

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

**May 12, 2014**

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

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

**ABSENT:**

**ALSO**

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

**R.B. 14-65** **MOTION** by Wells, supported by Garth, to approve the April 7, 2014 regular meeting minutes. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-66** **MOTION** by Wells, supported by Garth, to acknowledge receipt of the Cash & Asset Statement as of March 31, 2014 in the amount of \$197,989,230.28. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-67** **MOTION** by Wells, supported by Garth, to approve Payment of Invoices as follows: Invoice from Chase Card Services for VISA charges for the period 03/04/14 – 04/03/14 in the amount of \$732.30; Invoice from LS Investment Advisors for asset management fees for the period January 1, 2014 through March 31, 2014 in the amount of \$4,964.02; Invoice from Loomis Sayles for asset management fees for the period January 1, 2014 through March 31, 2014 in the amount of \$21,051.26; Invoice from Loomis Sayles for asset management fees for the period January 1, 2014 through March 31, 2014 in the amount of \$23,052.88 (direct debit); Invoice from 1607 Capital Partners for asset management fees for the period 1/1/14 through 3/31/14 in the amount of \$26,767.09; Invoice from Energy Opportunities for asset management fees for the period 01/01/14 to 03/31/14 in the amount of \$11,359.28. **MOTION CARRIED UNANIMOUSLY**

Irv Lowenberg entered the meeting.

**R.B. 14-68** **MOTION** by Wells, supported by Garth, to acknowledge receipt of the Informational Items as follows: YTD 2013/2014 Budget and Correspondence received during the period April 7, 2014 through May 9, 2014. **MOTION CARRIED UNANIMOUSLY**

**R.B. 14-69** **MOTION** by Lowenberg, supported by Wells, to acknowledge receipt of DROP Distribution requests from S. Rowley, G. Wakefield and D. Clifford. **MOTION CARRIED UNANIMOUSLY**

The legal update was tabled awaiting legal counsel arrival. Avignon project update from Livingston York Advisors was discussed including the property sale and compliance with a permit for a wetland mitigation project on the property.

**R.B. 14-70** MOTION by Wells, supported by Harvey, to authorize Livingston York to engage Birkitt Environmental Services, Inc. to complete the work labeled “Task 1.0” in the Proposal for Wetland Reporting, Maintenance and Monitoring dated February 13, 2014 at a cost of \$930.00. MOTION CARRIED UNANIMOUSLY

**R.B. 14-71** MOTION by Fisher, supported by Wells, to accept the letter dated April 23, 2014 from the City’s Human Resources Director regarding SPCOA amended retirement benefits. MOTION CARRIED UNANIMOUSLY

**R.B. 14-72** MOTION by Fisher, supported by Harvey, to appoint Fisher and Wells as official delegates and Garth as an alternate delegate for the Spring MAPERS Conference. MOTION CARRIED UNANIMOUSLY

**R.B. 14-73** MOTION by Fisher, supported by Lowenberg, to pay the invoice from Chase Card Services for VISA charges for the period 4/4/14 – 5/3/14 in the amount of \$897.68. MOTION CARRIED UNANIMOUSLY

The March 31, 2014 Investment Performance Analysis was presented. Conclusions and recommendations were as follows:

1. Strong Total Fund return of +2.04% exceeded the Policy Index by 57 basis points due to outperformance from multiple managers.
2. Long-term results (10 years) remain ahead of objectives, and continue to rank favorably among U.S. public employee retirement plans.
3. Fiduciary Management was replaced by Morgan Dempsey in March 2014. The full quarter result for both managers combined was +2.82% (+2.23% from Morgan Dempsey for the month of March), which exceeded the Russell 2000 Index return of +1.12%.
4. Effective 1/01/2014, the investment policy mandate for the Bradford & Marzec portfolio transitioned to intermediate duration and will be measured against the Barclays Intermediate Aggregate index.
5. In the first quarter of probation (1/01 - 6/30/2014), both WHV Investment Management and Orleans Capital exceeded their benchmarks, by 0.73% and 1.75% respectively.
6. No violations of investment policy or guidelines were detected.
7. As of 5/08/2014, asset allocations are close to new policy targets.

**R.B. 14-75** MOTION by Wells, supported by Lowenberg, to accept the quarterly rate of return of 2.0373% for the quarter ended March 31, 2014. MOTION CARRIED UNANIMOUSLY

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

A Michigan Legislative Update was presented to the Board by legal counsel. House Bill 4001 which proposes amendments to FOIA was discussed. MAPERS opposes the bill feeling it is poorly drafted and doesn’t address needs. House Bill 4804 which would amend PERA was also discussed. It is viewed to be an attack on defined benefit plans and most likely won’t proceed. The legal opinion regarding Brandes compliance and a compilation of recent legal issues and decisions (which will be presented at the Spring MAPERS Conference) were presented.

**R.B. 14-76** MOTION by Wells, supported by Lowenberg, to accept the legal update, as presented. MOTION CARRIED UNANIMOUSLY

**R.B. 14-77** MOTION by Lowenberg, supported by Wells, to authorize the Board of Directors of SFPRS, Inc. to adopt the written resolution to appoint new officers. MOTION CARRIED UNANIMOUSLY

The provision of spousal benefits to same-sex couples who were legally married in Michigan during an open window was discussed. Mr. Fisher stated that he is concerned that the Retirement System be in compliance with all IRS guidelines. Legal counsel explained that State law governs J&S provisions so no action is required per IRS guidelines. There is no action to take, at this point, and the issue will be addressed when necessary and when there is hopefully a clear answer. There was discussion regarding non-duty death benefits and the designation of a beneficiary for Option I. Legal counsel will review this and make a recommendation. Ms. Siskind, HR Director, stated for the record that the City has not denied medical benefits in this same-sex marriage situation. They are still researching the law and how it applies and hope to have a decision soon.

The next scheduled meeting for June 9, 2014 has been moved to June 16, 2014. Legal Notice will be posted.

Meeting adjourned at 10:53 a.m.

Prepared by Megan Battersby  
Retirement Program Administrator

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Audrey Harvey  
Secretary