

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – DECEMBER 19, 2023
COUNCIL STUDY – 5:00 p.m.**

MINUTES

Board Members Present: Ron Miller, Chair; Chris Diaz; J. Maisano; L. Susan Mannisto; Donna Sanders; Lauri Siskind (via phone/non-voting)

Board Members Absent: Willie Martin

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 Ronald Miller, Chair, at 5:05 p.m.

APPROVAL OF AGENDA

MOTION #S-23-063

Motion by Mannisto, supported by Sanders, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, December 19, 2023, as presented with the addition to Consent Agenda, Approval of Bills and Expenses, of two invoices from legal counsel. Motion Carried Unanimously

APPROVAL OF MINUTES

1. November 21, 2023, Regular Meeting Minutes

MOTION #S-23-064

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

CONSENT AGENDA

1. Informational Items
 - a. Comerica statement
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. A. Aceves, 01/01/2024
 - b. C. Everhart, 01/29/2024
4. Authorization of Benefits
 - a. C. Everhart

5. Refund of Contributions

- a. M. Caito

6. Approval of Bills and Expenses

- a. Statement from Elan Financial Services for credit changes for the period 11/04/2023 to 12/03/2023 in the amount of \$603.65
- b. Invoice from GRS for regular actuarial services including June 30, 2023 actuarial valuation in the amount of \$21,500.00
- c. Invoice from VanOverbeke, Michaud, & Timmony, P.C. for legal services rendered for the period 01/01/2023 thru 06/30/2023 in the amount of \$10,300.00
- d. Invoice from VanOverbeke, Michaud, & Timmony, P.C. for legal services rendered for the period 07/01/2023 thru 09/30/2023 in the amount of \$4,771.20

MOTION #S-23-065

Motion by Maisano, supported by Mannisto, to approve Consent Agenda as presented.

Motion Carried Unanimously

PUBLIC COMMENT

There were no comments.

NEW BUSINESS

1. Draft Actuarial Valuation

GRS was present to review the draft actuarial valuation with the Board. They discussed the purpose of the actuarial valuation, key results, gain/loss experience, assets, trends and conclusions. Losses on liabilities were the main driver in the increase of the System's unfunded liability and the employer contribution rate. Unrecognized investment gains will put slight downward pressure on the contribution rates in the next four valuations. The Blended Plan is expected to reduce the City's normal cost contributions by approximately 0.5% of new hire payroll vs. Tier II.

MOTION #S-23-066

Motion by Mannisto, supported by Diaz, to accept and approve draft City of Southfield Employees Retirement System Fifty-Eighth Actuarial Valuation Report as of June 30, 2023 with a computed employer contribution rate of 29.63% and a minimum dollar contribution of \$5,616,205 and direct that the actuary finalizes the report and that the draft copy be sent to the City Fiscal Services Director. Motion Carried Unanimously

GRS was asked if they are designing a pension estimator at the request of the City. They indicated they were, and the Board indicated that they have not been contacted for any input. The estimator is currently in the testing phase.

INVESTMENT CONSULTANT REPORT

1. Market Update
2. Asset/Manager Summary
3. Custodial RFI Update

Investment Consultant distributed the November market summary and updated market values. He discussed the reversal in interest rates and subsequent rise in stock and bond prices during the month. He distributed updated market values and noted the gain in overall value. He recommended transferring \$500k from WAM 500 to cash to cover upcoming benefits.

Investment Consultant discussed TerraCap, one of the Retirement System's real estate managers. He indicated that the manager has performed well for the Plan and is currently raising a new fund with attractive fees for investors in the first close. He suggested inviting the manager to present at the January meeting, which the Board approved.

Investment Consultant provided an updated on the custody review, noting that the city will be meeting with candidates on January 9th.

MOTION #S-23-067

Motion by Diaz, supported by Sanders, to transfer \$500,000 from WAM to Cash per Investment Consultant recommendation to cover liquidity needs. Motion Carried Unanimously

LEGAL COUNSEL REPORT

1. Open Meetings Act Amendments
2. February 2024 meeting date
3. Other matters deemed pertinent

Legal Counsel indicated that the Open Meetings Act (OMA) bill was signed by the Governor on November 22, 2023 and will become effective February 13, 2024, as will the changes to Michigan tax withholding. He has recommended that the Board adopt a formal policy of what they will allow within the framework of the Act. He will provide a draft policy for Board review and discussion at the January meeting.

A Trustee had previously asked the Board to consider changing the February meeting date if the OMA changes were signed into law. L. Susan Mannisto indicated that she thought meeting date changes shouldn't be made to accommodate one person if the Board has a quorum. No action was taken.

RETIREMENT ADMINISTRATOR REPORT

1. 2024 MAPERS seminar/conference attendance
2. Other matters deemed pertinent

MOTION #S-23-068

Motion by Mannisto, supported by Maisano, to approve attendance at all 2024 MAPERS educational seminars and conferences for all Board Members and Retirement Administrator and to direct that the educational policy be amended to allow attendance at all future MAPERS educational seminars and conference without annual approval. Motion Carried Unanimously

OLD BUSINESS

1. Final GASB Report

MOTION #S-23-069

Motion by Diaz, supported by Sanders, to accept and approve the final City of Southfield Employees Retirement System GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions as of June 30, 2023. Motion Carried Unanimously

PENDING MATTERS

1. Pre-Retirement Workshop (upon completion/publication of Retirement Handbook)

Legal Counsel indicated that he would provide the Board with a final draft of the Retirement Handbook for approval at the January meeting.

TRUSTEE COMMENT/OPEN FORUM

Ron Miller shared an email he received from a new retiree commending the competence and professionalism of the Retirement Administrator.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:21 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on January 16, 2024