

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – JANUARY 16, 2024
COUNCIL STUDY – 5:00 p.m.**

MINUTES

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

Board Members Absent:

Others Present: Megan Battersby, Retirement Administrator/SERS; Chris Kuhn, Investment Consultant/AndCo; Michael VanOverbeke, Legal Counsel/VMT; Nick Vician/TerraCap

The meeting was called to order by Ronald Miller, Chair, at 5:02 p.m.

APPROVAL OF AGENDA

MOTION #S-24-001

Motion by Maisano, supported by Mannisto, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, January 16, 2024, as presented with the addition to New Business of Letter Recommending MAPERS Corporate Participation. Motion Carried Unanimously

APPROVAL OF MINUTES

1. November 21, 2023, Regular Meeting Minutes

MOTION #S-24-002

Motion by Mannisto, supported by Diaz, to approve Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, December 19, 2023. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. None
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. None
4. Authorization of Benefits
 - a. D. Karas

5. Refund of Contributions

- a. B. Eugene

6. Approval of Bills and Expenses

- a. Statement from Elan Financial Services for credit changes for the period 12/06/2023 to 01/04/2024 in the amount of \$237.83
- b. Invoice from DeRoy & Devereaux for asset management services for the period Ending September 30, 2023 in the amount of \$18,126.00
- c. Invoice from AndCo Consulting for consulting services and performance evaluation for the period October, 2023 through December, 2023 in the amount of \$17,500.00
- d. Invoice from Reinhart Partners for asset management services for the period Quarter 4, 2023 in the amount of \$24,301.00
- e. Invoice from LSV for asset management services for the period October 1 to December 31, 2023 in the amount of \$19,826.00

MOTION #S-24-003

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

OLD BUSINESS

1. None

NEW BUSINESS

1. Letter Recommending MAPERS Corporate Participation

The Board discussed a letter presented by Lauri Siskind which would be sent to firms providing investment management services to SERS who are not (or were previously) MAPERS members, encouraging them to consider joining MAPERS. Investment Consultant indicated that he could send the letter on behalf of the Board.

MOTION #S-24-004

Motion by Mannisto, supported by Diaz, to direct that Investment Consultant send letters to firms providing investment management services to SERS who are not (or were previously) MAPERS members on behalf of the SERS Board, encouraging their participation in MAPERS. Motion Carried Unanimously

INVESTMENT CONSULTANT REPORT

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

Nick Vician from TerraCap presented to the Board. He reviewed the Fund's current investment with TerraCap and provided an overview of their new offering – Fund VI. Investment Consultant recommended a \$1MM allocation to TerraCap VI with the potential to increase the allocation in the future.

Investment Consultant distributed the December market summary and updated market values. He discussed the continued decline in interest rates and strong returns from stocks and bonds during the month. He distributed updated market values and noted the gain in overall value. He recommended transferring \$1.5MM from LSV to PIA to rebalance the Fund.

MOTION #S-24-005

Motion by Maisano, supported by Sanders, to transfer \$1,500,000 from LSV to PIA per Investment Consultant recommendation to cover liquidity needs. Motion Carried Unanimously

Investment Consultant discussed recent actions regarding Bloomfield II and III. Fund II is being closed with investors receiving interest in the one remaining investment. Fund III is being wound down in 2024; a significant portion of the assets were sold to Fund V at the end of the year and the remaining loans are expected to pay off in the next 12 month.

Investment Consultant discussed the custody bank interviews. He provided a brief recap of the presentations. Based on their systems, reporting capabilities, transfer procedures, and fees, Fifth Third was recommended for the Board's needs.

MOTION #S-24-006

Motion by Mannisto, supported by Maisano, to enter into an agreement with Fifth Third Bank for custody and benefit payment services, subject to legal review, with a target date of June 1, 2024. Motion Carried Unanimously

MOTION #S-24-007

Motion by Diaz, supported by Maisano, to approve a \$1,000,000 allocation to TerraCap Fund VI with a side letter to increase the allocation under the terms of the original commitment, subject to legal review. Motion Carried Unanimously

LEGAL COUNSEL REPORT

1. Retirement Handbook final draft
2. Open Meetings Act Policy draft
3. Education Policy draft

Retirement Handbook and Education Policy were tabled until February.

Legal Counsel indicated again that the Open Meetings Act (OMA) bill will become effective February 13, 2024. He previously recommended that the Board adopt a formal policy of what they will allow within the framework of the Act. Informal discussion ensued about attendance requirements and the extent of virtual participation. Legal Counsel will provide a draft policy for review and discussion at the next meeting to provide guidance on policy changes.

MOTION #S-24-008

Motion by Mannisto, supported by Sanders, to acknowledge amendments to the Open Meeting Act which are effective February 13, 2024, and allow virtual attendance by Board Trustees until a formal policy is adopted. Motion Carried Unanimously

RETIREMENT ADMINISTRATOR REPORT

1. Matters deemed pertinent

Retirement Administrator had nothing to report to the Board.

PENDING MATTERS

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

PUBLIC COMMENT

Willie Martin was welcomed to the Board.

TRUSTEE COMMENT/OPEN FORUM

No comments were made.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:47 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on February 20, 2024