

**MINUTES OF THE REGULAR MEETING OF
SOUTHFIELD FIRE & POLICE RETIREMENT SYSTEM BOARD**

January 16, 2018

The Board convened in Council Study at 12:30 p.m. with Vice President Wells presiding. The Meeting was started at 12:30 p.m.

PRESENT: Shawn Wells, Audrey Harvey (via phone), Duane Garth, Irv Lowenberg (late arrival)

ABSENT: John Fisher

ALSO

PRESENT: Michael VanOverbeke/Legal Counsel, Brian Green/Investment Consultant, Megan Battersby/Retirement Program Director, Lauri Siskind/HR Director

R.B. 18-001 **MOTION** by Wells, supported by Garth, to approve the December 12, 2017 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-002 **MOTION** by Garth, supported by Harvey, to acknowledge receipt of the Cash & Asset Statement as of November 30, 2017 in the amount of \$204,478,472.11. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-003 **MOTION** by Garth, supported by Harvey, to approve payment of invoices as follows: Invoice from AndCo for 4Q, 2017 investment consulting services in the amount of \$25,500.00; Invoice from Chase Bank for credit charges for the period 11/03/17–12/02/17 in the amount of \$350.00; Invoice from Chase Bank for credit charges for the period 12/03/17–01/02/18 in the amount of \$987.69; Invoice from Livingston York Advisors, LLC for Avignon Property Management Consulting services for the period 10/1/17 – 12/31/17 in the amount of \$3,300.00; Invoice from Morgan Dempsey for asset management services for the period 10/01/17 – 12/31/17 in the amount of \$30,018.36; Invoices from Warren & Grant, P.A. regarding legal work for Villages of Avignon CDD in the combined/total amount of \$7,636.60; Invoices from Villages of Avignon CDD and Clark & Albaugh regarding normal, recurring management and legal costs and in the combined/total amount of \$5,959.79. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-004 **MOTION** by Harvey, supported by Garth, to acknowledge receipt of the Informational Items including YTD 2017/2018 Budget and correspondence received during the period December 12 – January 12, 2018, including invoice from The Northern Trust Company for asset management fees for the period October 1 – December 31, 2017 in the amount of \$1,913.44 (memo copy – direct debit). **MOTION CARRIED UNANIMOUSLY**

R.B. 18-005 **MOTION** by Garth, supported by Harvey, to approve DROP Applications from W. Shadwell, K. Snook, B. Sleeva, P. Stempien, J. Mitchell, D. Denham, S. Ladouceur, J. Menifee, T. Eggeston and M. Medici. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-006 MOTION by Harvey, supported by Wells, to approve Retirement Application from W. Johns. MOTION CARRIED UNANIMOUSLY

R.B. 18-007 MOTION by Harvey, supported by Wells, to approve DROP Distribution Elections from P. Bourlier, G. Lask and M. Collins. MOTION CARRIED UNANIMOUSLY

Legal counsel provided a Michigan Legislative Update memorandum to the Board. The memo outlined the requirements imposed on local units of government and their defined benefit retirement systems and included a reference to requirements for retiree health care benefit funds. He referred to the new legislation as a “reporting” Public Act that doesn’t use terms consistently and does not provide clear guidance as to the law’s applicability to the municipal Plan sponsor and/or the governing body of the Plan and indicated that a best practice approach should be utilized. An actuarial experience study will now be required at least once every five years (which the Retirement System already does) and a peer actuarial audit by an actuary that is not the retirement system actuary will be required at least once every eight years (which should be added to the Administrative Calendar).

R.B. 18-008 MOTION by Harvey, supported by Garth, to approve the 2018 Administrative Calendar as presented with the addition under ANNUAL heading of “Authorize Actuarial Peer Review Audit (every eight years; recommended in 2021)”. MOTION CARRIED UNANIMOUSLY

Next there was discussion regarding the election process for the fire representative position which expires March 31, 2018. Shawn Wells read the Notice of Nomination & Election of Fire Representative to the Board and the following text was decided upon:

**NOTICE OF NOMINATION & ELECTION OF
FIRE REPRESENTATIVE TO THE
SOUTHFIELD FIRE & POLICE RETIREMENT SYSTEM BOARD
FOR THE TERM OF OFFICE COMMENCING APRIL 1, 2018
AND EXPIRING MARCH 31, 2022**

At the Regular Meeting of the City of Southfield Fire & Police Retirement System Board on Tuesday, January 16, 2018, the following guidelines were adopted:

- 1) The Retirement Program Director, on behalf of the Board Secretary, will send this notice to the Fire Chief and SFFA Union President on or before Friday, January 19, 2018 for posting in appropriate areas.
- 2) This Notice announces the opening of nominations for the position of Fire Representative to the Fire & Police Retirement System Board and must be posted by Friday, January 26, 2018.
- 3) The deadline for submission of nominations will be Friday, February 9, 2018 at noon. Nominations must be submitted in writing (email is acceptable) to the Retirement Program Director, Megan Battersby, on behalf of the Board Secretary, Audrey Harvey.

- 4) After nominations are received by the Retirement Program Director, on behalf of the Board Secretary, either ballots will be prepared for distribution or, in the case of only one nominee, a Notice granting one week for written objections will be posted on Monday, February 11, 2018.

If more than one nominee is submitted,

- 5) Ballots will be securely distributed on February 23, 2018 to all active Firefighters.
- 6) A sealed ballot box will be placed at Fire Headquarters. The last day to vote will be Friday, March 9, 2018 at noon.
- 7) Ballots will be counted by the Retirement Program Director, on behalf of the Board Secretary, and the Police Department Representative to the Retirement Board or his duly appointed representative by Monday, March 12, 2018.
- 8) Election results will be posted accordingly and the newly elected Fire Representative will accompany the current Fire Representative to the Regular Meeting of the City of Southfield Fire & Police Retirement System Board on Tuesday, March 13, 2018 for introduction.
- 9) The newly elected Fire Representative will assume official duties at the Regular Meeting on Tuesday, April 10, 2018.

R.B. 18-009 MOTION by Harvey, supported by Garth, to approve the Notice of Nomination & Election of Fire Representative to the Southfield Fire & Police Retirement System Board for the Term of Office Commencing April 1, 2018 and Expiring March 31, 2022.
MOTION CARRIED UNANIMOUSLY

The Board was updated on the Avignon sale. The due diligence period is underway with no developments to report.

Assignment of the Tortoise Credit Strategies investment advisory contract was discussed. Tortoise Investments has agreed to a buy-out by Lovell Minnick Partners. The investment consultant advised that the assignment of contract be accepted as a new partner is put in place and employee ownership is increased.

R.B. 18-010 MOTION by Wells, supported by Harvey, to accept the recommendation of the investment consultant to consent to the assignment of the Tortoise Credit Strategies investment advisory contract to Lovell Minnick Partners. MOTION CARRIED UNANIMOUSLY

The monthly Market Update as of December 31, 2017 was presented. The market just keeps going up. There have been great returns but tremendous volatility between sectors (YTD S&P 500 sector returns range from -1.3 for telecom services index to 38.8 for info tech index). Rebalancing strategies will be discussed next month and will include things like moving back to target and slowly peeling gains off the table.

Irv Lowenberg entered the meeting.

A proposed 2018 manager meeting schedule was reviewed. Five times throughout the year, select managers would be invited to attend a roundtable discussion that would be targeted to begin at approximately 2:00 p.m. following regularly scheduled business. The investment consultant will provide a final schedule at the February meeting.

Meeting adjourned at 1:20 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on February 13, 2018