

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

**July 14, 2015**

---

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

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

ABSENT:

ALSO

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

**R.B. 15-77** MOTION by Wells, supported by Garth, to approve the June 9, 2015 regular meeting minutes, as amended. MOTION CARRIED UNANIMOUSLY

**R.B. 15-78** MOTION by Wells, supported by Garth, to acknowledge receipt of the Cash & Asset Statement as of May 31, 2015 in the amount of \$199,133,328.33. MOTION CARRIED UNANIMOUSLY

**R.B. 15-79** MOTION by Harvey, supported by Wells, to acknowledge payment of invoices as follows: Expense report from Duane Garth for MAPERS Spring Conference in the amount of \$757.50; Invoice from Allegra Print & Imaging for business cards in the amount of \$376.30; Invoice from Asset Strategies for asset consulting services for the month of June, 2015 in the amount of \$9,104.43; Invoice from Villages of Avignon CDD for legal retainer in the amount of \$5,000.00; Invoice from The Northern Trust Company for total quarterly services for the period ending June 30, 2015 in the total amount of \$19,444.80 (direct debit); Invoice from City of Southfield for fiduciary liability insurance for the fiscal year 2015-2016 in the amount of \$20,835.00. MOTION CARRIED UNANIMOUSLY

Irv Lowenberg entered the meeting.

**R.B. 15-80** MOTION by Wells, supported by Lowenberg, to acknowledge receipt of the Informational Items including YTD 2014/2015 Budget and Correspondence received during the period June 9, 2015 through July 13, 2015. MOTION CARRIED UNANIMOUSLY

**R.B. 15-81** MOTION by Harvey, supported by Wells, to acknowledge receipt of DROP Applications from M. LaBrosse, R. Taylor and H. Hancock. MOTION CARRIED UNANIMOUSLY

**R.B. 15-82** MOTION by Wells, supported by Lowenberg, to acknowledge receipt of Retirement Application from R. Burkeen. MOTION CARRIED UNANIMOUSLY

**R.B. 15-83** MOTION by Wells, supported by Lowenberg, to acknowledge receipt of DROP Distribution Election from M. Wood. MOTION CARRIED UNANIMOUSLY

**R.B. 15-84** MOTION by Harvey, supported by Lowenberg, to acknowledge receipt of Annuity Withdrawal Distribution Elections from W. Breen and P. Hart. MOTION CARRIED UNANIMOUSLY

There was no legislative update for the month. A revised DRO Policy was presented to the Board for discussion and consideration.

**R.B. 15-85** MOTION by Harvey, supported by Lowenberg, to approve the updated DRO Policy as presented pending final review by the Retirement Program Administrator. MOTION CARRIED UNANIMOUSLY

The monthly Avignon letter was received. It was previously recommended that Clark Albaugh be hired. The retainer fee was paid and needs to be funded as requested.

**R.B. 15-86** MOTION by Wells, supported by Harvey, to acknowledge payment of \$5,000 attorney retainer fee approve and authorize the Retirement Program Administrator to make payments as required with documentation to be presented at the following meeting. MOTION CARRIED UNANIMOUSLY

GRS will attend the August 11 meeting to conduct an educational session for the Board.

**R.B. 15-87** MOTION by Harvey, supported by Lowenberg, to approve the budget as presented for the 2015-2016 fiscal year. MOTION CARRIED UNANIMOUSLY

**R.B. 15-88** MOTION by Lowenberg, supported by Harvey, to move the September meeting date from September 15 to September 8. MOTION CARRIED UNANIMOUSLY

The monthly U.S. Economic Update for May, 2015 was presented. The real GDP quarterly change was better than expected, but still negative. Consumer confidence levels are high. The Capital Markets Update through the end of May indicated that it was a poor month across the board.

KStone has agreed to meet Fintan's fees. They are requesting a three year lockup for fee concessions. A contract is currently being drafted with protections for the Board.

**R.B. 15-89** MOTION by Wells, supported by Lowenberg, to approve the proposed investment management agreement with KStone that was reviewed by legal counsel and the investment consultant. MOTION CARRIED UNANIMOUSLY

Investment manager allocations and how Fintan and KStone would be funded were reviewed. Extensive discussion ensued regarding the Investment Policy.

**R.B. 15-90** MOTION by Wells, supported by Lowenberg, to liquidate WHV and request \$4 mill each from Bradford & Marzec, Loomis Sayles Core Plus and LSIA to fund \$10 mill each to Fintan Partners and KStone Partners. MOTION CARRIED UNANIMOUSLY

There was a discussion regarding the roles of International Equity managers. A manager search was conducted resulting in a recommendation of five firms. However, the investment consultant, Mr. Vitta, recommends allocating additional funds to 1607 Capital Partners instead. Mr. Lowenberg asked that the report which was presented be revised to include 1607 Capital Partners results for comparison purposes. Mr. Vitta will provide the revised report next month.

An informative piece on Master Limited Partnerships was presented to the Board. Opportunity vs. risk was discussed and it was decided that no further action should be taken at this time.

Duane Garth exited the meeting.

**R.B. 15-91** **MOTION** by Wells, supported by Lowenberg, to approve payment of invoices as follows: Invoice from Livingston York Advisors for asset consulting regarding Avignon property management for the period April 1, 2015 through June 30, 2015 in the amount of \$2,212.50; Invoice from Villages of Avignon CDD for reimbursable expenses as of June 23, 2015 in the amount of \$2,640.00; Invoice from Chase Card Services for VISA charges for the period 6/3/15 – 7/2/15 in the amount of \$926.30; Invoice from Morgan Dempsey for asset management services for the period 2<sup>nd</sup> Qtr 2015 in the amount of \$26,294.00; Invoice from GRS for modification to software for DROP interest credits in the amount of \$7,000.00; Invoice from Brandes for asset management services for the period 04/01/15 through 06/30/15 in the amount of \$12,326.00 (auto debit). **MOTION CARRIED UNANIMOUSLY**

Meeting adjourned at 11:50 a.m.

Prepared by Megan Battersby  
Retirement Program Administrator

---

Audrey Harvey, Secretary