

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

September 14, 2021

The Board convened via video conference at 11:30 a.m. The Meeting was started at 11:34 a.m. by President Fisher.

PRESENT: John Fisher/Oscoda County, MI; Brent Wilson/Oakland County, MI; Duane Garth/Oakland County, MI; Audrey Harvey/Oakland County, MI; Irv Lowenberg/Oakland County, MI

ABSENT:

ALSO

PRESENT: Michael VanOverbeke, Legal Counsel/VMT; Brian Green, Investment Consultant/AndCo; Megan Battersby, Retirement Program Director/SFPRS; Jay Rollins/Walker & Dunlop; James Sunday/Landmark Partners

R.B. 21-077 **MOTION** by Wilson, supported by Harvey, to approve Regular Meeting Minutes, Southfield Fire and Police Retirement System Board, August 10, 2021. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-078 **MOTION** by Wilson, supported by Harvey, to acknowledge receipt of Cash & Asset Statement as of July 31, 2021 in the amount of \$219,640,608.03. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-079 **MOTION** by Wilson, supported by Harvey, to approve payment of invoices as follows: Credit card statement for the period 08/03/21 – 08/31/21 in the amount of \$685.00; Invoice from VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period 04/01/2021 thru 06/30/2021 in the amount of \$2,197.80. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-080 **MOTION** by Wilson, supported by Harvey, to acknowledge receipt of Informational Items as follows: YTD 2021/2022 Budget; Loomis Sayles memorandum invoice; Northern Trust memorandum invoice. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-081 **MOTION** by Fisher, supported by Wilson, to acknowledge receipt and approval of Retirement Application from C. Thomas (12/06/2021). **MOTION CARRIED UNANIMOUSLY**

R.B. 21-082 **MOTION** by Fisher, supported by Wilson, to acknowledge receipt and approval of DROP Distribution Elections from P. Theriault and N. Smiscik. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-083 MOTION by Fisher, supported by Harvey, to designate Brent Wilson and Megan Battersby as delegates for 2021 MAPERS Fall Conference. MOTION CARRIED UNANIMOUSLY

The Board addressed an agenda item, “Act 345 service credit for armed service”, at the request of active firefighter Rob Scott. Legal Counsel advised the Board that the Retirement System does not have authority to act on this request. The provision of service credit for prior active military service must be granted by the municipality (i.e. City Council) or is typically provided for through collective bargaining. Retirement Program Director was directed to convey this information to Mr. Scott.

Legal Counsel asked that the legal opinion regarding DROP/Premium Member Account interest accrual method be tabled until October.

Retirement Program Director presented RIE calculation as of July 1, 2021, as determined by the GRS pension management software. The annual Distributable Reserve is the lesser of 1) the sum of the calculated individual maximum RIE payments (i.e. the amount that would restore 85% of original purchasing power) and 2) 35% of the RIE Reserve Balance (\$1,093,806 as of 7/1/2020). 7/1/2021 is the first time that the Distributable Reserve is being limited to 35% of the RIE Reserve Balance (i.e. \$382,832.10). Further, only 84% of the Distributable Reserve is being allocated because of program rounding to the nearest whole percentage. No documentation can be found as to why this rounding was originally put in place. Board discussed how to proceed. Retirement Program Director was instructed to ask GRS for a fee quote to changes the program to round to four decimal places and report back to the Board next month.

Jay Rollins from Walker & Dunlop provided an overview of JCR Funds III and IV. Fund III is in the harvesting mode and it is clear sailing ahead for the fund. Fund IV is focused on deploying the remaining dry powder as well as executing on potential realizations. They are seeking extension of the investment period from 10/18/2021 to 5/30/2022 out of an abundance of caution. Presenter provided answers to questions posed by Trustees and Investment Consultant. Board discussed investment period extension for Fund IV.

R.B. 21-084 MOTION by Fisher, supported by Lowenberg, to approve JCR Fund IV requested extension of the investment period by seven months from October 20, 2021 to May 30, 2022. MOTION CARRIED UNANIMOUSLY

James Sunday from Landmark Partners provided an update for real estate Fund VIII to the Board. The presentation included an overview of the firm and recent merger with Ares Company, market update, and fund overview of commitment, contributed capital, and distributions received. Presenter fielded questions from Trustees and Investment Consultant.

Investment Consultant discussed the pros and cons of pursuing a Japanese tax exemption related to the Landmark investment. IRS filing requirements and the cost of time involved to pursue the exemption exceed the value of potential recovery.

R.B. 21-085 MOTION by Fisher, supported by Lowenberg, to not pursue potential recovery of Japanese taxes associated with the Landmark Fund VIII investment per the recommendation of Investment Consultant and Legal Counsel. MOTION CARRIED UNANIMOUSLY

Investment Consultant presented liquidity review with no action recommended. He also presented a market update as of August 31, 2021.

Investment Consultant feels that now is the time to make a commitment to a new value-add real estate manager. He is recommending redemption of the current PRISA I allocation with an additional commitment to PRISA II or a complimentary core plus fund and a commitment to a new value add real estate manager. The Board will further explore these recommendations at the October meeting when three potential managers will make brief presentations followed by an AndCo research team member who covers real estate providing his views on each of the managers.

There being no further business to come before the Board, the meeting was adjourned at 1:41 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on October 12, 2021