Income Advisors for investment management services provided during the period 4/1/18 - 6/30/18, in the amount of \$9,201.00.

Motion carried.

2. *Review and approve payment to WCM Investment Management for investment management services provided during the period 4/1/18 - 6/30/18, in the amount of \$17,760.02.*

**MOTION #S-18-110**

Motion by Hersh, supported by Gardella to approve payment to WCM Investment Management for investment management services provided during the period 4/1/18 - 6/30/18, in the amount of \$17,760.02.

Motion carried.

3. *Review and approve payment to Med Source Services/Consulting Physicians for review of records regarding Paul Frost provided on 8/14/18, in the amount of \$600.00.*

**MOTION #S-18-111**

Motion by Hersh, supported by Gardella to approve payment to Med Source Services/Consulting Physicians for review of records regarding Paul Frost provided on 8/14/18, in the amount of \$600.00

Motion carried.

4. *Review and approve activity on Comerica Cardmember Service Business Card during the period 7/6/18 – 8/6/18.*

**MOTION #S-18-112**

Motion by Hersh, supported by Gardella to approve activity on Comerica Cardmember Service Business Card during the period 7/6/18 – 8/6/18.  
Motion carried.

**SELECTION OF DELEGATE FOR MAPERS FALL 2018 CONFERENCE**

Ms. Lightsey and Mr. Hersh volunteered as delegates for the upcoming MAPERS Fall Conference.

**MOTION #S-18-113**

Motion by Jubas, supported by Gardella to approve the selection of Shirley Lightsey and David Hersh as Voting Delegates at the MAPERS 2018 Fall Conference, Acme, Michigan.  
Motion carried.

**PUBLIC COMMENTS**

There were no members of the public in attendance.

**To Do List**

- *Website Pension Calculator* – Repair & Posting necessary.
- *Council Presentation* –IPS & Ordinance – Draft @ September SERS Meeting/Final to Council @ 1<sup>st</sup> Meeting in October
- *Reverse ACS and SERS Meeting times*
- *Minutes* – To board within 10 days
- *SERS Handbook* – Place on Agenda
- *Transition of SERS Administrator* – Process necessary for Board decision

**OTHER MATTERS**

Ms. Siskind invited the Board to attend the Retirement Workshop sessions scheduled for September 26 & 27 from 4:00 p.m. to 6:00 p.m.

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

**MOTION #S-18-114**

Motion by Jubas supported by Hersh to adjourn the Southfield Employee Retirement System Board Regular Meeting of August 28, 2018 at 8:35 p.m.  
Motion carried.

*Approved this 12<sup>th</sup> day of September 2018  
L. Susan Mannisto, Chair  
Southfield Employee Retirement System Board*