

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – APRIL 18, 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

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

APPROVAL OF AGENDA

MOTION #S-23-018

Motion by Diaz, supported by Sanders, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, April 18, 2023. Motion Carried Unanimously

APPROVAL OF MINUTES

1. February 21, 2023, Regular Meeting Minutes

MOTION #S-23-019

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

CONSENT AGENDA

1. Informational Items
 - a. None
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. S. Stevens, 03/06/2023
 - b. L. Carr, 04/15/2023
 - c. J. Spence, 05/27/2023
 - d. D. Crankshaw, 06/15/2023

4. Authorization of Benefits

- a. L. Olds
- b. C. Riley
- c. S. Stevens

5. Refund of Contributions

- a. E. Shannon
- b. C. Sanders

6. Approval of Bills and Expenses

- a. Statement from Elan Financial Services for credit changes for the period 02/04/2023 to 03/06/2023 in the amount of \$1,516.48
- b. Invoice from VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period 07/01/2022 thru 12/31/2022 in the amount of \$6,633.20
- c. Invoice from AndCo for consulting services and performance evaluation for the period January 2023 through March 2023 in the amount of \$17,500.00
- d. Statement from Elan Financial Services for credit changes for the period 03/07/2023 to 04/05/2023 in the amount of \$350.00
- e. Invoice from Reinhart Partners for asset management services for the period Q1, 2023 in the amount of \$22,461.00

MOTION #S-23-020

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

PUBLIC COMMENT

No comments were made.

INVESTMENT CONSULTANT REPORT

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

Investment Consultant presented the March capital market summary and updated market values. He recommended transferring \$3mill from cash to D&D.

MOTION #S-23-021

Motion by Diaz, supported by Sanders, to transfer \$3 mill from Cash to DeRoy & Devereaux Smid Cap Value Fund. Motion Carried Unanimously

Investment Consultant presented a Capital Market Overview and Portfolio Review. He discussed the current environment for the global capital markets and the change in expectations from last year. He noted the higher yields in fixed income and the lower valuations for stocks, leading to the higher return expectations for nearly every asset class. He reviewed the expected performance for the Fund and several alternative mixes, recommending no changes at this time.

LEGAL COUNSEL REPORT

1. Memo Re: Michigan Pension Tax Changes, Public Act 4 of 2023
2. Memo Re: Protecting Michigan Pension Grant Program
3. Other matters deemed pertinent

Legal Counsel discussed two memorandums from his office. The first concerned the Michigan pension tax changes that will take effect 90 days after the end of the current legislative session. He indicated that state Treasury's interpretation is that the change will apply to tax year 2023 if the change is effective before a 2023 tax return is filed. He noted that there is a three-year phase-in for non-public safety retirees. He also noted that the Retirement System is not responsible for notifying retirees. It remains to be seen how Comerica will handle the change.

The second memorandum concerned the Protecting Michigan Pension Grant Program that was rolled out this week.

Legal Counsel indicated that he has completed two drafts of an Employee Handbook which he will email to Board members for review. One is a summary of plan provisions while the other is in a question-and-answer format. He would like input on format, content, and readability.

MOTION #S-23-022

Motion by Mannisto, supported by Maisano, to receive and file memorandum from Legal Counsel Re: Michigan Pension Tax Changes, Public Act 4 of 2023 dated March 17, 2023 and Memorandum from Legal Counsel Re: Protecting Michigan Pension Grant Program dated March 17, 2023. Motion Carried Unanimously

Julius Maisano asked a question clarifying the various pension options available. He also wanted to inform the Board that he participated in a brief introductory conference call through VanOverbeke Michaud & Timmony's office with the lead plaintiff on the National Vision securities litigation lawsuit.

RETIREMENT ADMINISTRATOR REPORT

1. Election update
2. Expense report procedures
3. Council Resolution Support
4. 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 and that Lauri Siskind was re-elected to the Board position of retired employee member as she was the only retiree to declare her candidacy.

Retirement Administrator asked for clarification on expense reporting procedures. The Board confirmed that an expense report does not need to be prepared when only a seminar or conference registration fee has been paid by the Retirement System and no additional expenses are being sought for reimbursement.

A City of Southfield Resolution of Support that resolved that Chapter 9 of the City of Southfield City Code shall be amended to incorporate the recommended changes to Management Group employees' retirement plan options which the Retirement Administrator received from the City Clerk was discussed. Per Legal Counsel, the Ordinance must be amended to allow for the Management group to enter SERS and a PA Section 728 analysis must be performed. A resolution does not amend an ordinance. He will compose an email to the City Administrator requesting additional information.

OLD BUSINESS

1. None

NEW BUSINESS

1. Approve Summary Annual Report
2. MAPERS Spring Conference Delegates
3. Retirement Administrator/HR roles

Approval of the Summary Annual Report was tabled until the next meeting to allow Board members additional time to review.

MOTION #S-23-023

Motion by Mannisto, supported by Sanders, to designate Chris Diaz and Julius Maisano as official delegates for the MAPERS 2023 Spring Conference. Motion Carried Unanimously

Ron Miller requested that the Board discuss how the role of (SERS) Retirement Administrator and HR interact. It was determined that he should request a meeting with the HR Director to discuss and clarify the roles.

PENDING MATTERS

1. Retirement Handbook
2. Pre-Retirement Workshop

Retirement Handbook was addressed under Legal Counsel Report.

TRUSTEE COMMENT/OPEN FORUM

No comments were made.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:30 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on May 16, 2023