

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

December 8, 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 (via phone)

ABSENT: Irv Lowenberg

ALSO

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

R.B. 15-135 MOTION by Garth, supported by Harvey, to approve the November 10, 2015 regular meeting minutes. MOTION CARRIED UNANIMOUSLY

R.B. 15-136 MOTION by Garth, supported by Harvey, to acknowledge receipt of the Cash & Asset Statement as of October 31, 2015 in the amount of \$189,718,231.11. MOTION CARRIED UNANIMOUSLY

R.B. 15-137 MOTION by Wells, supported by Garth, to approve payment of invoices as follows: Expense report from E. Wells for NCPERS Public Safety Conference; Invoice from Asset Strategies for investment consulting services for the period October, 2015 in the amount of \$8,502.69; Invoice from VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period April 1, 2015 through June 30, 2015 in the amount of \$4,788.00; Invoice from VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period January 1, 2015 through March 31, 2015 in the amount of \$3,409.00. MOTION CARRIED UNANIMOUSLY

R.B. 15-138 MOTION by Wells, supported by Garth, to acknowledge receipt of the Informational Items including YTD 2015/2016 Budget and Correspondence received during the period November 10, 2015 through December 7, 2015. MOTION CARRIED UNANIMOUSLY

R.B. 15-139 MOTION by Wells, supported by Garth, to acknowledge receipt of Retirement Applications from P. Theriault. MOTION CARRIED UNANIMOUSLY

R.B. 14-140 MOTION by Wells, supported by Harvey, to acknowledge receipt of DROP Distribution Election from P. Theriault. MOTION CARRIED UNANIMOUSLY

R.B. 14-141 MOTION by Wells, supported by Harvey, to acknowledge receipt of Annuity Withdrawal Distribution Elections from P. Theriault. MOTION CARRIED UNANIMOUSLY

There was continued discussion regarding the Pensions & Investments invoice and subscription for Duane Garth as the issue has not yet been resolved. The Retirement Program Administrator was asked to contact P & I directly. Shawn Wells asked that his subscription be reinstated, if possible, since it had lapsed.

It was noted in the budget that YTD expenses for Avignon were running higher than expected. The Retirement Program Administrator was asked to contact Livingston York Advisors and request an explanation as to why expenses are higher than budgeted and a projection of what the next six months of expenses will be.

There was no legislative update to report and no new developments with Avignon.

Ms. Siskind presented a letter to the Board regarding the inclusion of vacation payouts in Average Final Comp. It was noted that contractual language differs in the SPOA, SPCOA, SDCA and SFFA contracts. Based on the language in the contracts, it was determined that vacation payoffs for SPOA and SFFA are pensionable and vacation payoffs for SPCOA are not pensionable. For SDCA, vacation payoffs during employment are not pensionable except for the annual payoff of up to 120 hours of vacation time when in the SDCA, provided at least 80 hours of vacation have been taken in the calendar year of the 120-hour payoff. Ms. Siskind will notify the unions and individuals affected by the Accounting error.

R.B. 15-142 MOTION by Wells, supported by Garth, to acknowledge receipt of the letter dated December 7, 2015 regarding Inclusion of Vacation Payoffs in Final Average Compensation from Lauri Siskind, Human Resources Director for the City of Southfield. MOTION CARRIED UNANIMOUSLY

The final actuarial valuation was received by the Board. The required Employer contribution rate beginning July 1, 2016 will be 30.99%.

R.B. 15-143 MOTION by Wells, supported by Garth, to accept the 63rd Actuarial Valuation Report as of June 30, 2015 from GRS and direct that a copy be forwarded to the appropriate City representatives. MOTION CARRIED UNANIMOUSLY

Election of Board Officers for 2016 was addressed.

R.B. 15-144 MOTION by Garth, supported by Wells, to keep elected officers consistent for 2016. MOTION CARRIED UNANIMOUSLY

Review of Retirement Program Administrator was tabled until January, 2016.

R.B. 15-145 MOTION by Harvey, supported by Wells, to approve payment of invoices as follows: Invoice from GRS for regular actuarial services performed for the period July 1, 2015 through June 30, 2016, including the June 30, 2015 annual valuation in the amount of \$15,000.00; Invoice from Villages of Avignon CDD for reimbursable expenses as of 11/17/15 related to GSG district management fees in the amount of \$2,933.32; Invoice from Villages of Avignon CDD for reimbursable expenses as of 11/06/15 related to Clark & Albaugh fees in the amount of \$932.00; Expense report from John Fisher for NCPERS Public Safety Conference; Expense report from John Fisher for Invesco Real Estate Client Conference; Invoice from Asset Strategies for investment consulting services for November, 2015 in the amount of \$8,502.69. MOTION CARRIED UNANIMOUSLY

Audrey Harvey exited the meeting via phone.

The invoice from GRS for GASB Statement No. 67 and No. 68 work and who should pay the fees was discussed. Mr. VanOverbeke explained that Statement No. 67 work is for the Plan, as an audit is required by law, while Statement No. 68 work is for the Employer. The Plan could seek reimbursement from the City for 68 work but should pay for the 67 work. Mr. Vitta, on the other hand, stated that the Finance Director should come before the Board and explain why the Retirement System and not the City should pay for any GASB work. It was decided to request reimbursement from the City for \$2,500 for GASB Statement No. 68.

R.B. 15-146 MOTION by Wells, supported by Garth, to approve payment of the invoice from GRS for GASB Statement No. 67 plan reporting and accounting schedules as of June 30, 2015 in the amount of \$10,000.00 and additional work for GASB No. 68 Accounting Schedules as of June 30, 2015 included in the same report in the amount of \$2,500.00. MOTION CARRIED UNANIMOUSLY

R.B. 15-147 MOTION by Wells, supported by Garth, to approve payment of invoice from Med Source Services/Consulting Physicians for disability reexamination and report and review of records for Mark Poske in the amount of \$1,275.00. MOTION CARRIED UNANIMOUSLY

R.B. 15-148 MOTION by Wells, supported by Garth, to acknowledge receipt of GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions as of June 30, 2015 Report. MOTION CARRIED UNANIMOUSLY

Mr. Vitta presented the economic and capital markets update for November. More people are working, thus more tax revenue is coming in. Employment assumption numbers are positive. Public debt is high; as the interest rates climb, the interest on the debt will rise. U.S. Equities had a small increase, micro caps in particular; International global fixed markets struggled; Commodities tanked and hedge funds were a mixed bag of returns.

R.B. 15-149 MOTION by Wells, supported by Garth, to accept the Capital Markets Update for November and the U.S. Economic Update for October. MOTION CARRIED UNANIMOUSLY

Liquidity needs were addressed. There is currently \$1.7 mill in cash and \$8.5 mill will be coming from Nantucket in the first week of January, therefore, no withdrawals are needed for January.

Audrey Harvey returned to the meeting via phone.

Even after the \$8.5 mill is redeemed, Nantucket will still be over allocated. If further redemption is desired (i.e. \$2.5 mill), a request needs to be made by December 20 for receipt by the start of the 2nd quarter, 2016.

R.B. 15-150 MOTION by Wells, supported by Garth, to request \$2.5 mill from Nantucket by December 20, 2015 for a target payment date of April 1, 2016. MOTION CARRIED UNANIMOUSLY

John Fisher informed the Board that 1607 Capital Partners has again given the Board a gift card in the amount of \$100 to be donated as the Board deems fit.

R.B. 15-151 MOTION by Wells, supported by Garth, to go into closed session to discuss the medical reexamination reports for disability retirees Ferrari and Poske. Roll Call: Fisher-Yes, Wells-Yes, Garth-Yes and Harvey-Yes. MOTION CARRIED UNANIMOUSLY

R.B. 15-152 MOTION by Wells, supported by Garth, to come out of closed session. Roll Call: Fisher-Yes, Wells-Yes, Garth-Yes, Harvey-Yes. MOTION CARRIED UNANIMOUSLY

R.B. 15-153 MOTION by Harvey, supported by Wells, to acknowledge receipt of the medical report from Dr. Elliott M. Wolfe, M.D. dated November 17, 2015 with regards to the medical reexamination of disability retiree M. Susan Ferrari, the Board noting that it is the considered opinion of the doctor that Ms. Ferrari continues to be totally and permanently disabled from further performance of duty and service to the City of Southfield and therefore her disability retirement should be continued, the Board resolving to continue her on disability retirement and further noting that in light of Ms. Ferrari's age and date of retirement that this will be her last reexamination and that her benefit will be recomputed upon attainment of age 55 consistent with the provisions of P.A. 345. MOTION CARRIED UNANIMOUSLY

R.B. 15-154 MOTION by Harvey, supported by Wells, to acknowledge receipt of the medical report from Dr. Antoine E. Geffrard, M.D. dated November 17, 2015 with regards to the medical reexamination of disability retiree Mark Poske, the Board noting that it is the considered opinion of the doctor that Mr. Poske continues to be totally and permanently disabled from further performance of duty and service to the City of Southfield and therefore his disability retirement should be continued, the Board resolving to continue him on disability retirement and further noting that in light of Mr. Poske's age and date of retirement that this will be his last reexamination and that his benefit will be recomputed upon attainment of age 55 consistent with the provisions of P.A. 345. MOTION CARRIED UNANIMOUSLY

It was further noted that the Decision of Examining Physician Regarding Re-Examination form was not completed and returned by either doctor. The Retirement Program Administrator was instructed to not pay the corresponding invoices until such form was returned in accordance with Plan policy.

Meeting adjourned at 10:54 a.m.

Prepared by Megan Battersby
Retirement Program Administrator

Audrey Harvey, Secretary