

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM  
REGULAR MEETING – TUESDAY – FEBRUARY 21, 2023  
COUNCIL STUDY – 5:30 p.m.**

**MINUTES**

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

Board Members Absent: Lauri Siskind; Ari Gelberman/Alternate

Others Present: Megan Battersby, Retirement Administrator/SERS; Chris Kuhn, Investment Consultant/AndCo; Michael VanOverbeke, Legal Counsel/VMT; Fred Zorn/City Administrator; Rob Witkowski/City employee

The meeting was called to order by Ron Miller, Chair, at 5:37 p.m.

**APPROVAL OF AGENDA**

**MOTION #S-23-011**

Motion by Mannisto, supported by Sanders, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, February 21, 2023. Motion Carried Unanimously

**APPROVAL OF MINUTES**

1. January 17, 2023, Regular Meeting Minutes

L. Susan Mannisto questioned whether there should be a set of minutes for the closed session on January 17, 2023. Legal Counsel said that he would work with Retirement Administrator to prepare special minutes for approval in March.

**MOTION #S-23-012**

Motion by Maisano, supported by Diaz, to approve Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, January 17, 2023. Motion Carried Unanimously

**CONSENT AGENDA**

1. Informational Items
  - a. Comerica Invoices
2. Cash Account Report
  - a. None
3. Applications for Retirement
  - a. M. Jones, 02/01/2023



4. Authorization of Benefits

- a. M. Jones
- b. D. Shisha
- c. J. Brown
- d. M. Pilot
- e. T. Alder

5. Refund of Contributions

- a. None

6. Approval of Bills and Expenses

- a. Statement from Comerica Cardmember Services for credit changes for the period 01/06/2023 to 02/03/2023 in the amount of \$395.85
- b. Invoice from LSV for asset management services for the period October 01 to December 31, 2022 in the amount of \$19,210.00
- c. Invoice from Champlain for asset management services for the period October 01, 2022 to December 31, 2022 in the amount of \$20,923.82
- d. Invoice from PIA for asset management services for the period October 1, 2022 through December 31, 2022 in the amount of \$9,847.00
- e. Invoice from WCM for asset management services for the period 10/1/2022 to 12/31/2022 in the amount of \$15,220.34

**MOTION #S-23-013**

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

**PUBLIC COMMENT**

Rob Witkowski, City employee, indicated that he was attending the meeting because he has an interest in serving on the Board in the future.

**INVESTMENT CONSULTANT REPORT**

- 1. Market Update
- 2. Asset/Manager Summary
- 3. Reinhart contract consent

Investment Consultant presented the Investment Performance Review for the Period Ending December 31, 2022. He reviewed the annual letter from AndCo CEO, Mike Welker, and the capital markets during the fourth quarter. He reviewed the asset allocation and performance; the Fund was up 7.48% for the quarter and down 10.06% for the year. He reviewed the returns of the individual managers, highlighting the strong results from Reinhart and LSV and weaker performance from WCM and AEW, and distributed the January market summary and updated market values.



**MOTION #S-23-014**

Motion by Maisano, supported by Diaz, to rebalance portfolio by transferring \$1.5 mill from LSV International Equity Fund and \$1 mill from Titan Masters International Fund to Cash Account. Motion Carried Unanimously

Investment Consultant presented a small / mid cap value search to evaluate potential replacements for Walhausen. The report included Deroy & Devereaux, Diamond Hill, and Integrity. He reviewed each candidate's firm structure, portfolio characteristics, investment process, and performance. After some discussion, the Trustees elected to retain D&D, pending favorable contract negotiations.

**MOTION #S-23-015**

Motion by Maisano, supported by Diaz, to retain DeRoy & Devereaux as a new investment manager and allocate the current funds in iShare Russell 2000 Value ETF to DeRoy & Devereaux Smid Cap Value Fund, subject to legal review. Motion Carried Unanimously

Investment Consultant discussed the February 1, 2023 official announcement from Reinhart Partners regarding the acquisition agreement with Sprouting Rock, and noted that AndCo has no objection.

**MOTION #S-23-016**

Motion by Mannisto, supported by Diaz, to acknowledge and consent to the assignment of the Reinhart investment advisory agreement as outlined in the letter from Reinhart dated February 1, 2023 and direct that Board Chair sign provided Acknowledgement and Consent, subject to review by Legal Counsel. Motion Carried Unanimously

Investment Consultant indicated that he would be presenting a Market / Allocation Review at the next meeting.

**LEGAL COUNSEL REPORT**

1. Matters deemed pertinent

Legal counsel did not have a formal report but did provide an update on the "senior tax". Both House and Senate addressed the taxation of pensions in different ways. The House bill, which eliminates the taxation of public pensions, was enacted but not with immediate effect, meaning that it will become effective 90 days after the legislative session adjourns.

**MOTION #S-23-017**

Motion by Mannisto, supported by Diaz, to receive and file Legal Report. Motion Carried Unanimously

**RETIREMENT ADMINISTRATOR REPORT**

1. Election update
2. Other matters deemed pertinent



Retirement Administrator informed the Board that Chris Diaz was re-elected to the Board position of active employee member as he was the only SERS member to declare his candidacy. The election for the Board position of retired employee member is currently underway with candidate declaration forms due by March 6.

#### **OLD BUSINESS**

1. None

#### **NEW BUSINESS**

1. None

#### **PENDING MATTERS**

1. Retirement Handbook
2. Pre-Retirement Workshop

There was discussion with Fred Zorn, City Administrator, regarding a retirement handbook and pre-retirement workshop, whether it should be pursued to update/develop both, and whose responsibility it was.

#### **TRUSTEE COMMENT/OPEN FORUM**

No comments were made.

#### **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 6:55 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on March 21, 2023