

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – July 21, 2020
Tele Conference Call – 5:45 p.m.**

MINUTES

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

Board Members Absent:

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

The meeting was called to order with a roll-call by Julius Maisano, Chair, at 5:53 p.m.

APPROVAL OF AGENDA

MOTION #S-20-046

Motion by Lightsey supported by Hersh, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, July 21, 2020. Motion Carried Unanimously

APPROVAL OF MINUTES

1. June 16, 2020 Regular Meeting Minutes

MOTION #S-20-047

Motion by Jubas, supported by Gardella, to approve Meeting Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, June 16, 2020. Motion Carried Unanimously

CONSENT AGENDA

A. Informational Items

1. Remote Public Meetings Memorandum
2. Coronavirus Aid, Relief, and Economic Security Act Memorandum

B. Cash Account Report

1. None

C. Applications for Retirement

1. K. Rosen, 07/25/2020 (revised)
2. D. Simmons, 09/09/2020

D. Authorization of Benefits

1. P. Scharmberg, 05/30/2020
2. N. Kusch, 06/27/2020

E. Refund of Contributions

1. S. Himes

F. Approval of Bills and Expenses

1. Invoice from AndCo for investment consulting services and performance evaluation for the period April 1, 2020 – June 30, 2020 in the amount of \$17,500.00
2. Invoice from SouthernSun for asset management services for the period Second Quarter 2020 in the amount of \$8,899.99
3. Invoice from Walhausen for asset management services for the period April 1, 2020 – June 30, 2020 in the amount of \$12,199.28
4. Invoice from Comerica Cardmember Services for credit card charges for the period 06/04/2020 to 07/06/2020 in the amount of \$582.95
5. Invoice from LSV for asset management services for the period April 1 to June 30, 2020 in the amount of \$15,056.00

MOTION #S-20-048

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

PUBLIC COMMENT

No public comments were made.

INVESTMENT CONSULTANT REPORT

1. Market Update
2. Asset/Manager Summary
3. Matters deemed pertinent

Investment Consultant presented the June Market Summary and noted the continued rebound in equities and corporate bonds during the month. He distributed updated market values and noted the need to raise funds for upcoming benefit payments. He recommended \$1 mill be transferred from WAM to Cash.

MOTION #S-20-049

Motion by Lightsey, supported by Mannisto, to approve the transfer of \$1 mill from WAM/Comerica Large Cap Index to Cash Account to cover liquidity requirements. Motion Carried Unanimously

Investment Consultant mentioned that SouthernSun was holding Dycom stock on behalf of the Retirement System which were transferred to Walhausen when SouthernSun was terminated.

Walhausen has questioned the holding of these shares so he recommended that the shares be transferred to Cash Account.

MOTION #S-20-050

Motion by Hersh, supported by Mannisto, to approve the transfer of all 100 shares of Dycom stock from Walhausen to Cash Account. Motion Carried Unanimously

Investment Consultant also discussed real estate and the impact of COVID 19. He indicated that negative returns are expected from real estate in the coming quarters due to lower rent payments and less demand for commercial real estate. He noted that retail and office may suffer more due to being directly impacted by the pandemic and stated that he would contact AEW about their redemption queue.

MOTION #S-20-051

Motion by Hersh, supported by Gardella, to receive and file Investment Consultant Report. Motion Carried Unanimously

LEGAL REPORT

1. Matters deemed pertinent

Legal Counsel had no formal report but did comment on the memos from his office under Informational Items. He indicated that the Remote Public Meetings Memorandum continues provisions that had already been extended. While the CARES Act is not specifically applicable to the Retirement System, there is still a need to be aware of and meet the requirements of the Act.

MOTION #S-20-052

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

RETIREMENT ADMINISTRATOR REPORT

1. Comerica monthly payment confirmations
2. Matters deemed pertinent

Retirement Administrator provided responses to questions posed following discussion in June regarding Comerica quarterly invoice which reflected the cost of monthly confirmation statements that are mailed to retirees. Comerica has confirmed that emailing confirmations is not an available option, that there is no online access available to retirees, that they can include a message from the Retirement System on monthly confirmations, and that only seven out of 718 plans Comerica handles do not provide monthly confirmations. Retirement Administrator was asked to poll MAPERS administrators to determine what the standard practice is regarding monthly confirmations. She was also asked to have a statement added to monthly confirmations regarding the possible discontinuance of monthly confirmations to gauge retiree sentiment.

Following a brief discussion of HR personnel involvement in SERS administration, Retirement Administrator was directed to discontinue sending approved minutes to HR as they are posted to the SERS City website following approval.

NEW BUSINESS

1. Summary Annual Report
2. Release of year-end Comerica statements

Summary Annual Report as of June 30, 2019 was presented for approval.

MOTION #S-20-053

Motion by Hersh, supported by Mannisto, to approve Summary Annual Report as of June 30, 2019 and direct that it be posted on the SERS website. Motion Carried Unanimously

Timing for release of Comerica year-end statements was discussed. Comerica recommends that they advise on August 3 what statements have been received and ask if they should move forward with release or wait. Once statements are released, no changes can be made to them. Investment Consultant indicated that if majority of funds have reported by that point, statements should be released. This is the same practice as was employed last year.

OLD BUSINESS

1. None

UNFINISHED BUSINESS/PENDING MATTERS

1. Retirement Handbook: Lead/Maisano, Timeframe/TBD
No updates/discussion.
2. Pension Calculator: Lead/Maisano, Timeframe/TBD
No updates/discussion.
3. Pension Eligibility and Calculation Demonstration: Lead/Battersby, Timeframe/TBD
No update/discussion.
4. Trust Statement Reconciliation Responsibility and Procedure: Lead/TBD, Timeframe/TBD
No update/discussion.

TRUSTEE COMMENT/OPEN FORUM

Ron Miller indicated that ACS Committee is still trying to sort out non-career issue. He maintains that it is also a SERS issue regarding suspension of pension payments for rehired “non-career” employees who receive pensions as SERS retirees. Legal Counsel confirmed his stance and suggested that ACS Committee should consult with City Council and their own legal representative.

Legal Counsel was asked if there were any updates on the status of the MAPERS Fall Conference. He stated that the MAPERS committee would be meeting at month-end to determine whether it would move forward as scheduled and reiterated that all virus protocol will be followed and full refunds will be processed if the conference should be cancelled.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:48 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on August 18, 2020