

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM  
REGULAR MEETING – TUESDAY – JANUARY 15, 2019  
Council Study – Main Municipal Building – 5:45 p.m.**

**MEETING MINUTES**

Board Members Present: L. Susan Mannisto, Chair; Julius Maisano; Edward Gardella; David Hersh; Mark Jubas; Shirley Lightsey; Ronald Miller; Donna Sanders (alternate)

Board Members Absent:

Others Present: Megan Battersby, Retirement Administrator; Chris Kuhn, Investment Consultant/AndCo; Michael VanOverbeke, Legal Counsel/VMT; Fred Zorn, City Administrator; Don Treveline/Palisade; Pam Jarrell/Citizen

The meeting was called to order at 6:00 p.m. by L. Susan Mannisto, Chair

**APPROVAL OF AGENDA**

*Review and approve January 15, 2019 Regular Meeting Agenda*

**MOTION #S-19-001**

Motion by Jubas, supported by Gardella, to approve Regular Meeting Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, January 15, 2019. Motion Carried Unanimously

**APPROVAL OF MINUTES**

*Review and approve December 11, 2018 Regular Meeting Minutes*

**MOTION #S-19-002**

Motion by Jubas, supported by Gardella, to approve Minutes of the Regular Meeting, Southfield Employee Retirement System, Tuesday, December 11, 2018. Motion Carried Unanimously

**INFORMATIONAL ITEMS**

*FOIA response dated December 7, 2018*

FOIA response was acknowledged.

*MAPERS One Day Seminar Information*

**MOTION #S-19-003**

Motion by Hersh, supported by Maisano, to approve attendance at all MAPERS events in 2019 including One Day Seminar, Spring Conference and Fall Conference for all Trustees and Administrator. Motion Carried Unanimously

*Meeting Venue*

The Board will need to find a new meeting location or change the meeting dates due to a change in Council Presidents meeting time to Tuesday evenings. Ed Gardella will check on whether the Building Department conference room is available.

**FINANCIAL REPORT**

*None*

**APPLICATIONS FOR RETIREMENT**

*None*

**AUTHORIZATION OF BENEFITS**

*Review and approve commencement of benefits to G. Yunker effective 11/14/18*

*Review and approve commencement of benefits to E. Shannon effective 11/24/18*

*Review and approve commencement of benefits to K. Hicks effective 12/01/18*

*Review and approve commencement of benefits to L. Siskind effective 12/01/18*

*Review and approve commencement of benefits to P. Strainovici effective 12/06/18*

*Review and approve commencement of benefits to C. Salas effective 12/15/18*

*Review and approve commencement of benefits to D. DuChene effective 12/22/18*

*Review and approve death benefit lump sum payment to A. Williams, beneficiary of L. Fate-Dase*

*Review and approve death benefit lump sum payment to A. Williams, beneficiary of L. Fate-Dase*

**MOTION #S-19-004**

Motion by Hersh, supported by Maisano, to approve commencement of benefits to G. Yunker effective 11/14/18, E. Shannon effective 11/24/18, K. Hicks effective 12/01/18, L. Siskind effective 12/01/18, P. Strainovici effective 12/06/18, C. Salas effective 12/15/18, D. DuChene effective 12/22/18, Andre Williams, beneficiary of L. Fate-Dase, Anitka Williams, beneficiary of L. Fate-Dase. Motion Carried Unanimously

**REFUND OF CONTRIBUTIONS**

*Review and approve refund of contributions to S. Tyus*

*Review and approve refund of contributions to A. Bettis*

**MOTION #S-19-005**

Motion by Hersh, supported by Maisano, to approve refund of contributions to S. Tyus and A. Bettis. Motion Carried Unanimously

## **INVESTMENT MATTERS**

### *Portfolio Review*

The Investment Consultant distributed the Capital Market Summary for December and updated market values. He discussed the sharp decline in equities during the fourth quarter and reversal so far in 2019, commenting on the change in Fed tone, trade war, and government shut down. No action was recommended.

### *Review SouthernSun portfolio potential replacements*

The Investment Consultant presented a small cap search for potential replacements for SouthernSun. The search included Great Lakes, Hartford/Shroders, MM/OFI, and Segall Bryant. After reviewing the firm structure, strategy characteristics, investment process, performance, and terms, the Board elected to interview Great Lakes and OFI at the February meeting.

### *Review AndCo Memo Re: Contract Expiration/Fees*

The Investment Consultant presented a memo on reviewing the current fee paid by the SERS plan. The memo outlined several of the Board's accomplishments while Chris Kuhn has worked with them. He indicated that the Board has been paying the same fee for over 13 years, dating back to the original Gray contract. He requested increasing the fee from \$55,000 to \$70,000; this represents approximately a 3%/year increase. He also distributed a fee survey conducted by MAPERS that showed that many funds with assets in the \$100MM range pay about 7 basis points. The new fee would equate to about 6.4 basis point – lower than the funds in the MAPERS survey. The Board approved the fee increase.

### **MOTION #S-19-006**

Motion by Jubas, supported by Gardella, to approve a fee increase to \$70,000/year payable to AndCo Consulting for investment consulting services, to be guaranteed for three years, effective January 1, 2019. Motion Carried Unanimously

Chair Mannisto thanked Chris Kuhn for his dedicated service over the years and directed the Secretary to draft a letter to AndCo praising Chris' work.

## **LEGAL MATTERS**

### *Investment Policy Administration*

Legal Counsel had a final document for signature by the Chair. A correction was noted. Legal Counsel will have a revised final copy for signature by the Chair at the February meeting.

### *Signatory Resolution*

There was discussion regarding who should be authorized signers in various capacities. Legal Counsel will have a resolution for the February meeting. In the meantime, the new Administrator was designated as an authorized signer.

### **MOTION #S-19-007**

Motion by Jubas, supported by Gardella, to authorize Megan Battersby, Retirement Administrator, to be an authorized signer. Motion Carried Unanimously

*Other Matters*

Legal Counsel presented a draft Bylaws and Rules of Procedure for the Retirement System dated January 15, 2019 for review by the Board before formal action is taken. Discussion ensued regarding election of officers which is typically done at the first meeting of the year by most Boards and it was decided to follow that procedure effective immediately. L. Susan Mannisto and Julius Maisano indicated that they would like to run for the position of Board Chair. Legal Counsel conducted a secret ballot vote with results of four votes for Maisano and three votes for Mannisto.

**MOTION #S-19-008**

Motion by Jubas, supported by Gardella, to acknowledge Julius Maisano as Board Chair for a term of two years based on majority vote. Motion Carried Unanimously

Positions of Vice Chair and Secretary were unopposed with only one candidate for each position.

**MOTION #S-19-009**

Motion by Hersh, supported by Gardella, to cast a unanimous vote for Mark Jubas for Board Vice Chair for a term of two years. Motion Carried Unanimously

**MOTION #S-19-010**

Motion by Jubas, supported by Mannisto, to cast a unanimous vote for Ed Gardella for Board Secretary for a term of two years. Motion Carried Unanimously

Legal Counsel also indicated that he will work with the Retirement Administrator on finalizing a service retirement procedure document.

**FINANCIAL MATTERS**

*Review and approve payment of invoice to VanOverbeke Michaud & Timmony, P.C. for legal services rendered during the period July 1, 2018 through September 30, 2018 in the amount of \$5,852.00*

*Review and approve payment of invoice to M. Battersby for December 2018 administrative services in the amount of \$2,500.00*

*Review and approve payment of invoice to AndCo for investment consulting services for the period October 1, 2018 – December 31, 2018 in the amount of \$13,750.00*

*Review and approve payment of invoice to City of Southfield for LaserJet printer for Retirement Administrator in the amount of \$210.00*

*Review and approve payment of invoice from Walthausen & Co. for asset management fees for the period October 1, 2018 – December 31, 2018 in the amount of \$12,109.68*

*Review and approve payment of invoice from LSV Asset Management for asset management fees for the period October 1 to December 31, 2018 in the amount of \$16,713.00*

*Review and approve payment of invoice from GRS for calculation of retirement benefits for Lauri Siskind in the amount of \$550.00*

*Review and approve payment of invoice from Comerica Bank Business card for credit card purchases for the period 12/06/18 – 01/04/19 in the amount of \$17.08*

*Review and approve payment of invoice from Champlain Investment Partners for asset management fees for the period 4<sup>th</sup> Quarter 2018 in the amount of \$16,164.70*

The process for reviewing invoices was discussed. The Investment Consultant will review all investment manager related invoices for reasonableness and the Retirement Administrator will review all other invoices for reasonableness.

**MOTION #S-19-011**

Motion by Hersh, supported by Jubas, to approve payment of invoices as follows: To VanOverbeke Michaud & Timmony, P.C. for legal services rendered during the period July 1, 2018 through September 30, 2018 in the amount of \$5,852.00; to M. Battersby for December 2018 administrative services in the amount of \$2,500.00; to AndCo for investment consulting services for the period October 1, 2018 – December 31, 2018 in the amount of \$13,750.00; to City of Southfield for LaserJet printer for Retirement Administrator in the amount of \$210.00; to Walthausen & Co. for asset management fees for the period October 1, 2018 – December 31, 2018 in the amount of \$12,109.68; to LSV Asset Management for asset management fees for the period October 1 to December 31, 2018 in the amount of \$16,713.00; to GRS for calculation of retirement benefits for Lauri Siskind in the amount of \$550.00; to Comerica Bank Business card for credit card purchases for the period 12/06/18 – 01/04/19 in the amount of \$17.08; to Champlain Investment Partners for asset management fees for the period 4<sup>th</sup> Quarter 2018 in the amount of \$16,164.70. Motion Carried Unanimously

**OTHER MATTERS**

*Administrator transition/limiting of former Administrator access: Lead/Mannisto, Timeframe/Jan 2019*

*Review of final pension calculations: Lead/Zorn, Timeframe/ASAP*

City Administrator indicated that he or the HR Director or the Fiscal Services Director would all be available to check final pension calculations.

*Reconciliation of City services to SERS: Lead/Zorn, Timeframe/ASAP*

*Credit card authorized purchases by Administrator: Lead/Mannisto, Timeframe/ASAP*

There was discussion regarding what authorization the Retirement Administrator had to use the credit card. Food for meetings, education registration and reservations, and miscellaneous purchases within reason are all approved expenditures.

*Necessities for Board Members (product, process and intent):Lead/Hersh, Timeframe/TBD*

There was discussion regarding where the documents would reside and in what form: hardcopy or electronically. The City Administrator suggested that some sort of web-based forum that was accessible to all could be used.

*Retirement Handbook: Lead/TBD, Timeframe/TBD*

*Separation of Personnel and Pension files: Lead/TBD, Timeframe/TBD*

*Review of all Policies and Procedures: Lead/VanOverbeke, Timeframe/TBD*

*Record Retention Policy Compliance: Lead/TBD, Timeframe/TBD*

*Pension Calculator: Lead/Maisano, Timeframe/TBD*

*Pension eligibility and calculation demonstration: Lead/Battersby, Timeframe/TBD*

The Board also discussed Comerica account statements and what reconciliation process was in place or needed.

**PUBLIC COMMENT**

There were no public comments.

Meeting adjourned at 8:13 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on March 19, 2019