

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

June 16, 2014

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, Matt Byron/Livingston York Advisors (via phone)

R.B. 14-78 **MOTION** by Wells, supported by Garth, to approve the May 12, 2014 regular meeting minutes. **MOTION CARRIED UNANIMOUSLY**

R.B. 14-79 **MOTION** by Wells, supported by Garth, to acknowledge receipt of the Cash & Asset Statement as of April 30, 2014 in the amount of \$197,974,136.71. **MOTION CARRIED UNANIMOUSLY**

R.B. 14-80 **MOTION** by Wells, supported by Garth, to approve Payment of Invoices as follows: Invoice from WHV for asset management fees for the period 1/1/2014 through 3/31/2014 in the amount of \$32,022.00; Invoice from GRS for annual (software) maintenance fee (November 2013 thru October 2014) in the amount of \$2,000.00; Invoice from GRS for software modifications and annual maintenance fee (November 2012 thru 2013) in the amount of \$11,000.00; Expense report from Megan Battersby for Spring MAPERS Conference in the amount of \$797.18; Expense report from John Fisher for Spring MAPERS Conference in the amount of \$752.60; Expense report from Shawn Wells for Spring MAPERS Conference in the amount of \$801.16; Invoice from Chase Card Services for VISA charges for the period 05/04/14 - 06/03/14 in the amount of \$521.52. **MOTION CARRIED UNANIMOUSLY**

Irv Lowenberg entered the meeting at 9:10.

R.B. 14-81 **MOTION** by Wells, supported by Lowenberg, to acknowledge receipt of the Informational Items as follows: YTD 2013/2014 Budget and Correspondence received during the period May 12, 2014 through June 13, 2014. **MOTION CARRIED UNANIMOUSLY**

R.B. 14-82 **MOTION** by Fisher, supported by Wells, to acknowledge receipt of Retirement Application from N. McCormick. **MOTION CARRIED UNANIMOUSLY**

R.B. 14-83 **MOTION** by Fisher, supported by Wells, to acknowledge receipt of DROP Distribution requests from L. Doan. **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, CDD close-out plan, wetland permit and payables. A late breaking update from Matt Byron was also discussed regarding a letter from Metro Development, the purchaser, informing SFPRS that they are terminating the Purchase Agreement for the sale of the property, which they have a right to do without penalty under the terms of the Agreement as they are still within the due diligence period.

R.B. 14-84 MOTION by Lowenberg, supported by Wells, to approve the proposed Agreement and Budget for the CDD subject to final review and approval by legal counsel, and further authorize the execution of the Agreement by the appropriate parties. MOTION CARRIED UNANIMOUSLY

R.B. 14-85 MOTION by Wells, supported by Lowenberg, to approve payment of the invoice from Villages of Avignon CDD for district management services as of May 1, 2014 in the amount of \$4,070.88. MOTION CARRIED UNANIMOUSLY

R.B. 14-86 MOTION by Wells, supported by Lowenberg, to approve payment of the invoice from Birkitt Environmental Services for completion of Task 1.0 of its original proposal in the amount of \$930.00. MOTION CARRIED UNANIMOUSLY

R.B. 14-87 MOTION by Wells, supported by Lowenberg, to authorize engagement of Birkitt Environmental Services to complete work labeled as Tasks 2.0 – 4.0 in its revised Proposal for Wetland Reporting, Maintenance and Monitoring dated June 5, 2014 at a total cost of \$5,142.00. MOTION CARRIED UNANIMOUSLY

Audrey Harvey entered the meeting via phone at 9:20.

The Avignon discussion continued with Matt Byron regarding the development of the area surrounding the Avignon properties and whether the listing price should be raised. Mr. Byron will get input and reply back to all Board Trustees with a recommendation.

Legal counsel updated the Board on legal matters. All Detroit bills that were introduced passed except for the DIA millage. There are concerns with the intent of the Legislature moving forward but nothing is affecting our Plan currently.

George Vitta presented the capital markets update. 2014 is off to a good start. The S&P has returned 5% YTD and employment rates continue to strengthen. The reopening of the PRISA II Fund was discussed and it was recommended that the Retirement System not invest in it. It is a high core property allocation and the System is currently at its 3% commitment. Funding of the JCR Fund III capital call as well as the PRISA III capital call was addressed.

R.B. 14-88 MOTION by Harvey, supported by Lowenberg, to authorize the Board's investment consultant, for purposes of future capital calls, to recommend funding from U.S. Equities, International Equities or U.S. Fixed Income asset classes consistent with policy allocation targets and then current allocations. MOTION CARRIED UNANIMOUSLY

Asset Strategies presented a fee agreement renewal proposal as their current service and fee agreement expired December 31, 2010. There was considerable discussion before Irv Lowenberg asked that the item be tabled and moved to the July agenda for approval.

The proposed services and actuarial fee letter from GRS was discussed. There was talk as to whether SERS ever sent out an RFP for actuarial services or still intended to do so. There was considerable concern expressed regarding the steep fees for EDRO calculations.

R.B. 14-89 **MOTION** by Fisher, supported by Garth, to acknowledge receipt of the June 9, 2014 engagement letter from GRS and approve the engagement of GRS for the June 30, 2014 valuation report and GASB reporting. **MOTION CARRIED UNANIMOUSLY**

Audrey Harvey exited the meeting at 11:10 a.m.

The Retirement Program Administrator summarized the 2013 fee disclosure responses received from investment fund managers and distributed the summary to the Board. She asked that legal counsel review the responses to ensure that complete and appropriate responses were received and also asked if the Board would like any other compilation of information. She was asked to forward the responses that indicated any indirect compensation and compensation among related parties to both legal counsel and the investment consultant for review. Mr. VanOverbeke stressed that it was the indirect compensation and compensation among related parties that was of interest and concern.

Meeting adjourned at 11:20 a.m.

Prepared by Megan Battersby
Retirement Program Administrator

Audrey Harvey
Secretary