

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

**April 10, 2018**

---

The Board convened in Council Study at 12:30 p.m. with President Fisher presiding. The Meeting was started at 12:31 p.m.

**PRESENT:** John Fisher, Duane Garth, Audrey Harvey (via phone), Irv Lowenberg, Brent Wilson

**ABSENT:**

**ALSO**

**PRESENT:** Frank Judd/Legal Counsel, Brian Green/Investment Consultant, Megan Battersby/Retirement Program Director, Lauri Siskind/Southfield HR Director

**R.B. 18-037** **MOTION** by Garth, supported by Lowenberg, to approve the March 13, 2018 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

**R.B. 18-038** **MOTION** by Garth, supported by Lowenberg, to acknowledge receipt of the Cash & Asset Statement as of February 28, 2018 in the amount of \$202,199,819.37. **MOTION CARRIED UNANIMOUSLY**

**R.B. 18-039** **MOTION** by Fisher, supported by Garth, to approve payment of invoices as follows: Expense report from I. Lowenberg for 03/13/18 meeting lunch; Invoice from AndCo for investment consulting for Q1, 2018 in the amount of \$25,500.00; Invoice from Livingston York Advisors for asset consulting for the period 1/1/18 – 3/31/18 in the amount of \$1,687.50. **MOTION CARRIED UNANIMOUSLY**

**R.B. 18-040** **MOTION** by Fisher, supported by Lowenberg, to acknowledge receipt of Informational Items as follows: YTD 2017/2018 Budget; Invoice from Northern Trust Company for total fees for the period ending 03/31/18 in the total amount of \$28,866.16 (auto debit); Correspondence received during the period March 13, 2018 – April 9, 2018. **MOTION CARRIED UNANIMOUSLY**

**R.B. 18-041** **MOTION** by Lowenberg, supported by Fisher, to approve DROP Distribution Elections from S. Schneider, M. Douville, K. Toupin, J. Lelli and G. Lask. **MOTION CARRIED UNANIMOUSLY**

Legal counsel indicated that emergency liquidity would be addressed when the Authorized Signatories Resolution was discussed. There were no other legal matters to consider.

With the departure of Shawn Wells, a new Vice President needed to be elected.

**R.B. 18-042** **MOTION** by Fisher, supported by Wilson, to nominate and elect Duane Garth as Vice President for the remainder of 2018 to fill the position vacated by Shawn Wells. **MOTION CARRIED UNANIMOUSLY**

The Authorized Signatories Resolution was on the agenda because Shawn Wells is no longer on the Board and was a signer. Legal counsel thought it was best to incorporate emergency liquidity into the Authorized Signatories Resolution rather than creating a new separate resolution. The Board concurred and the revised resolution was approved as presented.

## **CITY OF SOUTHFIELD FIRE & POLICE RETIREMENT SYSTEM**

### **RESOLUTION**

**ADOPTED: April 10, 2018**

**Re: Revised Authorized Signatories**

---

**WHEREAS**, the Board of Trustees is vested with the authority for the general administration, management and operation of the Retirement System, and

**WHEREAS**, in carrying out the general administration, management and operation of the Retirement System, the Board from time to time takes action to enter into various investment management agreements, professional service contracts (i.e., actuary, attorney, etc.), and other legally binding documents requiring the signature or signatures of individuals duly authorized by the Board to execute such agreements on behalf of the Board, and

**WHEREAS**, prior to executing any such agreements or other legally binding documents, the Board deems it prudent to have its legal counsel review and approve all such agreements and other legally binding documents, therefore, be it

**RESOLVED**, that acting upon an appropriate resolution or motion of the Board of Trustees, the following shall be authorized to sign appropriate documentation to (i) give direction to the Board's investment managers, investment consultant, and custodial bank; or (ii) enter into service provider contracts or investment management agreements as detailed below:

**A. Transfer of Funds or Trading Instructions:**

The Retirement System from time-to-time is required to transfer funds within the various Retirement System accounts due to rebalancing, funding of new investment managers or to meet the liquidity needs of the system for the payment of the benefits and expenses. The Board, acting upon the recommendation of its Investment Consultant, shall from time to time adopt a "Liquidity Schedule" which shall outline the various fund transfers. Communication regarding the liquidation of funds for transfer in such instances shall require the signature of at least one signatory of the Retirement System. From time to time, the Retirement Program Director may need to raise additional funds in excess of the approved Liquidity Schedule. In such instances, the Retirement Program Director, in consultation with the Investment Consultant and approval from the Board President, shall be authorized to transfer such funds as are necessary, from such manager or account as deemed appropriate, to satisfy any liquidity needs of the Retirement System.

**B. Disbursement of Funds:**

Upon the written request of a retiree or beneficiary, the Retirement System's Retirement Program Director may disburse funds from the Retirement System's DROP Account or Defined Contribution Account if the requested amount is not more than \$50,000.00 prior to a formal resolution or motion from the Board of Trustees.

For other disbursements from the Retirement System, such as the payment of invoices or disbursement of benefits in excess of \$50,000.00, such action requires the adoption of a prior Board resolution or motion.

**C. Direction to Investment Managers, Investment Consultant or Custodial Bank:**

The Retirement System from time-to-time may take action to direct its Investment Manager(s), Investment Consultant or Custodial Band to perform or refrain from performing certain actions. Such direction requires the signature of at least one signatory of the Retirement System.

**D. Execution of Legal Documents:**

From time-to-time, the Retirement System is required to enter into legally binding agreements between it and a service provider or execute other corporate legal documents. In such instances, after review and approval of the Board's legal counsel, the signature of at least one signatory of the Retirement System is required.

**RESOLVED**, that the authorized signatories shall sign this resolution as certified samples of each authorized individual's signature, and further

**RESOLVED**, that copies of this resolution shall be forwarded to the Board's legal counsel, investment consultant, and such other parties as shall be requested.

---

John Fisher, President  
Board of Trustees of the  
City of Southfield Fire & Police  
Retirement System

---

Duane Garth, Vice President  
Board of Trustees of the  
City of Southfield Fire & Police  
Retirement System

---

Irv Lowenberg, Trustee  
Board of Trustees of the  
City of Southfield Fire & Police  
Retirement System

---

Megan Battersby  
Retirement Program Director of the  
City of Southfield Fire & Police  
Retirement System

**R.B. 18-043** MOTION by Fisher, supported by Garth, to approve the Revised Authorized Signatories Resolution as presented. MOTION CARRIED UNANIMOUSLY

The Board reviewed the Avignon monthly update letter. The sale is progressing as expected. The monthly Market Update as of March 31, 2018 was presented. The market was volatile in the first quarter of 2018 and only three market segments had positive YTD returns.

AndCo discussed a memo to the Board dated April 10, 2018 Re: QMA Mid Cap and the selection of an avenue for investment in their mid-cap portfolio. Option 1 was a separately managed account and Option 2 was a commingled fund. AndCo's recommendation was Option 2 because of the lower cost and recommended that Vertas Brokerage Consulting be used as the transition manager since QMA has asked that the commingled fund be funded with an in-kind transfer of securities, not cash. Irv Lowenberg questioned the approach, the cost difference and the securities lending aspect. Mr. Lowenberg suggested a different approach: chose Option 1 to match up securities and then transition to Option 2 after the match-up is completed. This would save on the cost incurred by using Vertas and still result in a lower ongoing cost. His only concern was that the cost savings be greater than the possible loss of revenue to securities lending. The Board questioned whether QMA would agree to this and the investment consultant assured them that they would.

**R.B. 18-044** MOTION by Lowenberg, supported by Garth, to approve using a separately managed account initially, for approximately the first month, for the QMA investment and then transition to the commingled fund after securities are matched, as long as anticipated securities lending revenue does not amount to greater than 100 bps for the year. MOTION CARRIED UNANIMOUSLY

**R.B. 18-045** MOTION by Lowenberg, supported by Garth, to pay invoices as follows: Invoices from Villages of Avignon CDD and Clark & Albaugh regarding normal, recurring management and legal costs and in the combined/total amount of \$3,152.54; Invoice from Chase for credit card purchases for the period 03/03/18 – 04/02/18 in the amount of \$634.29; Invoice from Morgan Dempsey for investment management fees for the period 01/01/18 – 03/31/18 in the amount of \$28,999.13. MOTION CARRIED UNANIMOUSLY

**R.B. 18-046** MOTION by Garth, supported by Wilson, to adjourn the meeting. MOTION CARRIED UNANIMOUSLY

Meeting adjourned at 1:13 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on May 8, 2018