

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

**April 7, 2014**

---

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

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

**ABSENT:** Duane Garth

**ALSO**

**PRESENT:** Michael VanOverbeke/Legal Counsel, George Vitta/Asset Consultant, Megan Battersby/Retirement Program Administrator, Lauri Siskind/Human Resources Director, Randy Dziubek/GRS, Christopher Chard and Michael Israel/Brandes Investment Partners, Greg Klobucar/Harding Loevner, Jay Rollins/JCR Capital and M. Patrick Campbell/Perth Advisors

**R.B. 14-49** **MOTION** by Lowenberg, supported by Wells, to approve the March 10, 2014 regular meeting minutes. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-50** **MOTION** by Lowenberg, supported by Wells, to acknowledge receipt of the Cash & Asset Statement as of February 28, 2014 in the amount of \$197,056,920.75. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-51** **MOTION** by Lowenberg, supported by Wells, to approve Payment of Invoices as follows: Expense report from Shawn Wells for Opal Investment Education Symposium in the amount of \$564.13; Invoice from Chase Card Services for VISA charges for the period 02/04/14 – 03/03/14 in the amount of \$233.84. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-52** **MOTION** by Lowenberg, supported by Wells, to acknowledge receipt of the Informational Items as follows: YTD 2013/2014 Budget and Correspondence received during the period March 10, 2014 through April 4, 2014. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-53** **MOTION** by Fisher, supported by Wells, to acknowledge receipt of DROP Application from G. Sikorski (Command, 02/22/14). **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-54** **MOTION** by Fisher, supported by Wells, to acknowledge receipt of DROP Distribution requests from W. Pylkas and M. Shada. **MOTION CARRIED UNANIMOUSLY**

Randy Dziubek from GRS was present to address the Board regarding the invoice for additional fees due to the change in financial information provided. Additional work was required because the asset value was found to be incorrect (too low) when the draft report was presented. Mr. Dziubek stated that, in the future, he would provide any additional fees up front before commencement of the work. He also stated that he will be providing an actuarial fee letter for the next valuation as well as a GASB fee letter in the near future.

**R.B. 14-55** MOTION by Wells, supported by Harvey, to approve payment of the \$1,700 fee for additional actuarial work related to the annual actuarial valuation. MOTION CARRIED, LOWENBERG OPPOSED

Ms. Siskind raised the question of the fees charged and paid by the City for a Supplemental Valuation and whether they should reduce actuarial charges to the Retirement System. Mr. Dziubek and Ms. Siskind will research whether any overcharging occurred.

Legal counsel stated that there was nothing new to report regarding legislative updates. Mr. VanOverbeke provided an overview of what is happening with the Detroit bankruptcy and proposed reduction to pensions. Discussion ensued regarding how the outcome might affect other municipalities.

Avignon project update was discussed. No action regarding the purchase agreement was necessary by the Board at this time. Mr. VanOverbeke gave the Board a summary update of the City of Detroit lawsuit against CAPROC and specified that the Avignon properties were being heavily scrutinized. Two payables were presented, one from Villages of Avignon CDD and one from Livingston York Advisors. Ms. Harvey stated that, in the future, she would like to see more details of what was actually addressed by Livingston York.

**R.B. 14-56** MOTION by Fisher, supported by Lowenberg, to approve payment of the invoice from Villages of Avignon CDD for reimbursable expenses as of February 28, 2014 in the amount of \$12,180.51 (which includes the audit cost which will be incurred). MOTION CARRIED UNANIMOUSLY

**R.B. 14-57** MOTION by Harvey, supported by Wells, to approve payment of the invoice from Livingston York Advisors for the period January 1, 2014 through March 31, 2014 in the amount of \$4,462.50. MOTION CARRIED UNANIMOUSLY

The draft Summary Annual Report was presented and discussed. The budget should specify travel as well as education and training expenses and the investment performance should specify that the rates are net of fees. Several dates and headings also need to be corrected.

**R.B. 14-58** MOTION by Lowenberg, supported by Wells, to adopt the Summary Annual Report as of June 30, 2013 with modifications as discussed. MOTION CARRIED UNANIMOUSLY

Emerging Markets equity investment managers Brandes Investment Partners and Harding Loevner were present to address the Board as it was recommended at the previous meeting that the Board consider an allocation of 5% or \$10 million and the Retirement System currently doesn't get a true exposure to emerging markets through the three international funds.

JCR Capital and Perth Advisors were present to address the Board regarding Fund III. It will continue the strategy of Fund I and Fund II and it will focus on middle market commercial real estate with an emphasis on western states. The investment size will be \$5 to \$25 million and the investment duration will be typically 6 to 26 months.

Audrey Harvey exited the meeting at 11:20.

**R.B. 14-59** MOTION by Lowenberg, supported by Wells, to allocate \$10 million to JCR Capital Fund III. MOTION CARRIED UNANIMOUSLY

**R.B. 14-60** MOTION by Lowenberg, supported by Wells, to create an emerging Markets allocation of 3% with an initial funding of \$6 million to Brandes Investment Partners, subject to legal review of contracts. MOTION CARRIED UNANIMOUSLY

**R.B. 14-61** MOTION by Lowenberg, supported by Wells, to fund Brandes Investment Partners with \$4 million from WHV and \$2 million from NTGI/S&P Midcap 400 Equity. MOTION CARRIED UNANIMOUSLY

**R.B. 14-62** MOTION by Lowenberg, supported by Wells, to fund JCR Capital Fund II capital call which will be due in two weeks with funds from LSIA Dividend Aristocrats. MOTION CARRIED UNANIMOUSLY

The capital markets and U.S. economic updates were distributed by Mr. Vitta for review by the Board.

**R.B. 14-63** MOTION by Wells, supported by Lowenberg, to approve payment of the Morgan Dempsey invoice for asset management services for the period 1<sup>st</sup> quarter, 2014 in the amount of \$9,094.00. MOTION CARRIED UNANIMOUSLY

**R.B. 14-64** MOTION by Wells, supported by Lowenberg, to approve payment of The Northern Trust Company invoice for total fees for the period ending 03/31/14 in the amount of \$19,441.27 (auto debit on March 31, 2014). MOTION CARRIED UNANIMOUSLY

It was noted that Ms. Harvey will finally be reappointed to the Board on April 28, 2014. It was also noted that the \$100 gift card received from 1607 Capital was donated to Vandenberg Elementary School in Southfield.

Meeting adjourned at 12:30 p.m.

Prepared by Megan Battersby  
Retirement Program Administrator

---

Audrey Harvey  
Secretary