

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

March 8, 2016

The Board convened in the Public Services Building, 3rd Floor Conference Room, at 9:16 a.m. with President Fisher presiding.

PRESENT: John Fisher, Irv Lowenberg, Duane Garth and Audrey Harvey (via phone)

ABSENT: Shawn Wells

ALSO

PRESENT: Michael VanOverbeke/Legal Counsel, George Vitta/Investment Consultant, Megan Battersby/Retirement Program Administrator, Lauri Siskind/Human Resources Director (via phone for part of meeting)

R.B. 16-033 MOTION by Harvey, supported by Garth, to approve the February 9, 2016 regular meeting minutes. MOTION CARRIED UNANIMOUSLY

R.B. 16-034 MOTION by Lowenberg, supported by Garth, to acknowledge receipt of the Cash & Asset Statement as of January 31, 2016 in the amount of \$181,634,913.65. MOTION CARRIED UNANIMOUSLY

R.B. 16-035 MOTION by Harvey, supported by Lowenberg, to acknowledge receipt of the Informational Items including YTD 2015/2016 Budget and Correspondence received during the period February 9, 2016 through March 7, 2016. MOTION CARRIED UNANIMOUSLY

R.B. 16-036 MOTION by Fisher, supported by Lowenberg, to acknowledge receipt of DROP Applications from K. James and M. Pieroni. MOTION CARRIED UNANIMOUSLY

R.B. 16-037 MOTION by Fisher, supported by Lowenberg, to acknowledge receipt of Retirement Application from B. White. MOTION CARRIED UNANIMOUSLY

R.B. 16-038 MOTION by Fisher, supported by Lowenberg, to acknowledge receipt of DROP Distribution Election from B. White. MOTION CARRIED UNANIMOUSLY

R.B. 16-039 MOTION by Fisher, supported by Lowenberg, to acknowledge receipt of Annuity Withdrawal Distribution Election from B. White. MOTION CARRIED UNANIMOUSLY

Legal update indicated that a new house bill which would amend Act 314 was entered and referred to Committee. The Avignon update letter was discussed. No Broker's Opinions of Value or Property Sales Proposals have been obtain yet but should be soon. The judgment against the CDD with regards to the County's right to sell the Lauris property at tax auction has an appeal date of March 9. Letters were sent to bondholders and once the appeal deadline has passed, more information regarding the timing and

mechanisms of the tax auction should be available. Monthly invoices were reviewed and recommended for payment.

Final election results for Police Representative were presented.

R.B. 16-040 MOTION by Lowenberg, supported by Garth, to recognize John Fisher as the Police Representative to the Pension Board and acknowledge the continuation of his term through March 31, 2020. MOTION CARRIED UNANIMOUSLY

A letter sent to the Pension Board by retiree Robert Farquhar requesting the Board to recommend a hardship increase to offset the burden of paying for Medicare Part A upon attainment of age 65 was discussed. Act 345 does not give the Board the authority or discretion to grant increases. While postretirement adjustments are allowed, the Retirement Board does not establish benefits but rather is responsible for administration of the plan. City Council is the only body that can grant a one-time increase.

R.B. 16-041 MOTION by Garth, supported by Lowenberg, to acknowledge receipt of letter dated February 19, 2016 from Robert Farquhar requesting a hardship pension increase and direct that a letter of explanation copying City Council be sent to the retiree. MOTION CARRIED UNANIMOUSLY

R.B. 16-042 MOTION by Fisher, supported by Garth, to appoint Wells and Fisher as official delegates to the NCPERS 2016 Annual Conference. MOTION CARRIED UNANIMOUSLY

An updated Global Custody Fee Schedule from Northern Trust was reviewed. It appears that overall future fees will be less under the new agreement. The Board asked the Retirement Program Administrator to contact Northern Trust and ask that the statement, "Northern Trust has a minimum annual fee of \$75,000 for institutional Custody services." be stricken.

R.B. 16-043 MOTION by Lowenberg, supported by Garth, to approve the proposed Global Custody Fee Schedule as presented pending deletion of the \$75,000 annual minimum. MOTION CARRIED UNANIMOUSLY

The February, 2016 Capital Markets Update was presented. All economic indicators are still flashing green and consumer confidence is getting stronger, however, hedge funds are definitely struggling. It was asked whether Nantucket was nearing probationary status. Mr. Vitta indicated no, that they are consistently beating their benchmark and have a fee structure that is competitive in the hedge fund world.

A handout was presented by Asset Strategies entitled "Commodities". It summarized the five categories of commodities, investment characteristics, drivers of returns and key issues.

Liquidity needs due to the PRISA III capital call were discussed. There was also discussion regarding fiduciary responsibility to periodically meet with individual investment managers. It was decided that a manager should be brought before the Board when probationary status was extended. Brandes will be scheduled for the April meeting.

R.B. 16-044 MOTION by Lowenberg, supported by Garth, to approve the invoice from Villages of Avignon CDD for \$11,475.47 as of Feb. 10, 2016 including Villages of Avignon District Management Fees payable to GSG in the amount of \$2,933.32 and Clark & Albaugh expenses in the amount of \$8,542.15. MOTION CARRIED UNANIMOUSLY

R.B. 16-045 MOTION by Lowenberg, supported by Garth, to approve the invoice from Asset Strategies for investment consulting fees for the month of February, 2016 in the amount of \$8,637.51. MOTION CARRIED UNANIMOUSLY

R.B. 16-046 MOTION by Lowenberg, supported by Garth, to approve the expense report from Megan Battersby for the One Day MAPERS Seminar. MOTION CARRIED UNANIMOUSLY

Future meeting locations were discussed due to the problems encountered today. It was decided that the April meeting would remain in the Public Services Building, Conference Room A, as scheduled. Irv Lowenberg will check into reserving a meeting room in the Library for future meetings after April.

Meeting adjourned at 10:50 a.m.

Prepared by Megan Battersby
Retirement Program Administrator

Audrey Harvey, Secretary