

**REGULAR MEETING MINUTES
SOUTHFIELD FIRE AND POLICE RETIREMENT SYSTEM BOARD**

APRIL 18, 2023

The Board convened in Council Study at 12:00 p.m. The Meeting was started at 12:02 p.m. by President Fisher.

PRESENT: John Fisher; Audrey Harvey; Duane Garth; Irv Lowenberg

ABSENT: Brent Wilson

ALSO

PRESENT: Michael VanOverbeke, Legal Counsel/VMT; Brian Green, Investment Consultant/AndCo; Megan Battersby, Retirement Program Director/SFPRS; Trevor Savage/Reinhart

R.B. 23-034 **MOTION** by Harvey, supported by Garth, to approve Regular Meeting Minutes, Southfield Fire and Police Retirement System Board, March 14, 2023. **MOTION CARRIED UNANIMOUSLY**

R.B. 23-035 **MOTION** by Harvey, supported by Garth, to acknowledge receipt of Portfolio Summary Report as of February 28, 2023, in the amount of \$192,303,098.88. **MOTION CARRIED UNANIMOUSLY**

R.B. 23-036 **MOTION** by Harvey, supported by Garth, to approve payment of invoices as follows: Expense report from I. Lowenberg for March 14, 2023 meeting lunch; Invoice from AndCo for consulting services and performance evaluation for the period January, 2023 through March, 2023 in the amount of \$26,775.00; Chase Cardmember Services statement for credit charges for the period 03/03/23 – 04/02/2023 in the amount of \$1,350.03; Invoice from GRS for EDRO recalculation of benefits due to retirement for M. Albo in the amount of \$900.00; Invoice from YCM for asset management services for the period 1/1/2023 – 3/31/2023 in the amount of \$8,141.30; Invoice from Reinhart Partners for asset management services for the period Quarter 1, 2023 in the amount of \$22,854.00. **MOTION CARRIED UNANIMOUSLY**

R.B. 23-037 **MOTION** by Harvey, supported by Garth, to acknowledge receipt of Informational Item as follows: YTD 2022-2023 Budget. **MOTION CARRIED UNANIMOUSLY**

R.B. 23-038 **MOTION** by Harvey, supported by Garth, to acknowledge receipt and approval of Retirement Applications from N. Loop (04/10/2023), M. Albo (05/01/2023), J. Mitchell (05/19/2023), M. Leon (06/03/2023), S. Middleton (surviving spouse 05/01/2023), D. Ozias (surviving spouse 05/01/2023). **MOTION CARRIED UNANIMOUSLY**

R.B. 23-039 MOTION by Harvey, supported by Garth, to acknowledge receipt and approval of DROP Distribution Elections from A. Rodgers, G. Lask, R. Taylor, N. Loop, M. Albo. MOTION CARRIED UNANIMOUSLY

R.B. 23-040 MOTION by Harvey, supported by Garth, to acknowledge receipt and approval of Annuity Withdrawal Distribution Elections from N. Loop, M. Albo. MOTION CARRIED UNANIMOUSLY

Audrey Harvey indicated that she would like to attend the Opal Public Funds Summit East conference in Newport, RI on July 10 – 12, 2023.

R.B. 23-041 MOTION by Harvey, supported by Fisher, to approve the attendance of any Trustee at the Opal Public Funds Summit East conference in Newport, RI on July 10 – 12, 2023. MOTION CARRIED UNANIMOUSLY

Legal Counsel discussed two memorandums from his office. The first concerned the Michigan pension tax changes that will take effect 90 days after the end of the current legislative session. He indicated that state Treasury's interpretation is that the change will apply to tax year 2023 if the change is effective before a 2023 tax return is filed. He noted that the Retirement System is not responsible for notifying retirees and it remains to be seen how Northern Trust will handle the change.

The second memorandum concerned the Protecting Michigan Pension Grant Program that was rolled out this week. Two DRO resolutions were also presented.

R.B. 23-042 MOTION by Harvey, supported by Lowenberg, to receive and file memorandum from Legal Counsel Re: Michigan Pension Tax Changes, Public Act 4 of 2023 dated March 17, 2023 and Memorandum from Legal Counsel Re: Protecting Michigan Pension Grant Program dated March 17, 2023. MOTION CARRIED UNANIMOUSLY

R.B. 23-043 MOTION by Harvey, supported by Garth, to acknowledge adoption of DRO Resolution Re: Hart v. Hart as follows:

**CITY OF SOUTHFIELD
FIRE AND POLICE RETIREMENT SYSTEM**

RESOLUTION

Adopted: April 18, 2023

**RE: Paul J. Hart v. Chantel Hart
Livingston County Circuit Court Case No. 21-008634-DO**

WHEREAS, the Board of Trustees is in receipt of a Domestic Relations Order dated March 24, 2023, wherein Chantel Hart, the Alternate Payee, is awarded certain rights to the benefits of Paul J. Hart, the Participant, and

WHEREAS, the Alternate Payee is entitled to claim a portion of the Participant’s retirement benefit from the defined benefit plan and the defined contribution (i.e., annuity withdrawal) plan, if applicable, and

WHEREAS the payments from the plan to the Alternate Payee shall begin as soon as administratively feasible, and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law and that based on the provisions of the Order there is no need to forward the Order to the Board’s Actuary for calculations, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to the provisions of the order as soon as administratively feasible, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and

RESOLVED, that copies of this resolution be sent to Paul J. Hart, the Participant; Thomas A. Matthews, Esq., attorney for the Participant; Chantel Hart, the Alternate Payee; and Garth R. Jackson, Esq., attorney for the Alternate Payee.

MOTION CARRIED UNANIMOUSLY

R.B. 23-044 **MOTION** by Harvey, supported by Garth, to acknowledge adoption of DRO Resolution Re: Clark v. Clark as follows:

**CITY OF SOUTHFIELD
FIRE AND POLICE RETIREMENT SYSTEM**

RESOLUTION

Adopted: April 18, 2023

RE: *Lisa M. Clark v. Christopher S. Clark*
Macomb County Circuit Court Case No. 22-010074-DM

WHEREAS, the Board of Trustees is in receipt of a Domestic Relations Order dated March 24, 2023, wherein Lisa M. Clark, the Alternate Payee, is awarded certain rights to the benefits of Christopher S. Clark, the Participant, and

WHEREAS, the Alternate Payee is entitled to claim a portion of the Participant’s retirement benefit from the defined benefit plan, and

WHEREAS, the Alternate Payee is not entitled to a portion of the Participant's DROP Account, and

WHEREAS, the payments from the plan to the Alternate Payee shall begin as soon as administratively feasible, and

WHEREAS, the Board's policy is to require that the costs for the actuary's calculations are to be borne by the parties to the domestic relations proceedings, and the order provides that the Participant and the Alternate Payee shall be equally responsible for any and all additional costs for actuarial services, and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order subject to the provisions of the order as soon as administratively feasible, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and

RESOLVED, that copies of this resolution be sent to Christopher S. Clark, the Participant; Dennis M. Germain, Esq., attorney for the Participant; Lisa M. Clark, the Alternate Payee; and the Board's Actuary. MOTION CARRIED UNANIMOUSLY

Trevor Savage from Reinhart Partners was present to provide an annual update to the Board. He gave an overview of the firm, account history, performance, and high and low performers. He fielded questions from Trustees and stated that Reinhart is well positioned for an uncertain future.

Investment Consultant provided a market update as of March 31, 2023. He reviewed investment and manager allocations. He discussed preliminary fund values and returns and liquidity needs. He recommended no action.

Investment Consultant provided an emerging market overview of China and how it has performed. He presented the conclusion that, if there were a choice to include or exclude China in the emerging market segment, it would be beneficial to include it.

Investment Consultant presented Capital Market and Portfolio Review. AndCo recommended maintaining the current investment policy due to the forecasted risk/return characteristics and long-term objectives of the Plan. Consideration can be given for reducing the hedge fund allocation as the private equity and direct lending/private credit allocations increase over time.

The Champlain manager review was tabled until next meeting.

There being no further business to come before the Board, the meeting was adjourned at 1:52 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on May 16, 2023