

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – JULY 20, 2021
VIA TELECONFERENCE – 5:45 p.m.**

MINUTES

Board Members Present: Julius Maisano, Chair, Oakland County, MI; Chris Diaz, Oakland County, MI; L. Susan Mannisto, Oakland County, MI; Ron Miller, Oakland County, MI; Donna Sanders, Oakland County, MI; Lauri Siskind, Oakland County, MI

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 Julius Maisano, Chair, at 5:45 p.m. with a roll-call.

APPROVAL OF AGENDA

MOTION #S-21-050

Motion by Siskind, supported by Mannisto, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, July 20, 2021. Motion Carried Unanimously

APPROVAL OF MINUTES

1. June 15, 2021 Regular Meeting Minutes

MOTION #S-21-051

Motion by Diaz, supported by Sanders, to approve Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, June 15, 2021. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. None
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. M. Morawski
 - b. M. Talley

4. Authorization of Benefits
 - a. None
5. Refund of Contributions
 - a. None
6. Approval of Bills and Expenses
 - a. Invoice from VanOverbeke Michaud & Timmony for legal services rendered for the period 01/01/2021 thru 03/31/2021 in the amount of \$2,395.80
 - b. Invoice from LSV for asset management services for the period April 01 to June 30, 2021 in the amount of \$21,331.00
 - c. Invoice from Walthausen for asset management services for the period April 1, 2020 – June 30, 2021 in the amount of \$18,943.16
 - d. Invoice from Reinhart Partners for asset management services for the period Quarter 2, 2021 in the amount of \$13,244.00

MOTION #S-21-052

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

PUBLIC COMMENT

No comments were made.

INVESTMENT CONSULTANT REPORT

1. Market Update
2. Asset Allocation & Performance
3. Asset/Manager Summary
4. Other matters deemed pertinent

Investment Consultant presented the June 30, 2021 Market Update. He reviewed the markets in June, highlighting the positive returns from stocks and bonds. He reviewed the Fund's results for the FYE – up 30.8% (preliminary). He discussed the rotation toward growth during the month, helping the managers with a growth bias and hindering managers with a value bias. He distributed updated market values and recommended transferring \$1MM each from WAM and WCM to PIA.

MOTION #S-21-053

Motion by Siskind, supported by Mannisto, to approve rebalancing as recommended by Investment Consultant and move \$1,000,000 from World Asset S&P 500 Fund to Pacific Income Fixed Income Fund and \$1,000,000 from WCM International Equity Fund to Pacific Income Fixed Income Fund. Motion Carried Unanimously

MOTION #S-21-054

Motion by Mannisto, supported by Diaz, to receive and file Investment Consultant Report. Motion Carried Unanimously

LEGAL COUNSEL REPORT

1. Employment reclassification discussion
2. Matters deemed pertinent

Legal Counsel discussed a call he received from the Deputy City Attorney regarding an issue that is before the ACS Commission. An employee has requested that her prior non-career classification be changed to career classification. The Deputy City Attorney provided a legal opinion she wrote for ACS. He has reviewed the opinion and Ron Miller has asked for discussion; he stated, however, that attorney/client privilege has not been waived so he cannot discuss the particulars with the SERS Board. The legal opinion concluded, in part, that the SERS Board be encouraged to seek a legal opinion from their own Counsel. He feels, however, that the issue of whether an individual should be classified as career or non-career is not under SERS jurisdiction. If ACS was to grant retroactive career status, the member would then be entitled to past credited service upon repayment of contributions and accrued interest that was due the plan. He doesn't see any need to write a legal opinion that confirms or challenges the Deputy City Attorney legal opinion on the issue, however, he was provided with an old ACS policy that details how employees are to repay past contributions and interest to regain service credit and it is not consistent with current or recommended practice. Therefore, he recommends that the policy be revisited. L. Susan Mannisto asked if the Deputy City Attorney was clear on Legal Counsel's stance and he replied, yes, that there was nothing in the legal opinion that he disagreed with and that ACS should proceed accordingly. He confirmed with the ACS Commissioners that are also SERS Board Trustees that there was nothing else they would like him to address. Lauri Siskind stated that she had history and awareness surrounding employment details and why policies were written the way they were and offered to share the history with the Deputy City Attorney if it was beneficial to the Board.

RETIREMENT ADMINISTRATOR REPORT

1. Matters deemed pertinent

Retirement Administrator did not have anything additional for the Board.

OLD BUSINESS

1. None

NEW BUSINESS

1. None

L. Susan Mannisto informed the Board that Donna Sanders had been appointed as a regular ACS Commission member (rather than the previous designation as an alternate) but that the alternate position was still unfilled. L. Susan Mannisto is now Chair of the ACS Commission.

PENDING MATTERS

1. Retirement Handbook: Lead/Maisano, Timeframe/TBD
No updates/discussion.

2. Pension Calculator: Lead/Maisano, Timeframe/TBD
No update/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

Lauri Siskind inquired whether HR was still presenting pre-retirement workshops as she feels it is of value to employees. Julius Maisano stated that he would follow-up with HR Director James Meadows to find out what, if anything, is planned.

Lauri Siskind also mentioned that she read in old minutes that Legal Counsel was going to forward old memos to the Board regarding reemployment of retirees and asked for copies. Some discussion followed regarding reemployment of retirees and whether guidelines or rules existed and what ACS was doing to address the issue.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:37 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on August 17, 2021