

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

October 12, 2021

The Board convened via video conference at 11:30 a.m. The Meeting was started at 11:33 a.m. by President Fisher.

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

ABSENT: Brent Wilson

ALSO

PRESENT: Michael VanOverbeke, Legal Counsel/VMT; Brian Green, Investment Consultant/AndCo; Megan Battersby, Retirement Program Director/SFPRS; Alex Gilbert/Artemis Real Estate Partners; Keith Merrill and Billy Rahm/Centerbridge Partners; Stephen Hagenbuckle and Patrick Melton/TerraCap Partners; David Guiler/AndCo

R.B. 21-086 **MOTION** by Harvey, supported by Garth, to approve Regular Meeting Minutes, Southfield Fire and Police Retirement System Board, September 14, 2021. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-087 **MOTION** by Harvey, supported by Lowenberg, to acknowledge receipt of Cash & Asset Statement as of August 31, 2021 in the amount of \$222,560,937.17. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-088 **MOTION** by Harvey, supported by Lowenberg, to approve payment of invoices as follows: Credit card statement for the period 09/01/21 – 10/02/21 in the amount of \$440.95; Expense report from M. Battersby for 2021 MAPERS Fall Conference; Expense report from B. Wilson for 2021 MAPERS Fall Conference; Invoice from GRS for Thomas EDRO Calculation in the amount of \$1,500.00; Invoice from NCPERS for 2022 membership renewal in the amount of \$275.00; Invoice from AndCo for consulting services and performance evaluation for the period July 2021 through September 2021 in the amount of \$25,500.00. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-089 **MOTION** by Harvey, supported by Garth, to acknowledge receipt of Informational Items as follows: YTD 2021/2022 Budget; FOIA response dated September 23, 2021. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-090 **MOTION** by Fisher, supported by Lowenberg, to acknowledge receipt and approval of DROP Distribution Elections from M. Collins, C. Thomas, A. Rodgers, R. Downing. **MOTION CARRIED UNANIMOUSLY**

R.B. 21-091 MOTION by Fisher, supported by Lowenberg, to acknowledge receipt and approval of Annuity Withdrawal Distribution Election from C. Thomas. MOTION CARRIED UNANIMOUSLY

The legal opinion regarding DROP/Premium Member Account interest accrual method was tabled until November due to unanticipated computer problems encountered by Legal Counsel. He informed the Board that MAPERS will be issuing an update regarding amendments to the Open Meeting Act, specific to Retirement Boards, in the coming week that will need support and representation.

Retirement Program Director presented a pro-rata approach to the RIE calculation as of July 1, 2021. Since the Distributable Reserve is being limited this year to 35% of the RIE Reserve Balance, the GRS pension management software allocation program was rounding to the nearest whole percentage and only 84% of the Distributable Reserve was being allocated. Retirement Program Director was instructed to ask GRS for a fee quote to changes the program to round to four decimal places. In the meantime, however, a pro-rata calculation was prepared based on the maximum amount that would restore 85% of original purchasing power. Fee quote from GRS was \$3,500. Board discussed the pro-rate calculation and Legal Counsel stated that it was a fair and equitable approach. With the assumption that funds would be added to the RIE Reserve Balance this year and the hope that the allocation amount would not be limited next year, Board decided to use the pro-rate approach for the July 1, 2021 allocation.

R.B. 21-092 MOTION by Fisher, supported by Harvey, to approve the July 1, 2021 RIE distributions as presented using the pro-rata method based on calculated maximum amounts. MOTION CARRIED UNANIMOUSLY

Market Update for September as well as market values as of 9/30/21 were reviewed and discussed. The constant bad news being thrown at the market produced negative results for the month of September and will probably put the quarterly rate of return in negative territory. Liquidity plan was reviewed and no action was recommended.

Investment Consultant reminded the Board that the purpose of the manager analysis report from last month was to review potential candidates for an allocation to non-core real estate which includes managers that concentrate on value-add and/or opportunistic real estate strategies. The Plan has a heavy overweight towards multi-family and an underweight to retail and office sectors. The three firms being interviewed today - Artemis, Centerbridge, and TerraCap – all have different approaches, but with the same goal and similar fees, and are in different stages of the investment cycle. Each presenter provided a firm overview, strategy components, and fund and performance highlights. Afterwards, AndCo research team member, David Guiler, discussed pros and cons of each investment manager, answered questions posed by Board Trustees, and discussed timing of commitment capital being deployed.

R.B. 21-093 MOTION by Lowenberg, supported by Harvey, to approve allocations of \$4 million to TerraCap Partners, \$3 million to Centerbridge, and \$2 million to Artemis Real Estate Partners pending legal review and recommendation. MOTION CARRIED UNANIMOUSLY

Retirement Program Director informed the Board that Audrey Harvey's term expires October 13, 2021 and asked Ms. Harvey if she has been contacted about reappointment. Board discussed her desire to remain on the Board. She will be moving her home out of Southfield but will remain employed by a company with multiple business locations in Southfield.

R.B. 21-094 MOTION by Fisher, supported by Garth, to authorize President to send letter to City Council Boards & Commissions Committee recommending the reappointment of Audrey Harvey to the Fire & Police Retirement System Board of Trustees.
MOTION CARRIED UNANIMOUSLY

There being no further business to come before the Board, the meeting was adjourned at 2:25 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on November 9, 2021