

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

October 13, 2015

The Board convened in Council Study at 9:00 a.m. with President Fisher presiding.

PRESENT: John Fisher, Shawn Wells, Duane Garth, Audrey Harvey and Irv Lowenberg

ABSENT:

ALSO

PRESENT: Michael VanOverbeke/Legal Counsel, George Vitta/Asset Consultant, Megan Battersby/Retirement Program Administrator, Lauri Siskind/HR Director

R.B. 15-111 MOTION by Wells, supported by Harvey, to approve the September 8, 2015 regular meeting minutes. MOTION CARRIED UNANIMOUSLY

R.B. 15-112 MOTION by Lowenberg, supported by Wells, to acknowledge receipt of the Cash & Asset Statement as of July 31, 2015 in the amount of \$189,522,181.40. MOTION CARRIED UNANIMOUSLY

R.B. 15-113 MOTION by Lowenberg, supported by Wells, to acknowledge payment of invoices as follows: Invoice from Chase Card Services for VISA charges for the period 08/03/15 – 09/02/15 in the amount of \$1,100.00; Expense report from Megan Battersby for Fall MAPERS Conference; Expense report from John Fisher for Fall MAPERS Conference; Expense report from Audrey Harvey for Fall MAPERS Conference; Expense report from Shawn Wells for Fall MAPERS Conference; Invoice from Asset Strategies for asset consulting services for September, 2015 in the amount of \$9,013.79. MOTION CARRIED UNANIMOUSLY

R.B. 15-114 MOTION by Lowenberg, supported by Harvey, to acknowledge payment of invoices as follows: Invoice from Morgan Dempsey for asset management for the period 3rd Quarter 2015 in the amount of 23,204.00; Invoice from Livingston York Advisors for asset consulting for the period July 1, 2015 through September 30, 2015 in the amount of \$1,312.50; Invoice from Villages of Avignon CDD for reimbursable expenses as of 9/23/15 in the amount of \$5,675.00; Invoice from Villages of Avignon CDD for reimbursable legal expenses as of 9/15/15 in the amount of \$2,225.00; Invoice from Birkitt Environmental Services, Inc. for Avignon 2015 Reporting, Maintenance & Monitoring in the amount of \$2,459.20. MOTION CARRIED UNANIMOUSLY

R.B. 15-115 MOTION by Wells, supported by Lowenberg, to acknowledge receipt of the Informational Items including YTD 2015/2016 Budget and Correspondence received during the period September 8, 2015 through October 9, 2015. MOTION CARRIED UNANIMOUSLY

There was no legislative update for the month. The monthly Avignon letter was received. Legal counsel indicated that they received correspondence from the Southwest Florida Authority regarding the expiration of construction permits. It has been forwarded to Livingston York and a formal response will be issued upon review. Two phone calls were also received from a solar company inquiring about the property in Florida and, again, a formal response, upon review, will be issued by Livingston York.

R.B. 15-116 MOTION by Harvey, supported by Wells, to adopt the resolution RE: Nicole M. Schneider v. Stephen G. Schneider, Jr. MOTION CARRIED UNANIMOUSLY

Discussion ensued regarding whether the International Foundation annual membership should be renewed.

R.B. 15-117 MOTION by Lowenberg, supported by Fisher, to renew the International Foundation of Employee Benefit Plans annual membership for the period of January 1 through December 31 in the amount of \$960 covering six or less members. Audrey Harvey will be removed from the member roster and Lauri Siskind will be retained with SERS paying \$160 to the Retirement System toward membership. MOTION CARRIED, WELLS OPPOSED

The Board has a fiduciary duty to periodically review managers and consultants. Review of the custodial bank, The Northern Trust Company, is scheduled for 2015. The Retirement Program Administrator stated that she is very pleased with the benefit payment services that Northern Trust provides and with the client services representative, Patrick Flanagan.

R.B. 15-118 MOTION by Harvey, supported by Wells, to send a letter to Northern Trust indicating that the Board is conducting a due diligence review of the custodial bank and to inquire whether all services available are being utilized and whether the best possible fee arrangement, given the scope of services, is being offered. MOTION CARRIED UNANIMOUSLY

Mr. Vitta presented the Capital Markets Update for September. It was a cruel month for investors and a continuation of July and August volatility. Large cap stocks suffered the most while small cap stocks suffered the least.

The funding strategy for 1607 Capital Partners was discussed. It was previously decided to increase the allocation by \$6 mill and to fund in the first quarter of 2016 from Nantucket. After discussion with 1607, however, it was decided to fund in the fourth quarter of 2015 because of discounts from sell-offs and tax harvesting. Therefore, \$2 mill will be funded in October, November and December using funds from the bond managers. A brief discussion of the open meeting act ensued to ensure that the Board was in compliance with all requirements.

R.B. 15-119 MOTION by Fisher, supported by Wells, to fund the \$6 mill additional investment in 1607 Capital Partners in \$2 mill increments in October, November and December, 2015 from Bradford & Marzec and Loomis Sayles Core Plus equally. MOTION CARRIED, LOWENBERG OPPOSED

The trade execution report from Vertas was reviewed as Vertas was given the task of liquidating the WHV portfolio. The report showed a net transaction cost to the Retirement System of 1.64% and it was the opinion of Mr. Vitta that it was worthwhile to hire Vertas to liquidate the fund.

An amended Statement of Investment Policies, Procedures and Objectives was presented. The asset allocation table on page 8 was updated to reflect target allocation changes, tabs for Fintan Partners and KStone Partners were added and the tab for WHV was removed.

R.B. 15-120 MOTION by Harvey, supported by Wells, to approve the Statement of Investment Policies, Procedures and Objectives as presented and amended. MOTION CARRIED UNANIMOUSLY

Mr. Fisher asked Ms. Siskind if there was any resolution regarding the inclusion of vacation payoffs in Average Final Comp. Ms. Siskind stated that she had a meeting later in the week and that a determination should be made soon. Mr. Fisher asked that this item be added to old business on the November meeting agenda to address the resolution.

Meeting adjourned at 10:33 a.m.

Prepared by Megan Battersby
Retirement Program Administrator

Audrey Harvey, Secretary