

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

DECEMBER 5, 2023

The Board convened in Council Study at 12:00 p.m. The Meeting was started at 12:23 p.m. by President Fisher.

PRESENT: John Fisher; Duane Garth; Irv Lowenberg

ABSENT: Audrey Harvey; Brent Wilson

ALSO

PRESENT: Michael VanOverbeke, Legal Counsel/VMT; Brian Green, Investment Consultant/AndCo; Megan Battersby, Retirement Program Director/SFPRS; Scott Boyle and Jeff Jacob/Marathon; William Goldsmith and Libby Greenstone and Eric Strzempek/Nantucket

R.B. 23-112 MOTION by Garth, supported by Lowenberg, to approve Regular Meeting Minutes, Southfield Fire and Police Retirement System Board, November 14, 2023. MOTION CARRIED UNANIMOUSLY

R.B. 23-113 MOTION by Garth, supported by Lowenberg, to acknowledge receipt of Portfolio Summary Report as of October 31, 2023, in the amount of \$181,581,131.88. MOTION CARRIED UNANIMOUSLY

R.B. 23-114 MOTION by Garth, supported by Lowenberg, to approve payment of invoice as follows: Expense report from I. Lowenberg for November 14, 2023 meeting lunch. MOTION CARRIED UNANIMOUSLY

R.B. 23-115 MOTION by Lowenberg, supported by Garth, to acknowledge receipt of Informational Items as follows: YTD 2023-2024 Budget; Northern Trust invoice for period ending 12/31/2023. MOTION CARRIED UNANIMOUSLY

R.B. 23-116 MOTION by Fisher, supported by Garth, to acknowledge receipt and approval of DROP Distribution Elections from S. Dickey, B. Pylkas. MOTION CARRIED UNANIMOUSLY

R.B. 23-117 MOTION by Fisher, supported by Garth, to acknowledge receipt and approval of Annuity Withdrawal Distribution Election from G. Stirling. MOTION CARRIED UNANIMOUSLY

R.B. 23-118 MOTION by Fisher, supported by Lowenberg, to re-elect the current slate of Board Officers for 2024: John Fisher, President; Duane Garth, Vice-President; Audrey Harvey, Secretary. MOTION CARRIED UNANIMOUSLY

Review of Retirement Program Director was tabled until the January meeting.

R.B. 23-119 MOTION by Lowenberg, supported by Garth, to accept and approve final City of Southfield Fire and Police Retirement System 71st Actuarial Valuation Report as of June 30, 2023 with a computed employer contribution rate of 45.67% and a minimum dollar contribution of \$10,614,452 for the fiscal year beginning July 1, 2024 and direct that the final copy be sent to the City Fiscal Services Director. MOTION CARRIED UNANIMOUSLY

R.B. 23-120 MOTION by Garth, supported by Lowenberg, to accept and approve final City of Southfield Fire and Police Retirement System GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions as of June 30, 2023 and direct that the final copy be sent to the City Fiscal Services Director. MOTION CARRIED UNANIMOUSLY

Legal Counsel discussed PA 214 amendments to the Open Meetings Act. He reviewed a memo from his office and indicated that it is only applicable to Retirement and RHC Boards and will become effective February 13, 2024. He noted that changes to Michigan tax withholding will also become effective February 13, 2024. He indicated that the Board will need to adopt a policy that outlines what the Board will allow. He will start drafting a policy for review and discussion at the January meeting.

Retirement Program Director did not have anything to report to the Board.

Marathon was present at the meeting to provide an annual update to the Board on the Distressed Credit Fund. Portfolio highlights and capital return forecast were discussed. Q3 2023 actual and projected performance was reviewed and questions from Trustees and Investment Consultant were answered.

Nantucket was present at the meeting to provide an annual update to the Board on the Institutional Fund Multi-Managers Hedge Fund portfolio. They discussed the value of hedge fund investing and why Nantucket. 2022 performance was recapped as were actions that have been taken to avoid another disappointing year. Post action fund performance and attribution for the period ending 10/31/2023 was reviewed as was the outlook, with Nantucket indicating that performance is back on track.

A proposed 2024 calendar for manager reviews was presented and discussed.

R.B. 23-121 MOTION by Lowenberg, supported by Garth, to approve the proposed 2024 Calendar for Manager Reviews as presented. MOTION CARRIED UNANIMOUSLY

Investment Consultant reviewed Investment and Manager allocations and rebalancing was discussed. Investment Consultant recommended moving \$3 mill from YCM to Cash.

R.B. 23-122 MOTION by Lowenberg, supported by Garth, to approve the transfer of \$1,500,000 from YCM S&P 500 Growth Fund and \$1,500,000 from YCM S&P 500 Value Fund to Cash Account. MOTION CARRIED UNANIMOUSLY

Investment Consultant presented Intermediate Fixed Income Manager Analysis. The Loomis Sayles fixed income fund is currently a co-mingled fund, and the Board would like to move to a separately managed fund. Another manager is being considered because Loomis Sayles minimum investment for a separately managed fund is \$50 mill. His proposed plan of action is to adopt a revised Investment Policy Statement, adopt a rebalancing strategy, and hire a new fixed income manager.

R.B. 23-123 MOTION by Garth, supported by Lowenberg, to adopt the revised Investment Policy Statement as presented with updated 3-year Fixed Income asset allocation targets and allowable ranges. MOTION CARRIED UNANIMOUSLY

It was decided to invite Fixed Income managers Boyd Watterson and National Investment Services to present to the Board at the January meeting.

Investment Consultant presented and discussed a memo from AndCo dated December 5, 2023 requesting a fee increase of 3% effective January 1, 2024. The last increase was effective January 1, 2022. The Board indicated that they are very pleased with services rendered.

R.B. 23-124 MOTION by Fisher, supported by Lowenberg, to approve a 3% fee increase for AndCo Consulting effective January 1, 2024, increasing the annual fee from \$107,100 to \$110,300. MOTION CARRIED UNANIMOUSLY

There being no further business to come before the Board, the meeting was adjourned at 3:14 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on January 16, 2024