

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

June 12, 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, Audrey Harvey, Irv Lowenberg, Brent Wilson

ABSENT: Duane Garth

ALSO

PRESENT: Frank Judd and Michael VanOverbeke/Legal Counsel, Brian Green/Investment Consultant, Megan Battersby/Retirement Program Director, Matt Byron/Livingston York Advisors (via phone), Scott Thompson/Brandes, Kirk Tattersall and Shannon Fake/1607 Partners

R.B. 18-059 **MOTION** by Harvey, supported by Wilson, to approve the May 8, 2018 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-060 **MOTION** by Wilson, supported by Harvey, to acknowledge receipt of the Cash & Asset Statement as of April 30, 2018 in the amount of \$200,225,159.72. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-061 **MOTION** by Wilson, supported by Lowenberg, to approve payment of invoices as follows: Expense report from M. Battersby for MAPERS Spring Conference; Expense report from J. Fisher for MAPERS Spring Conference; Expense report from B. Wilson for MAPERS Spring Conference; Expense report from D. Garth for MAPERS Spring Conference. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-062 **MOTION** by Harvey, supported by Lowenberg, to acknowledge receipt of Informational Items as follows: YTD 2017/2018 Budget; Memo Copy Invoice from Tortoise for asset management services for the period January 1, 2018 - March 31, 2018 in the amount of \$15,274.28; Correspondence received during the period May 8, 2018 – June 11, 2018. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-063 **MOTION** by Wilson, supported by Fisher, to approve Retirement Application from E. Wells (07/13/18). **MOTION CARRIED UNANIMOUSLY**

R.B. 18-064 **MOTION** by Fisher, supported by Wilson, to approve DROP Distribution Elections from P. Simerely, L. Doan and K. Toupin. **MOTION CARRIED UNANIMOUSLY**

Legal Counsel discussed its letter to the Board regarding a fee increase as current billing rates have been maintained for 10 years. A proposed increase of \$10/hour would be effective July 1, 2018 followed by an annual increase based on the CPI-U for the prior year, not to exceed 3% in any one year. This fee structure would be maintained for five years.

R.B. 18-065 MOTION by Fisher, supported by Harvey, to accept and approve the proposed legal counsel fee increase and direct that the Board President execute the Legal Representation Agreement. MOTION CARRIED UNANIMOUSLY

Brent Wilson asked legal counsel about PA 202 and whether there are consequences if a municipality doesn't make the required filings. Legal Counsel provided a response to Trustee Wilson's questions regarding PA 202 and provided a general discussion of PA 202 and its requirements.

The general memo from Councilman Lloyd Crews to Board and Commissions Chairpersons requesting attendance at a Council meeting was tabled pending further information.

The letter from GRS Re: Proposed Services and Actuarial Fees was reviewed. There was discussion about what competition exists in the industry.

R.B. 18-066 MOTION by Lowenberg, supported by Harvey, to accept and file the fee letter from GRS dated June 1, 2018 describing the scope of services and fees for the period beginning July 1, 2018. MOTION CARRIED UNANIMOUSLY

The Retirement Program Director updated the Board on the status of Service Provider Disclosure Forms that were due by June 1. She also inquired whether a Certification of Earnings form should be sent to the one disability retiree who is due for recalculation in the fall. It was determined that procedures should be followed and the form sent.

The Board reviewed the Avignon monthly update letter and placed a call to the consultant, Livingston York Advisors. The due diligence period for the sale contract was set to expire on May 31 but SFPRS agreed to a short-term extension until June 15 to allow the Board to meet and consider the purchaser's proposed changes to the Purchase Agreement. There was extensive discussion on the four proposed changes and the consultant's recommendations.

R.B. 18-067 MOTION by Fisher, supported by Harvey, to concur with the four recommendations made by Livingston York Advisors in a letter dated June 6, 2018 regarding the Avignon property sale to Manatee Ventures, Inc. MOTION CARRIED UNANIMOUSLY

Because of the time and waiting money managers, the Board broke from regular business to conduct the investment roundtable with international managers 1607 Capital Partners and Brandes. Global insights and emerging market equity as well as expectations moving forward were discussed. The investment consultant presented a market update as of May 31, 2018. He plans on presenting education next month on high yield opportunities.

A proposed amendment to the Landmark Partners agreement was reviewed. Both legal counsel and the investment consultant have no concerns with the amendment.

R.B. 18-068 MOTION by Lowenberg, supported by Harvey, to approve the proposed amendment to the Landmark Partners Second Amended and Restated Partnership Agreement and direct that the Board President execute the Consent to the Amendment document. MOTION CARRIED UNANIMOUSLY

A text was received from the Avignon property consultant indicating that the counter proposals were communicated to the seller who, in turn, will respond tomorrow with a final counter proposal.

R.B. 18-069 MOTION by Lowenberg, supported by Harvey, to authorize Livingston York Advisors to respond affirmatively on behalf of the Board to Manatee Ventures, Inc. if a counter offer is received that results in a final sale price that equals or exceeds \$3.8 mill. MOTION CARRIED UNANIMOUSLY

R.B. 18-070 MOTION by Wilson, supported by Lowenberg, to pay invoices from Villages of Avignon CDD and Clark & Albaugh regarding normal, recurring management and legal costs in the combined total amount of \$4,396.37. MOTION CARRIED UNANIMOUSLY

R.B. 18-071 MOTION by Fisher, supported by Wilson, to pay invoice from Chase for credit card charges for the period 05/03/18 – 06/02/18 in the amount of \$913.72. MOTION CARRIED UNANIMOUSLY

R.B. 18-072 MOTION by Wilson, supported by Fisher, to pay invoices from VanOverbeke Michaud & Timmony for legal services for the period April 1, 2017 through June 30, 2017 in the amount of \$4,554.00, for the period July 1, 2017 through September 30, 2017 in the amount of \$6,624.00, and for the period October 1, 2017 through December 31, 2017 in the amount of \$8,388.00. MOTION CARRIED UNANIMOUSLY

Meeting adjourned at 3:46 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on July 10, 2018