

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

AUGUST 12, 2025

The Board convened in Council Study at 12:00 p.m. The Meeting was started at 12:15 p.m. by Vice President Garth.

PRESENT: Duane Garth; Audrey Harvey; Irv Lowenberg; Brent Wilson

ABSENT: John Fisher

ALSO

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

R.B. 25-068 **MOTION** by Harvey, supported by Wilson, to approve Regular Meeting Minutes, Southfield Fire and Police Retirement System Board, July 8, 2025. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-069 **MOTION** by Harvey, supported by Wilson, to acknowledge receipt of Portfolio Summary Report as of July 31, 2025, in the amount of \$210,333,413.08. **CARRIED UNANIMOUSLY**

R.B. 25-070 **MOTION** by Wilson, supported by Harvey, to approve payment of invoices as follows: Expense report from I. Lowenberg for July 8 2025 meeting lunch; Invoice from Champlain for asset management services for the period 01 April 2025 to 30 June 2025 in the amount of \$27,520.88; Invoice from NIS for asset management services for the period April 1, 2025 through June 30, 2025 in the amount of \$12,765.00; Invoice from Reinhart for asset management services for the period Quarter 2, 2025 in the amount of \$20,330.00; Invoice from 1607 for asset management services for the period 4/1/25 through 6/30/25 in the amount of \$72,291.75; Expense report from B. Wilson for Opal Public Funds Summit East 2025; Credit card statement for the period 07/03/25 – 08/02/25 in the amount of \$1,305.58; Expense report from I. Lowenberg for IMN Real Estate Forum. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-071 **MOTION** by Harvey, supported by Wilson, to acknowledge receipt of Informational Item as follows: YTD 2024-2025 Budget; YTD 2025-2026 Budget. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-072 **MOTION** by Wilson, supported by Lowenberg, to acknowledge receipt and approval of DROP Application from B. Matatall. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-073 **MOTION** by Wilson, supported by Lowenberg, to acknowledge receipt and approval of DROP Distribution Elections from S. Dickey, D. Elmore, P. Stempien, J. Roberts, G. Lask, D. Elmore, D. Elmore, D. Denham, M. Raby. **MOTION CARRIED UNANIMOUSLY**

A revised travel and education policy was presented and reviewed by Legal Counsel. It is strongly recommended that each individual participates in continuing education. Changes were thoroughly discussed, stressing that individuals traveling at the Retirement System's expense are responsible for ensuring that travel is conducted using the most appropriate, efficient, and reasonable methods.

R.B. 25-074 **MOTION** by Harvey, supported by Lowenberg, to amend the 2025-2026 budget that was approved in July by increasing the annual Education/Training/Travel budget from \$30,000 to \$36,000. **MOTION CARRIED UNANIMOUSLY**

R.B. 25-075 **MOTION** by Harvey, supported by Wilson, to approve the Revised Travel and Education Policy Revised August 12, 2025 as follows:

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

Adopted: March 7, 1994
Revised: September 8, 2009
Revised: August 12, 2025

Re: Revised Travel and Education Policy

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

WHEREAS, the Board recognizes that it is subject to the provisions of the Public Employee Retirement System Investment Act, Michigan Public Act 314 of 1965, as amended, wherein the Board is required to act as a prudent investor in all transactions related to Retirement System assets by discharging its duties solely in the interests of the participants and beneficiaries and shall act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims; and with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered, and

WHEREAS, the Board recognizes that in order for the beneficiaries of the Retirement System to have the best representation by their elected and appointed Trustees, it is imperative for the representatives of the Retirement System to participate in Board business, including continuing education programs, and

WHEREAS, the Board recognizes that, consistent with its fiduciary duty and liability, it is necessary and appropriate for Retirement System representatives to attend Board meetings and educational programs so that the Board may be made aware of developments regarding Retirement

System administration, and so that the Board may further become aware of how persons acting in a like capacity administer their respective retirement systems, and

WHEREAS, due to the fiduciary responsibilities entrusted to the Board, all Retirement System representatives are encouraged to participate in meetings of the Board and maintain educational levels consistent with established fiduciary responsibilities, and

WHEREAS, the Board hereby strongly recommends that each Trustee attend pension or retiree health care related conferences and seminars, and

WHEREAS, the Board shall establish an annual budget for travel allowance and participation in educational programs that will include allowances for each Trustee and the Retirement Administrator, and

WHEREAS, the Board, with the assistance of Legal Counsel, has reviewed and revised its travel policy for the Retirement System, the contents of which are consistent with IRS standard allowance rules as may be updated from time to time; subject to the appropriate supplements and/or amendments to reflect the fiduciary duty and authority of the Board of Trustees of the Retirement System.

NOW THEREFORE BE IT RESOLVED, that the *Revised Travel and Education Policy* for the City of Southfield Fire and Police Retirement System is adopted as follows:

PROCEDURE

1. Retirement System representatives are encouraged to attend all meetings of the Board and are also approved to attend educational programs sponsored by the following organizations: National Conference on Public Employee Retirement Systems (NCPERS), Michigan Association of Public Employee Retirement Systems (MAPERS), Opal Financial Group, and International Foundation of Employee Benefit Plans (IFEBP).
2. Individuals wishing to attend additional or other educational programs shall request prior Board approval. For each educational program request a Travel and Education Attendance Request Form (Attachment A) shall be completed and submitted to the Board for approval. The following information shall be provided on the Request Form: (1) the name of the traveler; (2) the title of the educational program, seminar, or conference; (3) location of the program, seminar, or conference; (4) the dates of travel; (5) name of hotel, number of nights, and daily rate; (6) registration fees; (7) mode of transportation; (8) cost of travel; (9) other expected incidental costs; (10) advance checks required, including to whom, amount, and reason for the check; (11) a copy of promotional brochure for the program, seminar, or conference.
3. Individuals traveling at the Retirement System's expense are responsible for ensuring that travel is conducted using the most appropriate, yet practical, arrangements.

4. Normally, travel time shall not exceed the duration of the educational program plus the day before and the day after the program if appropriate. However, an exception is allowed to travel earlier or later when there is a net savings to the Retirement System in an amount which exceeds the cost of the additional night's stay plus meals and incidental expenses. The individual shall provide documentation of quoted travel costs to support the extended travel dates. Travel time, however, shall also consider the start and finish times of the conference; the distance to be traveled; the manner of travel; and religious concerns.
5. While it is understood that receipts for expenses cannot always be obtained, every effort should be made to properly substantiate all costs whenever possible. The following expenses will be reimbursed so long as proper documentation is provided to the Board within a reasonable time.
 - A. Registration: Conference fees and actual registration charged by the conference shall be paid by the Retirement System. Early registration at a program may produce significant savings in overall expenses.
 - B. Transportation: Individuals traveling on Retirement System business will utilize the most economical and efficient means of transportation. Use of a more expensive method of transportation other than the most economical and efficient, will be allowed only upon the approval of the Board or at the individual's personal expense.

In putting together travel itineraries, it is the expectation of the Board that members will look for and take advantage of travel discounts where available. Recognizing that carriers have begun charging for incidental items historically included in the ticket price (i.e., checking luggage and providing pillows, blankets, and non-alcoholic beverages during flights, etc.), the Retirement System will also reimburse carrier charges for such incidental items. Airfare expenses must be documented by submitting the last page of the ticket package, a receipt printed at check-in or a copy of an e-ticket. First class or business class will be allowed only where there is no other service available or an urgency exists. Early arrival or Saturday travel is allowed where there is a net gain to the Retirement System.

Ground transportation/parking includes airport parking and transportation to and from the conference site and any transportation necessary to conduct Retirement System business. All individuals traveling to an out-of-state conference may have a rental vehicle available for their use during the time period that they are approved for Board travel.

Flat rate mileage will be paid for use of a private vehicle as per the current Internal Revenue Service regulations, plus parking fees.

- C. Lodging: The Board does not expect a member traveling under this policy to reside in either extreme of accommodations. The acceptable practice is a medium-priced room in the conference or seminar hotel.
- D. Meals: Charges for meals shall be properly documented by a hotel receipt, restaurant receipt or credit card statement. The Board will reimburse only reasonable costs incurred including reasonable gratuities. Any expenditure exceeding \$25.00 must be substantiated by a receipt. **No alcoholic beverages will be paid for at Board expense.**
- E. Miscellaneous: Miscellaneous expenses incidental to Board travel shall be held to a minimum in accordance with essential and reasonable requirements for official conduct of Board business. Individuals will be reimbursed for any miscellaneous expenses that are incurred for the express purpose of Board business and shall include: local transportation (e.g., taxi, bus, subway), telephone calls, postage, tolls, parking, baggage/luggage fees. Expenses not allowed include: parking/moving violations, alcohol, entertainment, golf registration fees, travel insurance, laundry, valet, or other personal services, repair and maintenance of personal vehicle.
- F. Advance: After travel has been approved by the Board, an individual may draw an estimated amount of money in advance to cover the expected cost of the trip and expenses connected therewith by submitting an appropriate request in writing to the Board's Retirement Administrator. Travel advances are limited to a maximum of \$50.00 per day. An individual may be reimbursed for expenses paid in advance of the conference upon submittal of the appropriate documentation to the Retirement Administrator.
- G. Entertainment of Others: Meals or other expenses incurred for others are reimbursable when related to a specifically explained business purpose. The following explanation regarding meal or entertainment expenditures for others must be detailed:
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|--|
| Date |
| Description (lunch, dinner, etc.) |
| Name of establishment |
| Names, titles and business affiliations of those for whom expense was incurred |
| Business purpose |
| Expense Amount |

6. Failure to provide proper documentation of an expense within 60 days may invalidate any claim for reimbursement and will prevent any future advances being provided.

7. All persons who attend a seminar or conference must earn an attendance or participatory certificate if the seminar or conference sponsor offers such a certificate. The failure to earn such a certificate may result in the particular attendee becoming ineligible to attend any further educational seminars and/or conferences.
8. The Board acknowledges and understands that in the fulfillment of Retirement System responsibilities, an individual shall not suffer a loss because of absence from City employment. In accordance with Public Act 314 of 1965, the Board may utilize a portion of the Plan's investment earnings to pay for such expenses.
9. Abuse of the foregoing policy, including falsifying expense reports to reflect costs not incurred, can be grounds for disciplinary action, including, but not limited to, action seeking removal from the Board.
10. The Board shall establish an annual budget for professional training, education, and travel. Each Pension Board member and the Retirement Administrator shall be allocated one-sixth (1/6th) of the annual travel budget allowance. Under extenuating circumstances the Board may approve an additional allowance for a Pension Board member or the Retirement Administrator.
11. A Pension Board member attending an education program shall provide a brief written or oral report evaluating the program and its merits to the Pension Board at their next regular meeting, the key points of which shall be included in the minutes of the meeting.
12. Trustees may also elect to provide copies of any printed materials received at any educational session.

MOTION CARRIED UNANIMOUSLY

Manager presentation by TerraCap was tabled pending updated investment return results.

Investment Consultant presented Investment Performance Review for the Period Ending June 30, 2025. Executive Summary was as follows:

The second quarter of 2025 was a period of pronounced market volatility followed by a remarkable recovery, showcasing investor resilience amidst significant policy shifts and geopolitical tensions. US equity markets, after an initial sharp decline triggered by new tariff announcements in early April, staged a robust rebound, with major indices closing at record highs. This recovery was largely fueled by the temporary suspension of tariffs, stronger-than-expected corporate earnings, and continued enthusiasm for artificial intelligence. The S&P 500 gained nearly +11% in the second quarter and small caps (Russell 2000) rose +8.5%. International equity markets continued their rally in Q2 2025, benefiting from a declining US dollar and outpacing U.S. equities (MSCI EAFE +11.8%; MSCI EM +12.0%). Bond markets also experienced fluctuations, but generally delivered positive returns, with shorter-term bonds outperforming (Bloomberg US Aggregate +1.2%). The Federal Reserve maintained its "patient" stance on interest rates, navigating a complex environment of persistent inflation and moderating economic growth. Geopolitical events, while notable, had a surprisingly limited impact on overall market performance. The

quarter underscored the importance of long-term investment principles and diversification in a dynamic global landscape.

1. Total Fund return of +5.72% underperformed the Policy Index return of +6.6% and ranked in the 77th percentile. The primary drivers of the underperformance were the focus on Value and Dividends in the Large Cap allocation, in addition to underperformance from both Reinhart and Champlain.
2. For the fiscal year ended 6/30/2025, the total fund returned +10.80%, ranking in the 57th percentile.
3. Within the Large Cap allocation, the S&P Dividend Aristocrat returned -0.75%, with Value at +2.99% and Growth at +18.90%.
4. Within the small cap allocation, Champlain and Reinhart underperformed.
5. Within International Equity, 1607 and ABS both outperformed their index. 1607 due to NAV expansion and emerging market overweight. ABS outperformed due to their smaller cap bias.
6. Within Fixed Income, both Boyd Watterson and NIS beat the benchmark for the quarter. Marathon I continues to distribute capital each quarter, Fund II is 41% deployed. Bloomfield Capital is now fully deployed. During the quarter capital calls were made for Monroe Capital Fund V, Marathon Distressed Credit Fund II, and EnTrust Blue Ocean Fund II.
7. Within the hedge fund allocation, Nantucket beat the index due to technology and growth holdings.
8. Within Real Estate, PRISA I, II and III all outperformed for the quarter. JCR IV is actively harvesting. Ares (Landmark) Fund VII had continued activity during the quarter and is approximately 66% called. TerraCap is 100% called. Artemis is 44% called and Centerbridge has called 48% of capital.
9. Constitution Co-invest fund called 99% of the commitment. The Partnership fund has called 69% of capital.
10. As of quarter end the Total Fund was in compliance with Public Act 314.

Investment Consultant reviewed market values and manager allocations. Rebalancing was recommended for liquidity needs.

R.B. 25-076 MOTION by Lowenberg, supported by Wilson, to approve the transfer of \$1,650,000 from Boyd Intermediate Fund and \$1,650,000 from NIS Intermediate Fund to Cash Account. MOTION CARRIED UNANIMOUSLY

R.B. 25-077 MOTION by Lowenberg, supported by Wilson, to approve the quarterly market rate of return of 5.7198% for the quarter ended June 30, 2025. MOTION CARRIED UNANIMOUSLY

Legal Counsel acknowledged a firefighter in the audience who was present to ask questions about the credited service purchase program that was part of their last contract and which has not yet been implemented. Legal Counsel indicated that he was invited to a meeting by HR to discuss the program and that his understanding was that it would be rolled out very soon. He answered questions based on what had been discussed in the meeting and indicated that HR would be administering the program. Only when a member purchased additional credited service would the

Retirement System be advised, at which time they would acknowledge and approve the application.

Legal Counsel discussed communication from Northern Trust about their enhanced class action service. He indicated that securities litigation is an important part of plan administration and that his firm fully supports the enhancement to service. He recommended not opting out of the new service. Therefore, no action is required.

Legal Counsel discussed the request from James Meadows, HR Director, to process a non-duty retirement for Paul Biediger. He noted that Mr. Biediger is over 55 years of age with over 20 years of service and is eligible for normal retirement. He indicated that procedures for processing a non-duty retirement should be followed unless Mr. Biediger applies for retirement.

The Retirement Program Director did not have anything additional to relate to the Board.

There being no further business to come before the Board, the meeting was adjourned at 2:32 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on September 9, 2025