

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

January 21, 2020

The Board convened in Council Study at 11:30 a.m. with President Fisher presiding. The Meeting was started at 11:40 a.m.

PRESENT: John Fisher, Duane Garth, Audrey Harvey, Brent Wilson, Irv Lowenberg (left early)

ABSENT:

ALSO

PRESENT: Michael VanOverbeke, Legal Counsel/VMT; Brian Green and Philip Schmitt, Investment Consultants/AndCo; Megan Battersby, Retirement Program Director/SFPRS; Joanne Yee and Blake Grauer/Apollo Global Management; Wayne Dahl and Rema Mukheja/Oaktree

R.B. 20-001 **MOTION** by Harvey, supported by Lowenberg, to approve Minutes of the Regular Meeting of Southfield Fire & Police Retirement System Board on December 10, 2019. **MOTION CARRIED UNANIMOUSLY**

R.B. 20-002 **MOTION** by Harvey, supported by Lowenberg, to acknowledge receipt of Cash & Asset Statement as of November 30, 2019 in the amount of \$195,812,908.39. **MOTION CARRIED UNANIMOUSLY**

R.B. 20-003 **MOTION** by Harvey, supported by Lowenberg to approve payment of invoices as follows: Invoice from AndCo for investment consulting services for the period October 1, 2019 – December 31, 2019 in the amount of \$25,500.00; Invoice from Morgan Dempsey for asset management services for the period 10/1/19 – 11/25/19 in the amount of \$13,876.99; Invoice from Chase for credit charges for the period 12/03/19 – 01/02/20 in the amount of \$415.16; Expense report from M. Battersby; Invoice from Reinhart Partners for asset management fees for the period Q4, 2019 in the amount of \$15,150.00. **MOTION CARRIED UNANIMOUSLY**

R.B. 20-004 **MOTION** by Harvey, supported by Garth, to acknowledge receipt of Informational Items including YTD 2019/2020 Budget, FOIA response dated December 12, 2019, MAPERS One Day Seminar (Information), and Correspondence received during the period December 9, 2019 – January 20, 2020. **MOTION CARRIED UNANIMOUSLY**

R.B. 20-005 **MOTION** by Wilson, supported by Garth, to acknowledge receipt of and approve DROP Applications from J. Halsey, B. Bassett, B. Phelps, and J. Rakestraw. **MOTION CARRIED UNANIMOUSLY**

R.B. 20-006 **MOTION** by Wilson, supported by Garth, to acknowledge receipt of and approve Retirement Application from J. Jacobs. **MOTION CARRIED UNANIMOUSLY**

R.B. 20-007 MOTION by Harvey, supported by Fisher, to acknowledge receipt of and approve DROP Distribution Elections from R. Taylor, P. Meyer, K. James (2), and P. Bourlier. MOTION CARRIED UNANIMOUSLY

R.B. 20-008 MOTION by Fisher, supported by Harvey, to acknowledge receipt of and approve Annuity Withdrawal Distribution Election from E. Wells. MOTION CARRIED UNANIMOUSLY

Legal Counsel did not have any specific legal matters on which to report. The topic of Securities Litigation was discussed including number of firms currently monitoring the Retirement System, how they were chosen, what is the right number of legal firms to allow access, frequency of review or change, and responsibility for management of the relationship. The System has not had much litigation, which is good. Legal Counsel will bring a Securities Litigation Policy to the next meeting for review and discussion.

The Board was informed that Audrey Harvey was reappointed as a Citizen Representative to the Board. The compiled review for Retirement Program Director was distributed to Board Trustees; Board President will discuss the review with Retirement Program Director and the item will be on the January Agenda under Old Business for documentation. The 2020 Administrative Calendar was presented as was the Notice of Nomination & Election for Police Representative.

R.B. 20-009 MOTION by Harvey, supported by Lowenberg, to approve the 2020 Administrative Calendar as presented. MOTION CARRIED UNANIMOUSLY

R.B. 20-010 MOTION by Fisher, supported by Wilson, to approve the Notice of Nomination & Election of Police Representative to the Southfield Fire & Police Retirement System Board for the Term of Office Commencing April 1, 2020 and Expiring March 31, 2024. MOTION CARRIED UNANIMOUSLY

Investment Consultant presented the Market Update as of December 31, 2019. Stocks and bonds experienced incredible YTD returns for 2019 and the Info Tech sector had the greatest YTD returns of all sectors, exhibiting a big turnaround from 2018. He also mentioned a client letter from 1607 Capital Partners regarding a change in the firm's investment team but indicated that it has no impact on their product or service.

R.B. 20-011 MOTION by Fisher, supported by Garth, to receive and file the Investment Consultant report. MOTION CARRIED UNANIMOUSLY

R.B. 20-012 MOTION by Wilson, supported by Harvey, to approve payment of invoices as follows: Expense report from J. Fisher; Invoice from LSIA for asset management services for the period October 1, 2019 through December 31, 2019 in the amount of \$2,706.08; Invoice from LSIA for asset management services for the period October 1, 2019 through December 31, 2019 in the amount of \$5,865.38. MOTION CARRIED UNANIMOUSLY

Irv Lowenberg exited the meeting.

Representatives from Apollo Global Management and Oaktree provided an overview of firm, staffing, areas of expertise, and historical experience in investing within the public and private credit markets. Presenters provided answers to questions posed by Trustees, Investment Consultant and Legal Counsel.

The main objective of the Apollo Total Return Fund is to generate an attractive yield with lower volatility and strong downside protection. The main objective of the Oaktree Global Credit Strategy is to earn attractive total return and current income with volatility limited through diversification. Investment Consultant is recommending a \$10 mill allocation. He will put together a summary of the two different funds for the next meeting to help the Board decide how to proceed.

There being no further business to come before the Board, the meeting was adjourned at 2:45 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on February 11, 2020