

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, September 12, 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; Julius Maisano; Ronald Miller

SERS Board Members Absent: Donna Sanders

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.

The meeting was called to order at 5:47 p.m.

AGENDA

Approval of Agenda.

MOTION #S-18-115

Motion by Jubas, supported by Hersh to approve the agenda of the September 12, 2018 agenda.

Motion carried.

MINUTES

Review and approve Minutes of the August 28, 2018 Southfield Employee Retirement System Board Meeting. Mr. Gardella mentioned that Mr. Miller opposed Motion #S-18-104 rather than he. A motion was raised to approve the minutes with that correction.

MOTION #S-18-116

Motion by Lightsey, supported by Gardella to approve the Minutes of the August 28, 2018 Southfield Employee Retirement System Board Meeting, as amended.

Motion carried.

APPLICATION FOR RETIREMENT

1. *Review and approve Application for Survivor Benefits from Kenneth Leonowicz, surviving spouse of Maryland Riley, effective 9/3/18.*

MOTION #S-18-117

Motion by Hersh, supported by Jubas to approve the Application for Survivor Benefits from Kenneth Leonowicz, surviving spouse of Maryland Riley, effective 9/3/18.

Motion carried.

2. *Review and approve Application for Receipt of Vested Deferred Pension Benefits from Nadeen Ouellette, effective October 1, 2018.*

MOTION #S-18-118

Motion by Hersh, supported by Jubas to approve the Application for Receipt of Vested Deferred Pension Benefits from Nadeen Ouellette, effective October 1, 2018.

Motion carried.

AUTHORIZATION OF BENEFITS

1. *Review and approve Distribution of Vested Deferred Pension Benefits to Sherry Smith, effective 9/1/18.*

MOTION #S-18-119

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

LEGAL REPORT

1. *Review of SERS Policies & Procedures.*

Mr. VanOverbeke reviewed a memo regarding SERS Policies and Procedures prepared by his office. The board had adopted many of the policies however, there were 5 recommended additions: Service Retirement Policy & Procedures, Record Retention & Disposal Policy, Bylaws/Rules of Procedure, Verification of Retiree/Beneficiary Information Policy and Benefit Estimate Policy. He would begin by developing the Bylaws/Rules of Procedure and Service Retirement Policy & Procedures for the board to review at their next meeting. Of the many existing, he recommended a review by the board for any suggested amendments beginning with the Board Governance section. A copy of the policies will be provided on a thumb drive for the board's convenience.

2. *IPS & Ordinance.*

Mr. VanOverbeke confirmed that the revised IPS, showing actions that would be in place following an ordinance change making SERS the investment fiduciary, will be brought to the SERS board for approval at the next meeting. This will ensure review and support by the board prior to going to Council. Request for the ordinance change will be on the 10/22/18 COW agenda where he will address any questions from Council. All SERS members were invited to be in attendance. If agreed to on that date, it will go to the following Council meeting for approval.

MOTION #S-18-120

Motion by Hersh, supported by Jubas to receive and file the legal report presented by Michael VanOverbeke, VanOverbeke, Michaud & Timmony P.C.
Motion carried.

FINANCIAL REPORTS

The board reviewed the financial reports for the periods ending April 30, 2018, May 31, 2018, and June 30, 2018. The net asset balance as of June 30, 2018 was \$114,724,505.

MOTION #S-18-121

Motion by Hersh, supported by Gardella to receive and file the Southfield Employee Retirement System financial reports for periods April 30, 2018, May 31, 2018, and June 30, 2018.
Motion carried.

PUBLIC COMMENTS

There were no members of the public in attendance.

INVESTMENT CONSULTANT*Investment Performance Report*

Chris Kuhn reviewed the Asset/Manager Summary for September 2018, reporting a balance of \$117MM. He also provided an update on Bloomfield Capital, indicating that their investment committee will be reviewing the strategy the next day and he would provide a memo afterwards.

MOTION #S-18-122

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

Recommendation

Mr. Kuhn discussed the recent communication from BTG regarding their international timber fund. The manager intends to relocate the fund jurisdiction from Luxemburg to the Cayman Islands. He recommended the board approve this change due to the potential cost savings. The board voted in favor of the change.

MOTION #S-18-123

Motion by Jubas, supported by Gardella to approve the change of location of the BTG International Timber fund jurisdiction from Luxemburg to the Cayman Islands.
Motion carried.

The Board discussed the status of the IPS and the transfer of fiduciary control 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.

Mr. Kuhn was asked to send the Monthly Asset/Manager Summaries and Quarterly Reports to the City Clerk for distribution to the City Council after the SERS meetings.

OTHER MATTERS

1. *Review and approve Revised Public Meeting Notice.*

Noting the time change for the meetings, a motion was raised to approve the notice.

MOTION #S-18-124

Motion by Lightsey, supported by Gardella to approve the 2018 Southfield Employee Retirement System Board Revised Public Meeting Notice.

Motion carried.

To Do List

1. *Website Pension Calculator*
 - 5 last estimates compared to result from website pension calculator to board
 - Date it will be repaired
2. *Minutes* – To board within 10 days
3. *SERS Handbook* – Place on Agenda
4. *Transition of SERS Administrator*
 - Process necessary for Board decision
 - Results of LS pension from Actuary to Director of Fiscal Services for review
5. *Checklist for New Board Members* – Develop

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

MOTION #S-18-125

Motion by Maisano supported by Jubas to adjourn the Southfield Employee Retirement System Board Regular Meeting of September 12, 2018 at 8:00 p.m.

Motion carried.