

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

**October 11, 2016**

---

The Board convened in Training Room 2 in the Human Resources Department at 9:00 a.m. with President Fisher presiding. The Meeting was started at 9:06 a.m.

**PRESENT:** John Fisher, Shawn Wells, Audrey Harvey, Irv Lowenberg (arrival at 9:15)

**ABSENT:** Duane Garth

**ALSO**

**PRESENT:** Michael VanOverbeke/Legal Counsel, George Vitta and Brian Green/Investment Consultants, Megan Battersby/Retirement Program Administrator, Lauri Siskind/Human Resources Director, Matt Byron/Avignon Consultant (via phone), Ryan Sampson/Avignon Broker (via phone)

**R.B. 16-122** **MOTION** by Wells, supported by Harvey, to approve the September 13, 2016 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

**R.B. 16-123** **MOTION** by Wells, supported by Harvey, to acknowledge receipt of the Cash & Asset Statement as of August 31, 2016 in the amount of \$192,018,391.54. **MOTION CARRIED UNANIMOUSLY**

**R.B. 16-124** **MOTION** by Wells, supported by Harvey, to approve payment of invoices as follows: Invoice from NCPERS for 2017 Membership Renewal in the amount of \$250.00; Invoice from The Bogdahn Group for investment consulting fees for the period August, 2016 in the amount of \$8,626.17; Expense Report from M. Battersby for MAPERS Fall Conference; Expense Report from J. Fisher for MAPERS Fall Conference; Invoice from Villages of Avignon CDD for reimbursable expenses as of Sept 13, 2016 in the amount of \$4,113.82; Invoice from Livingston York Advisors for asset consulting services for the period 7/1/16 – 9/30/16 in the amount of \$1,050.00; Expense report from Audrey Harvey for MAPERS Fall Conference; Invoice from Chase for credit card purchases for the period 09/03/16 – 10/02/16 in the amount of \$2,115.48. **MOTION CARRIED UNANIMOUSLY**

**R.B. 16-125** **MOTION** by Wells, supported by Harvey, to acknowledge receipt of the Informational Items including YTD 2015/2016 Budget and Correspondence received during the period September 13, 2016 through October 7, 2016. **MOTION CARRIED UNANIMOUSLY**

**R.B. 16-126** **MOTION** by Wells, supported by Fisher, to acknowledge receipt of DROP Application from D. Crysler. **MOTION CARRIED UNANIMOUSLY**

**R.B. 16-127** **MOTION** by Wells, supported by Fisher, to acknowledge receipt of Retirement Application from L. Jones, Jr. **MOTION CARRIED UNANIMOUSLY**

**R.B. 16-128** MOTION by Wells, supported by Fisher, to acknowledge receipt of Annuity Withdrawal Distribution Election from L. Jones, Jr. MOTION CARRIED UNANIMOUSLY

In the legal update, legal counsel stated that he had recently met with MAPERS lobbyists. Every indication is that the State is going to target defined benefit plans in the future and MAPERS wants to be prepared with ideas. He said that retirement systems with existing problems need to be identified and the source of the problems determined in order to be proactive.

Irv Lowenberg entered the meeting.

**R.B. 16-129** MOTION by Harvey, supported by Wells, to acknowledge receipt of the legal update, as presented. MOTION CARRIED UNANIMOUSLY

The RIE distribution calculation as of July 1, 2016 was presented to the Board and discussed. The timetable has been accelerated so that payments will be made on November 4, 2016 rather than in April of the following calendar year as was past practice. It was stressed to the Retirement Program Administrator that the cover letter to retirees state that this is not an additional payment.

**R.B. 16-130** MOTION by Harvey, supported by Lowenberg, to approve the Reserve for Inflation Equity payments as of July 1, 2016 as presented. MOTION CARRIED UNANIMOUSLY

**R.B. 16-131** MOTION by Wells, supported by Harvey, to acknowledge receipt of the letter dated September 28, 2016 from GRS regarding revised actuarial equivalent option factors to be considered in conjunction with the recent Experience Study and to approve adoption of such factors as soon as is administratively feasible understanding that there will be no additional contribution required since the actuarial equivalence assumptions will already be reflected in the 2016 actuarial valuation. MOTION CARRIED UNANIMOUSLY

The monthly Avignon letter from Livingston York was discussed via conference call with Matt Byron and Ryan Sampson. Mr. Sampson provided an overview of the recent Avignon properties listing process. It is an entry level area that doesn't have top notch schools but current development in the area will definitely help marketing of the properties. An offer was received in the amount of \$1.2 million which the Board rejects because it is too far below market value and all indications are that there are builders who are now active in the area and a bid closer to market value could be received in the future. Water permit and soil issues were touched upon as was the continuance of the CDD. Legal counsel questioned why there were continuing legal bills from Clark Albaugh in relation to the CDD and instructed Mr. Byron to inform the CDD that SFPRS Avignon will not pay any future legal fees. Mr. Byron recommended that he make a site visit to meet with Ryan Sampson and Angela Silva and Kevin Gray with costs not to exceed \$800.

Irv Lowenberg exited the meeting at 10:23.

**R.B. 16-132** MOTION by Wells, supported by Harvey, to authorize the proposed property inspection by Livingston York including the reimbursement of documented travel expenses based on the presented budget not to exceed \$800. MOTION CARRIED UNANIMOUSLY

Irv Lowenberg reentered the meeting at 10:26.

The procedures surrounding a Supplemental Actuarial Valuation (SAV) were discussed because of requests from the actuary that deviated from common practice. Legal counsel stated that current practices were fine and that the requests were probably motivated by recent legal issues with other Boards.

The five year review of the investment consultant was discussed and it was decided that a Request For Information (RFI) should be issued.

Irv Lowenberg exited the meeting at 10:45.

**R.B. 16-133** MOTION by Wells, supported by Harvey, to direct legal counsel to work with Audrey Harvey to prepare a draft of a Request For Information for investment consulting services based on the five-year rotational review. MOTION CARRIED UNANIMOUSLY

Irv Lowenberg rejoined the meeting via phone.

Renewal of Manager Roundtable meetings was discussed. The Bogdahn Group presented a summary of various options for content and duration of such meetings. Irv Lowenberg stated that he is looking for updates from managers regarding performance and market conditions with an emphasis on education and a broad overview. The investment consultant will bring a proposed agenda for a format of four two hour meetings per year to the next meeting. The Market Update as of September 30, 2016 was presented.

The investment consultants gave an update as of September 30 on Loomis Sayles, who has been on probation since April 30. In the last 12 months they are 5.5% behind the benchmark with underperformance as of March 31, June 30 and September 30. It was recommended that the Board consider replacing the fund; a formal recommendation will be presented at the November meeting. It was mentioned that the \$2.5 million from the September 30 Fintan redemption has not been made available yet. The Bogdahn Group will contact Fintan to find out what the delay is as the funds are needed for liquidity purposes.

John Fisher informed the Board that long-time City Treasurer Roman Gronkowski had passed away recently. Mr. Gronkowski served on the Retirement System Board of Trustees for 37 years and helped the System grow and prosper.

Meeting adjourned at 11:40 a.m.

Prepared by Megan Battersby  
Retirement Program Administrator

Approved by Board Motion on November 8, 2016