

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM  
REGULAR MEETING – TUESDAY – May 14, 2019  
P&R Room 112 – 5:45 p.m.**

**MINUTES**

Board Members Present: Julius Maisano, Chair; Mark Jubas; David Hersh; L. Susan Mannisto; Ronald Miller; Donna Sanders

Board Members Absent: Ed Gardella, Shirley Lightsey

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

The meeting was called to order at 6:00 p.m. by Julius Maisano, Chair

**APPROVAL OF AGENDA**

**MOTION #S-19-051**

Motion by Jubas, supported by Sanders, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, May 14, 2019. Motion Carried Unanimously

**APPROVAL OF MINUTES**

1. April 16, 2019 Regular Meeting Minutes

L. Susan Mannisto stated that she finds the Trustee Comments/Open Forum very confusing. She would like all Pending Matters/Projects items as agenda items. Board discussion ensued to determine what format was preferred. It was decided to leave the agenda as is and if someone has something to discuss about a specific item, they should contact the Administrator and ask that the item be moved to Unfinished Business as an item for action. Otherwise, leave pending Matters/Projects at the bottom of the agenda and Trustees can update the Board through Trustee Comments/Open Forum. The Administrator is to change the minutes to reflect each Pending Matter/Projects and discussion separately.

**MOTION #S-19-052**

Motion by Sanders, supported by Hersh, to approve Meeting Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, April 16, 2019 with edits. Motion Carried Unanimously

## **CONSENT AGENDA**

### A. Informational Items

1. FOIA response dated April 18, 2019
2. Comerica Invoices for the Billing Period 01/01/2019 – 03/31/2019
3. Summary Annual Report as of June 30, 2018

### B. Financial Accounting Reports

1. None

### C. Applications for Retirement

1. None

### D. Authorization of Benefits

1. D. Jones, 03/09/2019
2. C. Bishop, 02/01/2019

### E. Refund of Contributions

1. None

### F. Approval of Bills and Expenses

1. Invoice from M. Battersby for Retirement Administration for the period April 2019 in the amount of \$2,500.00
2. Invoice from Comerica Bank Business card for credit card purchases for the period 04/07/19 – 05/08/19 in the amount of \$119.98
3. Invoice from Pacific Income Advisers for Investment Management Services for the period January 1, 2019 through March 31, 2019 in the amount of \$6,841.00
4. Invoice from WCM Investment Management for asset management fees for the period 01/01/2019 to 03/31/2019 in the amount of \$17,744.82

### **MOTION #S-19-053**

Motion by Hersh, supported by Jubas, to approve the Consent Agenda as presented.  
Motion Carried Unanimously

## **PUBLIC COMMENT**

There were no public comments pertaining to the Retirement System.

## **INVESTMENT CONSULTANT REPORT**

1. Market Update
2. Asset/Manager Summary – May 2019
3. Investment Performance Review, Period Ending March 31, 2019

The Investment Consultant presented the Performance Report for the first quarter of 2019. He reviewed the capital markets during the first quarter, including the sharp rebound in equities due to the Fed's reversal on rates and continued strength in the economy. He reviewed the Fund's asset allocation vs. targets, quarterly financial reconciliation, and performance. The Fund was up

9.6% for the quarter and 3.3% for the fiscal year; he noted the strong performance of SouthernSun and WCM and weak results from QMA.

He distributed the April Capital Market Update and current market values. He recommended transferring \$1.2 from WCM to Pacific Income and the cash in the Line Item account to the Cash account.

He informed the client of the departure of AndCo Director of Research, Jeff Gabrione.

**MOTION #S-19-054**

Motion by Mannisto, supported by Jubas, to approve the recommendation of the Investment Consultant to move \$1.2 million from WCM to PIA and to move all cash from Line Item Account to Cash Account as soon as administratively possible. Motion Carried Unanimously

**MOTION #S-19-055**

Motion by Miller, supported by Jubas, to receive and file Investment Consultant Report. Motion Carried Unanimously

**LEGAL REPORT**

1. Revised Draft Governance Policies and Procedures (Bylaws)
2. PCCP Equity VII, LP memorandum

Legal Counsel distributed a revised draft of Board Governance Policies & Procedures and reviewed each article based on prior discussion and policies that have already been put in place. Language was cleaned up and clarified. He will update the document to a final draft and email to all for review prior to pending approval at the June meeting.

Legal Counsel presented a memorandum regarding the pending investment in PCCP. Upon review of documents, a private side letter was proposed. Although PCCP was willing to accept that certain aspects of the Retirement System's investment in the PCCP Fund are governed by Michigan law, it declined to accept the proposed terms with respect to personal jurisdiction and the right to a trial by jury. While these matters do not impact the legal qualifications of the investment, they do limit the legal remedies available to the Board with respect to its investment in the Fund. Therefore, acceptance of such limitations is a business decision for the Board and, consequently, these matters are being brought to the attention of the Board for a determination of: 1) whether to agree to irrevocably submit to personal jurisdiction in the courts of the State of Delaware; and 2) whether to agree to waive the Retirement System's constitutional right to a trial by jury.

**MOTION #S-19-056**

Motion by Mannisto, supported by Hersh, to acknowledge receipt of the Memorandum Re: PCCP Equity VIII, LP dated May 14, 2019 and agree to accept the limitations as outlined in the memo. Motion Carried, Maisano Opposed

**MOTION #S-19-057**

Motion by Mannisto, supported by Hersh, to receive and file Legal Report. Motion Carried Unanimously

**RETIREMENT ADMINISTRATOR REPORT**

1. Comerica online access

The Retirement Administrator reported that both she and AndCo have online access to trust account statements. Reconciliation of said statements was again discussed. L. Susan Mannisto would like copies of cash account statements sent to both herself and Donna Sanders for review. The Retirement Administrator is to add Cash Account Reports to the agenda in conjunction with Financial Accounting Reports.

**MOTION #S-19-058**

Motion by Hersh, supported by Miller, to receive and file Retirement Administrator Report. Motion Carried Unanimously

**UNFINISHED BUSINESS**

1. None

Mark Jubas exited the meeting.

**NEW BUSINESS**

1. Designation of MAPERS Spring Conference Delegates

**MOTION #S-19-059**

Motion by Mannisto, supported by Hersh, to designate Donna Sanders and Ron Miller as primary delegates and Dave Hersh and Mark Jubas as alternate delegates for the 2019 MAPERS Spring Conference. Motion Carried Unanimously

**TRUSTEE COMMENT/OPEN FORUM**

It was now decided to change the heading of Unfinished Business on future agendas to include Pending Matters and include all Pending Matters/Projects as items under the heading.

Items on the Pending Matters/Projects list were discussed as follows:

1. Reconciliation of City Services to SERS: Lead/Zorn, Timeframe/ASAP  
Julius Maisano spoke with the City Administrator who indicated that either cancelling the debt or developing a payment plan are options. He needs to speak with the Fiscal Services Director before a determination is made.
2. Necessities for Board Members (product, process and intent): Lead/Hersh, Timeframe/TBD  
Dave Hersh handed out an updated document entitled Southfield Employees Retirement System Trustee Handbook and asked that this item be changed to the same. He discussed

additional items that he feels should be included and is working on obtaining updated information.

3. Retirement Handbook: Lead/Maisano, Timeframe/TBD  
Julius Maisano had dialog with the HR Director who indicated that this is the responsibility of the Retirement System and not HR.
4. Separation of Personnel and Pension Files: Lead/TBD, Timeframe/TBD  
Julius Maisano again had dialog with the HR Director who indicated that he does not intend to dedicate time to separating pension folders from HR records. The Retirement Administrator is currently not encountering any problems with obtaining records as needed and is starting to accumulate and compile pension files. The item has been resolved and can be removed from future agendas.
5. Review of all Policies and Procedures: Lead/VanOverbeke, Timeframe/TBD  
Legal Counsel indicated that review of policies and procedures is an ongoing process. The item has been resolved and can be removed from future agendas.
6. Record Retention Policy Compliance: Lead/TBD, Timeframe/TBD  
It was determined that the Retirement System is following their policy and the item has been resolved and can be removed from future agendas.
7. Pension Calculator: Lead/Maisano, Timeframe/Q3 2019  
Julius Maisano continues to monitor progress on a working version.
8. Pension Eligibility and Calculation Demonstration: Lead/Battersby, Timeframe/Q3 2019  
Demonstration is on target.
9. Trust Statement Reconciliation Responsibility and Procedure: Lead/TBD, Timeframe/TBD  
Cash Account Reports will be added to the agenda in conjunction with Financial Accounting Reports.

### **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 8:40 p.m.

### **MOTION #S-19-060**

Motion by Hersh, supported by Miller, to adjourn the meeting. Motion Carried Unanimously

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on June 18, 2019