

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – WEDNESDAY – NOVEMBER 9, 2022
P&R ROOM 221 – 5:45 p.m.**

MINUTES

Board Members Present: Julius Maisano, Chair; Chris Diaz; L. Susan Mannisto; Ron Miller; Donna Sanders; Lauri Siskind

Board Members Absent:

Others Present: Megan Battersby, Retirement Administrator/SERS; Chris Kuhn, Investment Consultant/AndCo; Michael VanOverbeke, Legal Counsel/VMT; Jeff Tebeau and Casey Ahlbrandt-Rains/GRS

The meeting was called to order by Julius Maisano, Chair, at 5:46 p.m.

APPROVAL OF AGENDA

MOTION #S-22-055

Motion by Mannisto, supported by Diaz, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Wednesday, November 9, 2022. Motion Carried Unanimously

APPROVAL OF MINUTES

1. October 19, 2022, Regular Meeting Minutes

MOTION #S-22-056

Motion by Diaz, supported by Mannisto, to approve Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, October 19, 2022. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. Comerica Invoices
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. T. Alder, 02/02/2023
 - b. D. Shisha, 01/04/2023
4. Authorization of Benefits
 - a. None

5. Refund of Contributions

- a. None

6. Approval of Bills and Expenses

- a. Invoice from Champlain for asset management services for the period July 01, 2022 to September 30, 2022 in the amount of \$19,511.86
- b. Invoice from PIA for asset management services for the period July 1, 2022 to September 30, 2022 in the amount of \$10,406.00
- c. Invoice from WCM for asset management services for the period 07/01/2022 to 09/30/2022 in the amount of \$14,970.63
- d. Invoice from NCPERS for 2023 Membership Renewal in the amount of \$290.00
- e. Expense report from D. Sanders for 2022 MAPERS Fall Conference
- f. Statement from Comerica Cardmember Services for credit changes for the period 10/06/2022 to 11/03/2022 in the amount of -61.09
- g. Invoice from MAPERS for 2023 Membership in the amount of \$200.00

MOTION #S-22-057

Motion by Mannisto, supported by Diaz, to approve Consent Agenda as presented. Motion Carried Unanimously

PUBLIC COMMENT

No comments were made.

NEW BUSINESS

- 1. Draft actuarial valuation
- 2. 2023 meeting schedule

GRS was present to discuss the draft actuarial valuation as of June 30, 2022. They explained that the purpose of the annual valuation is to measure the System's funding progress and to determine the employer contribution rate for the fiscal year ending June 30, 2024. Determination of the contribution rate, valuation assets and unfunded actuarial accrued liability, derivation of experience gain/loss, and asset smoothing were discussed. Key valuation results and funded ratio history was reviewed.

MOTION #S-22-058

Motion by Siskind, supported by Mannisto, to accept and approve draft City of Southfield Employee Retirement System Fifty-Seventh Actuarial Valuation Report as of June 30, 2022 with a computed employer contribution rate of 29.05% and a minimum dollar contribution of \$5,070,841 for the fiscal year beginning July 1, 2023, and direct that the actuary finalize the report. Motion Carried Unanimously

Proposed schedule of 2023 meeting dates was presented and discussed. Meeting time for 2023 will be changed to 5:30 p.m. from 5:45 p.m.

MOTION #S-22-059

Motion by Mannisto, supported by Siskind, to approve 2023 meeting time of 5:30 p.m. and meeting dates as follows: January 17, February 21, March 21, April 18, May 16, June 20, July 18, August 15, September 19, October 17, November 21, December 19. Motion Carried Unanimously

INVESTMENT CONSULTANT REPORT

1. Investment Performance Review for Period Ending September 30, 2022
2. Market Update
3. Asset/Manager Summary

Investment Consultant presented the 3Q Performance Report. He reviewed the continued decline in stocks and bonds during the quarter due to the Fed raising interest rates to fight inflation and the potential impact on the economy. The Fund was down 3.74% for the quarter and 12.34% for the year; the Fund benefited from strong results from the hedge fund and real estate allocations over the past year. He discussed the performance of the managers and noted the better returns from WCM and weaker results from Champlain. He distributed the October Market Summary and updated market values and noted the rebound in the equity markets. He recommended raising \$1 mill from Titan to cover upcoming capital calls.

MOTION #S-22-060

Motion by Siskind, supported by Mannisto, to approve the transfer of \$1,000,000 from Titan Masters Int'l Fund to Cash Account, as recommended by Investment Consultant. Motion Carried Unanimously

Investment Consultant discussed the decline in assets at Walthausen and indicated that he would be conducting a search in case a replacement was necessary. He also indicated that the capital market assumptions had been updated for 2023 and there was a noticeable increase in the expected returns for all asset classes. He indicated that he would provide an asset allocation update to show the impact of the new assumptions.

MOTION #S-22-061

Motion by Siskind, supported by Miller, to receive and file Investment Consultant Report. Motion Carried Unanimously

LEGAL COUNSEL REPORT

1. Matters deemed pertinent

Legal Counsel did not have a formal report, although he and the Board discussed the shift in legislative power because of the election and what may be coming in the next year.

Lauri Siskind suggested that the Board review the Retirement Administrator and asked that she leave the room during the discussion.

MOTION #S-22-062

Motion by Siskind, supported by Mannisto, to grant Retirement Administrator a one-time bonus of \$2,700 to be paid before December 31, 2022 to compensate for no pay raise over four years and to grant a pay increase of 4% effective January 1, 2023. Motion Carried Unanimously

RETIREMENT ADMINISTRATOR REPORT

1. Matters deemed pertinent

Retirement Administrator did not have any formal report for the Board, although she did thank them for their support and praise and for the bonus and pay increase.

OLD BUSINESS

1. Periodic service professional review: Legal Counsel

Periodically the Board reviews their service professionals. The scope of the review is at the discretion of the Board and can range from discussion to a full RFP. Legal Counsel excused himself from the room and discussion ensued. All Board members as well as the Retirement Administrator and Investment Consultant voiced their satisfaction with services delivered and the knowledge provided. It was agreed upon that there was not a need for further review at this time.

MOTION #S-22-063

Motion by Siskind, supported by Mannisto, to retain the services of Legal Counsel without any further action necessary after thorough review of his performance. Motion Carried Unanimously

PENDING MATTERS

1. Retirement Handbook: Lead/Maisano, Timeframe/TBD
No update/discussion.
2. Pension Calculator: Lead/Maisano, Timeframe/TBD
No update/discussion.
3. Pension Eligibility and Calculation Demonstration: Lead/Battersby, Timeframe/TBD
No update/discussion.
4. Trust Statement Reconciliation Responsibility and Procedure: Lead/TBD, Timeframe/TBD
No update/discussion.

TRUSTEE COMMENT/OPEN FORUM

L. Susan Mannisto would like the Board to start thinking about the upcoming election of Board officers in January and she would like to have a discussion regarding replacements in December.

Lauri Siskind informed the trustees that are also on the RHC Board that she has become aware of poor or lack of response from HR to former employees and asked that someone follow up with HR concerning it.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:00 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on December 13, 2022