

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

October 17, 2017

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 9:15 a.m.

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

ABSENT:

ALSO

PRESENT: Michael VanOverbeke/Legal Counsel, George Vitta and Brian Green/Investment Consultants, Megan Battersby/Retirement Program Director, Lauri Siskind/HR Director, Lisa Girardot/surviving spouse of deceased Police Officer Edward Girardot, Matt Byron/Property Consultant (via phone), Chris Lazzaro and Chris Harms/Loomis Sayles, Joe Maren/KStone, Graham Allen/Bradford & Marzec

R.B. 17-123 **MOTION** by Wells, supported by Garth, to approve the September 12, 2017 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

R.B. 17-124 **MOTION** by Lowenberg, supported by Wells, to acknowledge receipt of the Cash & Asset Statement as of August 31, 2017 in the amount of \$198,252,476.89. **MOTION CARRIED UNANIMOUSLY**

R.B. 17-125 **MOTION** by Wells, supported by Lowenberg, to approve payment of invoices as follows: Expense report from M. Battersby for MAPERS Fall Conference; Expense report from J. Fisher for MAPERS Fall Conference; Expense report from E. Wells for MAPERS Fall Conference; Invoice from AndCo for investment consulting services for Q3, 2017 in the amount of \$25,500; Invoice from City of Southfield for new computer in the amount of \$1,089.50; Invoice from City of Southfield for fiduciary liability insurance for the period 7/1/17 – 6/30/18 in the amount of 21,996.00; Invoice from Livingston York Advisors for Avignon Property Management for the period 7/1/17 – 9/30/17 in the amount of \$2,512.50; Invoice from International Foundation for 2018 annual membership dues in the amount of \$1,025.00; Invoice from Morgan Dempsey for asset management fees for the period 07/01/17 – 09/30/17 in the amount of \$32,211.48; Invoice from Chase CardServices for credit charges for the period 09/03/17 – 10/02/17 in the amount of \$1,855.81; Payment of \$85 processing fee for Form 8802 to facilitate tax reclaims by Northern Trust; Invoice from Villages of Avignon CDD for reimbursable expenses as of September 18, 2017 in the amount of \$3,514.64. **MOTION CARRIED UNANIMOUSLY**

R.B. 17-126 **MOTION** by Wells, supported by Garth, to acknowledge receipt of the Informational Items including YTD 2017/2018 Budget and correspondence received during the period September 12 – October 16, 2017. **MOTION CARRIED UNANIMOUSLY**

R.B. 17-127 MOTION by Wells, supported by Fisher, to approve Retirement Applications from K. Loudon and D. Tomaszewski. MOTION CARRIED UNANIMOUSLY

R.B. 17-128 MOTION by Wells, supported by Harvey, to approve DROP Distribution Elections from P. Theriault, S. Schneider and J. Lelli. MOTION CARRIED UNANIMOUSLY

R.B. 17-129 MOTION by Wells, supported by Lowenberg, to approve Annuity Withdrawal Distribution Election from D. Adams. MOTION CARRIED UNANIMOUSLY

A letter to the Retirement System Board of Trustees RE: Application for Retirement Benefits for Edward Girardot, Jr. under Act 345 from Police Chief Hawkins was presented and discussed.

R.B. 17-130 MOTION by Fisher, supported by Harvey, to accept the application for retirement benefits for Officer Edward C. Girardot, Jr., effective July 12, 2017 from Police Chief Hawkins. MOTION CARRIED UNANIMOUSLY

In the Legislative Update, legal counsel indicated that he met with the Speaker of the House and the Public Safety Committee. They all support the Task Force report but will not support anything beyond its scope. A Municipal Stability Board will be created to enforce corrective action plans. Everyone is pushing to get legislation presented this year so that it has ample time to be enacted.

Regarding the Retirement Health Savings Account (RHSA) for the Retirement Program Administrator, legal counsel indicated that ICMA will open an account for one person. There was a question of who should be administrator of the RHSA and he recommended that the Pension Board be the sponsor and administrator with the Board Chairman as the contact. He hopes to have the RHSA established by the next meeting.

Per the administrative calendar regarding annual review of consultants and advisors, legal counsel was up for review. Legal counsel explained that annual review can range from issuing an RFP to discussion with no action, and then excused himself from the room. All Trustees and the Retirement Program Director agreed that the law firm of VanOverbeke, Michaud & Timmony provides excellent and broad service with support, value and punctuality.

R.B. 17-131 MOTION by Fisher, supported by Wells, to retain the law firm of VanOverbeke, Michaud & Timmony as legal counsel to the Retirement System citing that the Board is extremely pleased with the service it is receiving. MOTION CARRIED UNANIMOUSLY

The monthly Avignon update was discussed with the property consultant on a conference call. He indicated that he was ready to recommend that the Board proceed with the Reinhart offer of \$3.5 million with 150 days to close but a new offer has since been received for \$4 million with an approximate 50 day closing period. Livingston York was asked to verify that the individual making the new offer had viable resources and was a credible buyer.

A letter to the Board of Trustees from legal counsel Re: JCR Income Plus Fund IV, L.P. Compliance with Public Employee Retirement System Investment Act was discussed. Plan documents were received and reviewed and qualified as real estate. JCR has acknowledged a fiduciary standard of care consistent with Act 314 under a side letter agreement negotiated with the Retirement System.

R.B. 17-132 MOTION by Fisher, supported by Lowenberg, to receive and file the letter dated September 29, 2017 from legal counsel Re: JCR Income Plus Fund IV, L.P. Compliance with Public Employee Retirement System Investment Act. MOTION CARRIED UNANIMOUSLY

The monthly Market Update as of September 30, 2017 was presented. It was a very strong month for stocks and year-to-date returns are excellent. There was not much inflation and commodities markets are doing well.

The investment consultant provided an Investment and Manager Allocation Review to the Board which outlined current asset allocation at market value to the policy target allocation and recommended modifications. Liquidity needs for the period November 1, 2017 – March 1, 2018 were discussed and it was recommended that no withdrawals were necessary.

R.B. 17-133 MOTION by Lowenberg, supported by Wells, to transfer \$1.2 million from Morgan Dempsey to Nantucket and withdraw \$1 million from PRISA I for future liquidity needs and capital calls. MOTION CARRIED UNANIMOUSLY

A Fixed Income Investment Manager Roundtable commenced at 11:00 a.m. with Chris Lazzaro and Chris Harms present from Loomis Sayles, Joe Maren present from KStone and Graham Allen present from Bradford & Marzec (now part of Tortoise Credit Strategies). Brain Green led the discussion which centered on current fixed income strategies and performance.

Meeting adjourned at 12:10 p.m.

Prepared by Megan Battersby
Retirement Program Director

Approved by Board Motion on November 7, 2017