

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – FEBRUARY 20, 2024
COUNCIL STUDY – 5:00 p.m.**

MINUTES

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

Board Members Absent: Donna Sanders; Lauri Siskind

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

The meeting was called to order by Ronald Miller, Chair, at 5:10 p.m.

APPROVAL OF AGENDA

MOTION #S-24-009

Motion by Mannisto, supported by Diaz, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, February 20, 2024, as presented. Motion Carried Unanimously

APPROVAL OF MINUTES

1. January 16, 2024 Regular Meeting Minutes

MOTION #S-24-010

Motion by Diaz, supported by Mannisto, to approve Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, January 16, 2024. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. Memo from AndCo regarding TerraCap investment
 - b. Communication from AndCo regarding acquisition by Mariner
 - c. Comerica invoices
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. None
4. Authorization of Benefits
 - a. A. Aceves

5. Refund of Contributions

- a. None

6. Approval of Bills and Expenses

- a. Statement from Elan Financial Services for credit changes for the period 01/05/2024 to 02/05/2024 in the amount of \$506.07
- b. Invoice from Champlain for asset management services for the period October 1, 2023 to December 31, 2023 in the amount of \$24,163.30
- c. Invoice from PIA for asset management services for the period October 1, 2023 through December 31, 2023 in the amount of \$10,101.00
- d. Invoice from WCM for asset management services for the period 10/1/2023 through 12/31/2023 in the amount of \$16,697.67
- e. Invoice from DeRoy & Devereaux for asset management services for the period ending December 31, 2023 in the amount of \$20,008.00

MOTION #S-24-011

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

OLD BUSINESS

1. MAPERS information letter

The Board discussed the letter that was to be sent out last month by the Investment Consultant to firms providing investment management services to SERS encouraging them to consider joining MAPERS. Investment Consultant indicated that he felt the letter would be more effective if it came from the Board rather than him.

MOTION #S-24-012

Motion by Mannisto, supported by Maisano, to direct that the letter being sent 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, be put on SERS letterhead, signed by the Chairman, and forwarded to Investment Consultant for distribution. Motion Carried Unanimously

NEW BUSINESS

1. None

INVESTMENT CONSULTANT REPORT

1. Quarterly investment performance review
2. Market Update
3. Asset/Manager Summary
4. Custodial RFI Update
5. Mariner/AndCo consent process

Investment Consultant presented the 4Q performance report. He reviewed the markets during the 4th quarter, noting the reversal in the markets, the decline in rates, and the strong returns from stocks and bonds. He reviewed the asset allocation, financial reconciliation, and performance; the Fund was up 8.69% for the quarter and up 14.97% for the year. He reviewed the performance of the individual managers and noted strong results from all the managers.

Investment Consultant reviewed the January market summary and distributed updated market values. He discussed the recent distribution from Bloomfield and the closing of Funds II and III.

Investment Consultant presented the AndCo – Mariner merger and the form to consent to the assignment of the AndCo contract.

MOTION #S-24-013

Motion by Mannisto, supported by Diaz, to acknowledge receipt of information regarding the acquisition of AndCo by Mariner, approve the Consent for Assignment of Investment Consulting Service Agreement, and direct that the Chairman sign the Consent. Motion Carried Unanimously

MOTION #S-24-014

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

Investment Consultant indicated that work is moving forward with the conversion from Comerica to Fifth Third.

LEGAL COUNSEL REPORT

1. Retirement Handbook draft
2. Board Governance draft
3. Education Policy draft
4. TerraCap compliance letter

Legal Counsel indicated that he has requested verification from the City of effective dates for the Blended Plan for all union and employee groups and until the information is received, the Retirement Handbook cannot be finalized.

A draft Board Governance Policies & Procedures which contained extensive language regarding Open Meeting Act policy was reviewed and discussed. Legal Counsel will update the draft and resend to the Board for a second review.

A draft Education Policy & Procedure was reviewed. It included authorization to attend all MAPERS educational events and monetary caps for meals which had previously been adopted but which had not been updated in the Policy & Procedure.

Legal Counsel explained that the purpose of the compliance letter was to provide a legal opinion and comment for the purpose of qualifying the Board's decision to invest in the TerraCap Partners

VI under PA 314 and to provide a general summary of the fund's terms. A brief discussion of the basket clause ensued.

MOTION #S-24-015

Motion by Mannisto, supported by Diaz, to receive and file letter from Legal Counsel dated January 25, 2024 Re: TerraCap Partners VI (Institutional) LP Compliance with Public Act 314 of 1965, as amended. Motion Carried Unanimously

RETIREMENT ADMINISTRATOR REPORT

1. Benefit calculator review
2. Matters deemed pertinent

Retirement Administrator indicated that she had been contacted by HR and asked to test a benefit calculator that was developed by GRS. She did and it works, but she had the following comments: 1) benefit service and retirement eligibility date were not automatically calculated, 2) when eligibility conditions were not met based on the retirement date entered, it was not specified why, and 3) estimates will be overstated when current pay is used and the retirement date is close.

Retirement Administrator asked that the Board consider changing the November meeting date from November 19 to November 12.

MOTION #S-24-016

Motion by Maisano, supported by Mannisto, to change the November meeting date to November 12, 2024. Motion Carried Unanimously

PENDING MATTERS

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

PUBLIC COMMENT

No comments were made.

TRUSTEE COMMENT/OPEN FORUM

No comments were made.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:17 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on March 19, 2024