

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

**April 14, 2015**

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

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

ABSENT:

ALSO

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

**R.B. 15-43** MOTION by Wells, supported by Lowenberg, to approve the March 10, 2015 regular meeting minutes. MOTION CARRIED UNANIMOUSLY

**R.B. 15-44** MOTION by Lowenberg, supported by Wells, to acknowledge receipt of the Cash & Asset Statement as of February 28, 2015 in the amount of \$198,997,403.22. MOTION CARRIED UNANIMOUSLY

**R.B. 15-45** MOTION by Lowenberg, supported by Harvey, to acknowledge payment of invoices as follows: Expense report from Megan Battersby for One Day MAPERS Seminar; Invoice from Chase Card Services for VISA charges for the period 2/4/15 – 3/3/15 in the amount of -\$1,145.44. MOTION CARRIED UNANIMOUSLY

**R.B. 15-46** MOTION by Harvey, supported by Lowenberg, to acknowledge receipt of the Informational Items including YTD 2014/2015 Budget, Handouts from One Day MAPERS Seminar, PRISA, PRISA II & PRISA III Market Update and Correspondence received during the period March 9, 2015 through April 13, 2015. MOTION CARRIED UNANIMOUSLY

**R.B. 15-47** MOTION by Fisher, supported by Wells, to acknowledge receipt of DROP application from D. Clevenger (Police, 2/17/15). MOTION CARRIED UNANIMOUSLY

There was no legislative update for the month. The Avignon update letter from Livingston York was accepted. There was discussion regarding the pending resignation of Government Services Group, Inc. who acts as the CDD manager. The Retirement Program Administrator was instructed to contact Matt Byron to obtain more information as to the requirements of being a CDD manager and whether it was a task he was able and willing to handle.

**R.B. 15-48** MOTION by Fisher, supported by Wells, to accept the legal report and Avignon update as presented. MOTION CARRIED UNANIMOUSLY

There was no new information to report regarding contract changes and the interpretation of the refund of accumulated contributions with corresponding pension reduction at this time.

The City guidelines regarding business cards were discussed. It was decided to go outside the City to get fee quotes. Ms. Siskind indicated that she would authorize allowing cell phone numbers to be included on business cards.

The Capital Markets Update: March 31, 2015 and the U.S. Economic Update: February 2015 were presented by Mr. Vitta. Mid and large cap stocks outperformed small cap stocks. The international arena was the place to be for the quarter. The economic indicators signaled good news. Mr. Lowenberg indicated that he met with David Sowerby of Loomis Sayles and that Mr. Sowerby would be happy to return as our primary contact, which made sense given his past and ongoing relationship with the Board and his proximate location. The other Trustees as well as Mr. Vitta indicated that there was no problem with the current arrangement and that it should be maintained. Mr. Vitta also provided a summary of Loomis Sayles's performance through March 31, 2015. Although they are lagging slightly for the one year performance period, performance in all other timeframes is above the benchmark. They have met all criteria that were set and it was recommended that they be taken off administrative probation.

**R.B. 15-49** MOTION by Harvey, supported by Lowenberg, to remove Loomis Sayles from administrative probation effective March 31, 2015. MOTION CARRIED UNANIMOUSLY

A change in personnel at Nantucket triggered their administrative probationary status. The new hires have acclimated well and it was recommended that they be returned to regular status.

**R.B. 15-50** MOTION by Harvey, supported by Lowenberg, to remove Nantucket from administrative probation effective March 31, 2015. MOTION CARRIED UNANIMOUSLY

Bradford & Marzec were also on administrative probation because of the departure of several key personnel and their status should have been addressed following December 31, 2014. It was recommended that they, too, be returned to regular status.

**R.B. 15-51** MOTION by Harvey, supported by Lowenberg, to remove Bradford & Marzec from administrative probation effective December 31, 2014. MOTION CARRIED UNANIMOUSLY

It was mentioned that the Board would like Brandes and Invesco to present an annual update in June. Rebalancing was reviewed and Northern Trust should be directed to close the Energy Opportunities fund.

Next, Mr. Vitta presented his report, Manager Search: Credit/Fixed Income – Fund of Hedge Funds, that focused on investing in the credit/fixed income arena as a complement to Nantucket. Extensive research was done and five candidates were presented along with summarized comparisons. This type of strategy is not expected to attain the target rate of return but, rather, protect capital. Allocation to this class, however, supports the target of attaining a long-term, overall goal. It was the concurrence of the Board to invite two organizations to interview in May: Fintan Partners and KStone Partners.

**R.B. 15-52** **MOTION** by Wells, supported by Garth, to acknowledge payment of invoices as follows: Invoice from Villages of Avignon CDD for reimbursable expenses as of March 19, 2015 in the amount of \$1,356.96; Invoice from Chase Card Services for VISA charges for the period 3/4/15 – 4/3/15 in the amount of \$173.84; Invoice from Morgan Dempsey for asset management services for the first quarter, 2015 in the amount of \$26,621; Invoice from Livingston York Advisors for asset consulting services for the period January 1, 2015 through March 31, 2015 in the amount of \$1,787.50; Invoice from The Northern Trust Company for custodial and asset management services for the quarter ending March 31, 2015 in the total amount of \$19,025.39 (direct debit). **MOTION CARRIED UNANIMOUSLY**

Legal counsel informed the Board that The Northern Company is being sued with regard to Securities Litigation and that the Retirement System information will be shared confidentially with the court.

Meeting adjourned at 12:10 p.m.

Prepared by Megan Battersby  
Retirement Program Administrator

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Audrey Harvey, Secretary