

**SOUTHFIELD EMPLOYEE RETIREMENT SYSTEM
REGULAR MEETING – TUESDAY – OCTOBER 19, 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; Lauri Siskind, Oakland County, MI; Donna Sanders, Oakland County, MI

Board Members Absent:

Others Present: Megan Battersby, Retirement Administrator/SERS; Chris Kuhn, Investment Consultant/AndCo; Frank Judd, Legal Counsel/VMT; John Quigley/Great Lakes Advisors

The meeting was called to order by Julius Maisano, Chair, at 5:47 p.m. with a roll-call.

APPROVAL OF AGENDA

MOTION #S-21-065

Motion by Mannisto, supported by Diaz, to approve Agenda, Southfield Employee Retirement System, Regular Meeting, Tuesday, October 19, 2021. Motion Carried Unanimously

APPROVAL OF MINUTES

1. September 14, 2021 Regular Meeting Minutes

MOTION #S-21-066

Motion by Siskind, supported by Miller, to approve Minutes, Southfield Employee Retirement System, Regular Meeting, Tuesday, September 14, 2021. Motion Carried Unanimously

CONSENT AGENDA

1. Informational Items
 - a. None
2. Cash Account Report
 - a. None
3. Applications for Retirement
 - a. None

4. Authorization of Benefits
 - a. M. Morawski
5. Refund of Contributions
 - a. None
6. Approval of Bills and Expenses
 - a. Expense report from C. Diaz for 2021 MAPERS Fall Conference
 - b. Expense report from J. Maisano for 2021 MAPERS Fall Conference
 - c. Invoice from NCPERS for 2022 membership renewal in the amount of \$275.00
 - d. Invoice from AndCo for consulting services and performance evaluation for the period July 2021 through September 2021 in the amount of \$17,500.00
 - e. Invoice from Comerica Cardmember Services for credit charges for the period 09/04/2021 through 10/05/2021 in the amount of \$1,145.52
 - f. Invoice from Walthausen & Co. for asset management services for the period July 1, 2021 – September 30, 2021 in the amount of \$18,943.45
 - g. Invoice from Reinhart Partners for asset management services for the period Quarter 3, 2021 in the amount of \$13,482.00
 - h. Invoice from LSV Asset Management for asset management services for the period July 01 to September 30, 2021 in the amount of \$21,576.00

MOTION #S-21-067

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. Great Lakes Manager Review
2. Market Update
3. Asset/Manager Summary
4. PIA Firm Update
5. Hedge Fund vs. Private Equity Presentation

Great Lakes presented to the Board via Zoom. The manager reviewed the capital markets over the past two years. They noted the extraordinary events in the markets, including the increase in volatility between growth and value stocks and low interest rates. This volatility has hindered their trend following quantitative approach. The manager claims the strategy will work once the markets revert to normal and they are seeing evidence of this in more recent months. The manager answered questions about turnover and changes in the markets.

Following the manager presentation, Investment Consultant opened the discussion about Great Lakes. He and the Trustees discussed the strategy's historical performance patterns and the Board's options in this space. He recommended the Board review the manager's performance

monthly during the 4th quarter.

MOTION #S-21-068

Motion by Mannisto, supported by Diaz, to maintain investment with Great Lakes Advisors and revisit performance over the next two quarters, as recommended by Investment Consultant. Motion Carried Unanimously

Investment Consultant distributed the September Capital Market summary and updated market values; no action was recommended.

Investment Consultant presented a Hedge Fund vs. Private Equity report. The report provided a brief overview of the two asset classes. He highlighted the risk mitigation characteristics of hedge funds versus the higher risk/return expectations from private equity. The Trustees elected to review private equity in more detail at a future meeting.

Pacific Income Advisers firm update was provided as an informational item for the Board and outlined various appointments, promotions and team additions.

MOTION #S-21-069

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

LEGAL COUNSEL REPORT

1. Matters deemed pertinent

Legal Counsel did not have a formal report but mentioned that a legislative update would be sent out from his office in the coming week regarding proposed amendments to the Open Meetings Act.

RETIREMENT ADMINISTRATOR REPORT

1. Matters deemed pertinent

Retirement Administrator informed the Board that the City payroll system has been transitioned from Eden to BS&A and that she currently does not have the ability to pull pensionable wages for pension calculations from the new system. It is not a problem currently as she is able to still pull data from the old system, but it will be a problem in time and there is a concern about being able to obtain historical data from the new system. Both Payroll and HR have been working with BS&A and hope to have a resolution soon.

OLD BUSINESS

1. Stephenson disability retirement application status

Retirement Administrator informed the Board that the Medical Director has been provided with all information necessary to proceed with the medical exam. Medical Director will be scheduling an appointment with a neuropsychologist to determine if the applicant can continue functioning within his job capacity.

NEW BUSINESS

1. Part-time service credit inquiry

The Board received a request from a SERS member asking the Pension Board to fix the issue of part-time employees receiving full service credit. Regarding the crediting of full service for part-time employment, Legal Counsel indicated that a change like this would require the Retirement Ordinance (or a collective bargaining agreement) to amend the plan to provide a distinction between "service to the city" and "credited service". Currently, the Retirement Ordinance does not make that distinction and any such change is a mandatory subject of collective bargaining. Retirement Administrator will communicate this to the SERS member and indicate that he would need to pursue this with either City Council or his Union.

PENDING MATTERS

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

No comments were made.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:40 p.m.

Prepared by Megan Battersby, Retirement Administrator

Approved by Board Motion on November 16, 2021