

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – MARCH 19, 2024
COUNCIL STUDY – 5:00 p.m.**

MINUTES

Board Members Present: Ron Miller, Chair; Chris Diaz; Julius Maisano; L. Susan Mannisto; Willie Martin; Donna Sanders; Lauri Siskind (remote)

Board Members Absent:

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 5:05 p.m.

APPROVAL OF AGENDA

MOTION #S-24-017

Motion by Sanders, supported by Maisano, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, March 19, 2024, as presented. Motion Carried Unanimously

APPROVAL OF MINUTES

1. February 20, 2024 Regular Meeting Minutes

MOTION #S-24-018

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

CONSENT AGENDA

1. Informational Items
 - a. Comerica invoices
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. None
4. Authorization of Benefits
 - a. K. Elledge

5. Refund of Contributions

- a. None

6. Approval of Bills and Expenses

- a. Statement from Elan Financial Services for credit changes for the period 02/06/2024 to 03/05/2024 in the amount of \$883.12
- b. Expense report from M. Battersby for MAPERS One Day Seminar
- c. Invoice from AndCo for consulting services and performance evaluation for Q1, 2024 in the amount of \$17,500.00

MOTION #S-24-019

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

OLD BUSINESS

1. None

NEW BUSINESS

1. None

INVESTMENT CONSULTANT REPORT

1. Market Update
2. Asset/Manager Summary
3. Marathon CMBS Dislocation Fund
4. Securities lending collateral liability payoff
5. Custodial RFI Update

Investment Consultant distributed the February market summary and updated market values. He discussed the strong returns for stocks and losses in fixed income. He recommended transferring \$1.5 million from Reinhart to PIA.

MOTION #S-24-020

Motion by Diaz, supported by Sanders, to approve the transfer of \$1,500,000 from Reinhart Partners Small Cap Fund to Pacific Income Fixed Income Fund. Motion Carried Unanimously

Investment Consultant distributed the Marathon CMBS Dislocation Fund memo and pitchbook. He presented the strategy, reviewing the structure of CMBS securities, the opportunity due to declines in real estate values, Marathon's investment approach, and potential risks and returns. He recommended a \$3 million commitment to the funds.

MOTION #S-24-021

Motion by Mannisto, supported by Diaz, to approve a \$3,000,000 allocation to Marathon Dislocation Fund, to be part of Fixed Income allocation, subject to legal review. Motion Carried Unanimously

Investment Consultant discussed the custodial bank conversion from Comerica to Fifth Third with a target date of July 1 to avoid issues related to the current fiscal year. He also discussed the Retirement System's need to pay off the outstanding balance on the securities lending deficiency. He indicated a letter was included in their packet with instructions for Comerica.

MOTION #S-24-022

Motion by Maisano, supported by Mannisto, to approve sending the letter as presented to Comerica Bank regarding the continued monthly paydown and lump sum payoff before July 1, 2024 for the securities lending collateral liability debt owed Comerica Bank. Motion Carried Unanimously

LEGAL COUNSEL REPORT

1. Retirement Handbook
2. Board Governance Policies & Procedure
3. Education Policy
4. Securities Litigation update

Legal Counsel presented a final (draft) copy of the retirement handbook with his recommendation on how to proceed. The handbook will receive final approval at the next meeting and will be published on the SERS webpage thereafter.

MOTION #S-24-023

Motion by Diaz, supported by Sanders, to approve draft retirement handbook, as presented, and direct that a copy be sent to HR Director for review, advising him that comments must be received before April 11, 2024. Motion Carried Unanimously

ACS Commissioners advised the Board that HR is working on a job description for a new position that will handle retirement issues. Retirement Administrator was asked to forward a copy of her scope of services to Trustee Donna Sanders and request a copy of the job description when completed. Ms. Sanders was asked to facilitate a meeting between HR and Retirement Administrator to discuss possible overlapping of job responsibilities.

Legal Counsel reviewed Board governance policies and procedures. He discussed the difference between remote participation and virtual meetings. He outlined changes that were discussed at the last meeting and will be updated in the final document. Lauri Siskind asked specific questions clarifying certain items and language.

MOTION #S-24-024

Motion by Diaz, supported by Maisano, to approve Board Governance Policies & Procedures and Policy, as presented and amended. Motion Carried Unanimously

A final Education Policy & Procedure document was sent to the Board before the meeting. They acknowledged receipt. No further action is necessary.

Legal Counsel discussed securities litigation action regarding Advanced Auto Parts. He advised the Board that SERS has been appointed lead plaintiff.

MOTION #S-24-025

Motion by Diaz, supported by Siskind, to acknowledge receipt of securities litigation communication from Legal Counsel and notification of appointment as lead plaintiff.
Motion Carried Unanimously

RETIREMENT ADMINISTRATOR REPORT

1. Matters deemed pertinent

Retirement Administrator indicated that she will be working remotely for the first two weeks of April. The Board discussed putting a message announcing the change in custodial bank on the first payment confirmation that retirees will receive from Fifth Third Bank with their July 1 pension payment. Retirement Administrator will follow-up with Fifth Third.

PENDING MATTERS

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

PUBLIC COMMENT

No comments were made.

TRUSTEE COMMENT/OPEN FORUM

Investment Consultant asked the Board if they would like to have a manager roundtable at the June meeting. Board indicated they would. More details will follow as they become available.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:42 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on April 16, 2024