

**CITY OF SOUTHFIELD
REGULAR MEETING
SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM BOARD
Tuesday, January 17, 2017
Human Resources Department – Main Municipal Building
26000 Evergreen Road, Southfield, MI**

MINUTES

SERS Board Members Present: Julius Maisano, Vice-Chair; David Hersh; Coretta Houge; Mark Jubas; Shirley Lightsey; James Pierce

SERS Board Members Absent: Jeannie Jackson; L. Susan Mannisto

Others Present: Lauri Siskind, Human Resources Director/SERS Plan Liaison
Christopher Kuhn, CFA, CAIA; &Co Consulting
Michael VanOverbeke; VanOverbeke, Michaud & Timmony, PC

The meeting was called to order at 5:50 p.m.

AGENDA

1. *Approval of Agenda.*

MOTION #S-17-001

Motion by Hough, supported by Jubas to approve the agenda of the January 17, 2017 SERS Regular meeting.
Motion carried.

MINUTES

1. *Review and approve Minutes of the Southfield Employee Retirement System Board Regular Meeting of November 15, 2016.*

MOTION #S-17-002

Motion by Houge, supported by Hersh to approve the Minutes of the Southfield Employee Retirement System Board Regular Meeting of December 13, 2016.
Motion carried.

APPLICATIONS FOR RETIREMENT

1. *Review and approve Application for Normal Retirement from Michelle Gueli, 46th District Court, effective April 1, 2017.*

MOTION # S-17-003

Motion by Jubas, supported by Pierce to approve the Application for Normal Retirement from Michelle Gueli, 46th District Court, effective April 1, 2017.
Motion carried.

2. *CLOSED SESSION –Review and Approve Application for Disability Retirement.*

A motion was raised to go into Closed Session.

MOTION # S-17-004

Motion by Hersh, supported by Hough that pursuant to Section 8(h) of the Open Meetings Act the Southfield Employee Retirement System Board Meeting of January 17, 2017, adjourn to a Closed Session for the purpose of considering material exempt from discussion or disclosure by state or federal statute.

A roll call vote was taken.

YEA: Hersh, Houge, Jubas, Maisano, Pierce, Lightsey.

NAY: None.

ABSTAIN: None.

ABSENT: Mannisto, Jackson.

Motion carried.

MOTION # S-17-005

Motion by Houge, supported by Hersh that the Closed Session of the Southfield Employee Retirement System Board Special Meeting of January 17, 2017, does hereby reconvene to Open Session.

Motion carried.

MOTION # S-17-006

Motion by Jubas, supported by Hough to acknowledge receipt of the medical report and determination from the Medical Director, Gerald J. Levinson, D.O., that finds Jeffrey Obear to be mentally or physically totally and permanently disabled for duty in the employ of the City of Southfield; and further, it is the doctor's opinion that Mr. Obear's disability is not a result of causes directly related to the member's actual performance of duty while an employee of the City of Southfield. Therefore, the Southfield Employee Retirement System board does hereby grant Jeffrey Obear a non-duty disability retirement, effective August 10, 2016.

Motion carried.

AUTHORIZATION OF BENEFITS

1. *Review and approve monthly benefit payment to Gregory Beauvais.*

MOTION #S-17-007

Motion by Hough, supported by Pierce to approve monthly benefit payment to Gregory Beauvais.

Motion carried.

2. *Review and approve monthly benefit payment and distribution of accumulated contributions to Daniel Smith.*

MOTION #S-17-008

Motion by Hough, supported by Pierce to approve monthly benefit payment and distribution of accumulated contributions to Daniel Smith.

Motion carried.

3. *Review and approve monthly benefit payment to Eileen Bagley.*

MOTION #S-17-009

Motion by Hough, supported by Pierce to approve monthly benefit payment to Eileen Bagley.

Motion carried.

4. *Review and approve monthly benefit payment and distribution of accumulated contributions to Louise Owens.*

MOTION #S-17-010

Motion by Hough, supported by Pierce to approve monthly benefit payment and distribution of accumulated contributions to Louise Owens.

Motion carried.

5. *Review and approve refund of contributions to Tene Rowland.*

MOTION #S-17-011

Motion by Hough, supported by Pierce to approve refund of contributions to Tene Rowland.

Motion carried.

INVESTMENT CONSULTANT***1. Portfolio Summary Review***

Mr. Kuhn informed the board that The Bogdahn Group had changed its name to *&Co Consulting* with the avid belief that the client is first. All letterhead and email addresses will be changed to reflect the new name.

Mr. Kuhn distributed updated market values and reviewed the strong performance in the equity markets. Due to the increase in equities, he recommended rebalancing the fund toward targets.

MOTION #17-012

Motion by Houge, supported by Jubas to approve the recommended rebalance of the portfolio with a transfer of \$2M from the World Asset S & P 500 account and \$1.5M from the WCM International Equity account into the Cash account.

Motion carried.

2. Mid-Cap Manager Review

Mr. Kuhn went on to present a Mid Cap Core Equity search. A review was made of firm structure, investment process, historical performance, and terms for managers meeting the selection screen criteria. The Board selected Champlain and QMA to interview during their March meeting with the Council Finance Committee.

Also discussed was the Franklin Templeton mandate. Mr. Kuhn and Ms. Siskind will continue to address the administrative matters involved in implementing this strategy.

MOTION #S-17-013

Motion by Houge, supported by Jubas to receive and file the investment performance update as of this date and the Mid Cap Core Equity Manager Analysis, presented by Christopher Kuhn of &Co Consulting

Motion carried.

LEGAL REPORT

Mr. VanOverbeke provided an update on the Michigan Legislative's new amendments to Public Act 314, now PA 530 of 2016, requiring the retirement system's summary annual report to include the actuarial assumed rate of health care inflation; require submission of the summary annual report to the Department of Treasury no later than 30 days after publication; require the Department of Treasury to post an executive summary of each summary annual report; and require a system which is less than 60% funded to post a report on the intranet outlining steps, if any, the system may be taking to decrease its unfunded actuarial accrued liability.

MOTION #S-17-014

Motion by Hough, supported by Jubas to receive and file the Legal Report, prepared by VanOverbeke, Michaud & Timmony, P. C.

Motion carried.

FINANCIAL REPORT

The board reviewed Financial Report for the period ending November 30, 2016, showing a net value of assets as of the November date of \$105,666,925.

MOTION #S-17-015

Motion by Hough, supported by Hersh to receive and file the Financial Report for the period ending November 30, 2016.

Motion carried.

FINANCIAL MATTERS***1. Review and approve payment to The Bogdahn Group for management consulting services provided during the period 10/1/16 – 12/31/16, in the amount of \$12,500.00.*****MOTION #S-17-016**

Motion by Pierce, supported by Hersh to approve payment to The Bogdahn Group for management consulting services provided during the period 10/1/16 – 12/31/16, in the amount of \$12,500.00.

Motion carried.

2. *Review and approve payment to VanOverbeke, Michaud & Timmony, P.C. legal services provided during the period 4/1/16 – 6/30/16, in the amount of \$5,868.00.*
MOTION #S-17-017
Motion by Pierce, supported by Hersh to approve payment to VanOverbeke, Michaud & Timmony, P.C. legal services provided during the period 4/1/16 – 6/30/16, in the amount of \$5,868.00
Motion carried.
3. *Review and approve payment to SouthernSun Asset Management for investment management services provided during the period 10/1/16 – 12/31/16, in the amount of \$34,872.00.*
MOTION #S-17-018
Motion by Pierce, supported by Hersh to approve payment to SouthernSun Asset Management for investment management services provided during the period 10/1/16 – 12/31/16, in the amount of \$34,872.00.
Motion carried.
4. *Review and approve payment to Walhausen & Company for investment management services provided during the period 10/1/16 – 12/31/16, in the amount of \$14,598.81.*
MOTION #S-17-019
Motion by Pierce, supported by Hersh to approve payment to Walhausen & Company for investment management services provided during the period 10/1/16 – 12/31/16, in the amount of \$14,598.81.
Motion carried.
5. *Review and approve payment to MedSource Services/Consulting Physicians for evaluation services related to a Disability Retirement application, in the amount of \$1,200.00.*
MOTION #S-17-020
Motion by Pierce, supported by Hersh to approve payment to MedSource Services/Consulting Physicians for evaluation services related to a Disability Retirement application, in the amount of \$1,200.00.
Motion carried.
6. *Review and approve payment to Comerica Bank Cardmember Service for purchases during the period 12/6/16 – 1/5/17.*
MOTION #S-17-021
Motion by Pierce, supported by Hersh to approve payment to Comerica Bank Cardmember Service for purchases during the period 12/6/16 – 1/5/17.
Motion carried.

PUBLIC COMMENTS

No member of the public was in attendance at the meeting.

To Do List

- Service Provider Review – Actuarial RFI (JBP & LS)
- Service Provider Review – Attorney
- Pending Board Policies: (may be part of other policies)
 - Record Retention
 - Proxy Voting/Corporate Governance
 - Ordinance Overlooked Matters

With no further business to come before the board, a motion to adjourn was raised.

MOTION #S-17-022

Motion by Houge, supported by Jubas to adjourn the Southfield Employee Retirement System Board's January 17, 2017 Regular Meeting at 7:25 p.m.

Motion carried.

*Approved this 21st day of February 2017
Julius Maisano, Vice - Chair
Southfield Employee Retirement System Board*