

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

September 18, 2018

The Board convened in Council Study at 11:30 a.m. with President Fisher presiding. The Meeting was started at 11:30 p.m.

PRESENT: John Fisher, Duane Garth, Irv Lowenberg, Brent Wilson, Audrey Harvey (via phone)

ABSENT:

ALSO

PRESENT: Michael VanOverbeke/Legal Counsel, Brian Green/Investment Consultant, Megan Battersby/Retirement Program Director, Lauri Siskind/HR Director

R.B. 18-098 **MOTION** by Harvey, supported by Wilson, to approve the August 14, 2018 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-099 **MOTION** by Lowenberg, supported by Wilson, to acknowledge receipt of the Cash & Asset Statement as of July 31, 2018 in the amount of \$200,871,874.61. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-100 **MOTION** by Garth, supported by Lowenberg, to approve payment of invoices as follows: Invoice from Chase for credit card charges for the period 8/4/18 – 9/3/18 in the amount of \$900.00. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-101 **MOTION** by Harvey, supported by Garth, to acknowledge receipt of Informational Items as follows: YTD 2018/2019 Budget; Correspondence received during the period August 14, 2018 – September 17, 2018. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-102 **MOTION** by Fisher, supported by Lowenberg, to approve Retirement Applications from K. James (09/15/18) and H. Hancock (09/04/18). **MOTION CARRIED UNANIMOUSLY**

R.B. 18-103 **MOTION** by Fisher, supported by Garth, to approve DROP Distribution Elections from P. Simerly, P. Meyer, E. Hawkins, M. Zacks and K. Rochon. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-104 **MOTION** by Fisher, supported by Wilson, to approve Annuity Withdrawal Distribution Elections from K. James, H. Hancock and E. Wells. **MOTION CARRIED UNANIMOUSLY**

Legal counsel presented an update on P.A. 202 of 2017 and a memo to the Board regarding Uniform Actuarial Assumptions. While it is not disputed that uniform assumptions and mechanisms are needed to recognize systems that may be in trouble in advance of becoming problematic, no one in the benefits community supports what has been recommended by the state treasurer. The recommendations are not a range but rather very specific. MAPERS responded during the comment period and a copy of that

response will be emailed to Board Trustees after the meeting. These assumptions are solely to establish a uniform database and not for funding purposes. It is thought that these assumptions will make systems look bad and give reason for closing DB and RHC plans. It will also burden retirement systems with additional costs (on top of the extra costs already presented by GASB). It is interesting to note, however, that the landscape could be completely different come June 30, 2019 (the next valuation date) with a new governor and different treasurer.

R.B. 18-105 MOTION by Fisher, supported by Wilson, to accept the legal report as presented.
MOTION CARRIED UNANIMOUSLY

An updated signatory resolution was presented to the Board. Wells was dropped as a signer and Wilson was added.

R.B. 18-106 MOTION by Garth, supported by Lowenberg, to adopt the updated Resolution Re: Updated Authorized Signatories as follows:

CITY OF SOUTHFIELD FIRE & POLICE RETIREMENT SYSTEM

RESOLUTION

ADOPTED: September 18, 2018

Re: Updated Authorized Signatories

WHEREAS, the Board of Trustees is vested with the authority for the general administration, management and operation of the Retirement System, and

WHEREAS, in carrying out the general administration, management and operation of the Retirement System, the Board from time to time takes action to enter into various investment management agreements, professional service contracts (i.e., actuary, attorney, etc.), and other legally binding documents requiring the signature or signatures of individuals duly authorized by the Board to execute such agreements on behalf of the Board, and

WHEREAS, prior to executing any such agreements or other legally binding documents, the Board deems it prudent to have its legal counsel review and approve all such agreements and other legally binding documents, therefore, be it

RESOLVED, that acting upon an appropriate resolution or motion of the Board of Trustees, the following shall be authorized to sign appropriate documentation to (i) give direction to the Board's investment managers, investment consultant, and custodial bank; or (ii) enter into service provider contracts or investment management agreements as detailed below:

A. Transfer of Funds or Trading Instructions:

The Retirement System from time-to-time is required to transfer funds within the various Retirement System accounts due to rebalancing, funding of new investment managers or to meet the liquidity needs of the system for the payment of the benefits and expenses. The Board, acting upon the recommendation of its Investment Consultant, shall from time to time adopt a "Liquidity

Schedule” which shall outline the various fund transfers. Communication regarding the liquidation of funds for transfer in such instances shall require the signature of at least one signatory of the Retirement System. From time to time, the Retirement Program Director may need to raise additional funds in excess of the approved Liquidity Schedule. In such instances, the Retirement Program Director, in consultation with the Investment Consultant and approval from the Board President, shall be authorized to transfer such funds as are necessary, from such manager or account as deemed appropriate, to satisfy any liquidity needs of the Retirement System.

B. Disbursement of Funds:

Upon the written request of a retiree or beneficiary, the Retirement System’s Retirement Program Director may disburse funds from the Retirement System’s DROP Account or Defined Contribution Account if the requested amount is not more than \$50,000.00 prior to a formal resolution or motion from the Board of Trustees.

For other disbursements from the Retirement System, such as the payment of invoices or disbursement of benefits in excess of \$50,000.00, such action requires the adoption of a prior Board resolution or motion.

C. Direction to Investment Managers, Investment Consultant or Custodial Bank:

The Retirement System from time-to-time may take action to direct its Investment Manager(s), Investment Consultant or Custodial Band to perform or refrain from performing certain actions. Such direction requires the signature of at least one signatory of the Retirement System.

D. Execution of Legal Documents:

From time-to-time, the Retirement System is required to enter into legally binding agreements between it and a service provider or execute other corporate legal documents. In such instances, after review and approval of the Board’s legal counsel, the signature of at least one signatory of the Retirement System is required.

RESOLVED, that the authorized signatories shall sign this resolution as certified samples of each authorized individual’s signature, and further

RESOLVED, that copies of this resolution shall be forwarded to the Board’s legal counsel, investment consultant, and such other parties as shall be requested.

John Fisher, President
Board of Trustees of the City of
Southfield Fire & Police Retirement System

Duane Garth, Vice President
Board of Trustees of the City of
Southfield Fire & Police Retirement System

Audrey Harvey, Secretary
Board of Trustees of the City of
Southfield Fire & Police Retirement System

Irv Lowenberg, Trustee
Board of Trustees of the City of
Southfield Fire & Police Retirement System

Brent Wilson, Trustee
Board of Trustees of the City of
Southfield Fire & Police Retirement System

Megan Battersby
Retirement Program Director of the City of
Southfield Fire & Police Retirement System

MOTION CARRIED UNANIMOUSLY

The RIE distribution calculation as of July 1, 2018 was reviewed and discussed. There are no new retirees to receive a distribution as of this distribution date.

R.B. 18-107 MOTION by Fisher, supported by Garth, to approve the RIE calculation of benefits as of July 1, 2018 to be distributed the first week of November 2018. MOTION CARRIED UNANIMOUSLY

R.B. 18-108 MOTION by Lowenberg, supported by Harvey, to designate Fisher and Wilson as primary delegates and Garth as an alternate delegate for the upcoming MAPERS Fall Conference. MOTION CARRIED UNANIMOUSLY

The Board received a copy of the Supplemental Actuarial Valuation ordered by the City in relation to negotiations with the Police union.

R.B. 18-109 MOTION by Fisher, supported by Lowenberg, to acknowledge receipt of a copy of the Supplemental Actuarial Valuation as of June 30, 2017 regarding proposed changes in plan provisions for Police Patrol Officers. MOTION CARRIED UNANIMOUSLY

The Board reviewed the Avignon monthly update letter. The closing is still set for November 15, 2018 or before. The existing Funding Agreement between SFPRS and the CDD will expire on September 30, 2018. In addition to approval of the Agreement document itself, the CDD's annual operating budget is likewise subject to SFPRS approval. Based on information from the consultant and approval by Retirement System's legal counsel, it is recommended that both be approved.

R.B. 18-110 MOTION by Fisher, supported by Garth, to approve the proposed Agreement and Budget for the CDD, and further authorize the execution of the Agreement by the Board president. MOTION CARRIED UNANIMOUSLY

R.B. 18-111 MOTION by Harvey, supported by Wilson, to pay invoices from Villages of Avignon CDD and Clark & Albaugh regarding normal, recurring management and legal costs as of August 14, 2018 in the total amount of \$4,608.54. MOTION CARRIED UNANIMOUSLY

The monthly market update was reviewed and discussed. Equities as well as fixed income were positive for the month. Growth stocks outperformed value stocks during the month while emerging markets continued to struggle.

Meeting adjourned at 12:18 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on October 9, 2018