

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

December 11, 2018

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 (early exit), Allyson Bettis/Irv Lowenberg, Brent Wilson

ABSENT: Audrey Harvey

ALSO

PRESENT: Michael VanOverbeke/Legal Counsel, Brian Green/Investment Consultant, Megan Battersby/Retirement Program Director, Nicholas Coburn and Jason Jarosa and Mike Lucci/Bloomfield Capital

R.B. 18-140 **MOTION** by Wilson, supported by Garth, to approve the November 13, 2018 meeting minutes. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-141 **MOTION** by Wilson, supported by Garth, to acknowledge receipt of the Cash & Asset Statement as of October 31, 2018 in the amount of \$192,740,547.45. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-142 **MOTION** by Wilson, supported by Garth, to approve payment of invoices as follows: Invoice from GRS for regular actuarial services performed for the period July 1, 2018 through June 30, 2019, including the June 30, 2018 annual valuation, in the amount of \$15,650.00; Invoice from Chase for credit card purchases for the period 11/03/18 – 12/02/18 in the amount of \$565.36. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-143 **MOTION** by Wilson, supported by Garth, to acknowledge receipt of Informational Items as follows: YTD 2018/2019 Budget; Correspondence received during the period November 9, 2018 – December 10, 2018. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-144 **MOTION** by Fisher, supported by Wilson, to approve DROP Distribution Election from M. Douville. **MOTION CARRIED UNANIMOUSLY**

R.B. 18-145 **MOTION** by Wilson, supported by Fisher, to approve Annuity Withdrawal Distribution Election from G. Stirling. **MOTION CARRIED UNANIMOUSLY**

Legal counsel reported that the legislative lame duck session is surprisingly quiet concerning pension issues. He discussed amendments to the Retirement Program Director's contract: Exclusive Employment section to grant permission to engage in the SERS Administrator position; Term to extend the contract for three to five years; and Retirement to acknowledge the retiree health savings account. The topic was tabled until January so that the annual review could be incorporated.

Irv Lowenberg entered and Allyson Bettis exited the meeting.

R.B. 18-146 MOTION by Lowenberg, supported by Wilson, to pay the following invoices: Invoices from Villages of Avignon CDD for reimbursable expenses as of November 28, 2018 in the amount of \$12,957.91; Invoice from VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period January 1, 2018 through March 31, 2018 in the amount of \$2,347.00; Invoice from VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period April 1, 2018 through June 30, 2018 in the amount of \$4,212.00. MOTION CARRIED UNANIMOUSLY

R.B. 18-147 MOTION by Fisher, supported by Wilson, to receive and file City of Southfield Fire and Police Retirement System 66th Actuarial Valuation Report as of June 30, 2018 with a computed employer contribution rate of 36.36% and a minimum dollar contribution of \$7,208,026 for the fiscal year beginning July 1, 2019, and direct that a copy be forwarded to the Employer. MOTION CARRIED UNANIMOUSLY

R.B. 18-148 MOTION by Garth, supported by Lowenberg, to receive and file City of Southfield Fire and Police Retirement System GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions, June 30, 2018. MOTION CARRIED UNANIMOUSLY

R.B. 18-149 MOTION by Wilson, supported by Garth, to continue the existing slate of Retirement System Officers for 2019. MOTION CARRIED UNANIMOUSLY

Retirement Program Director review/contract update was tabled until January to finalize review.

The Board reviewed the Avignon monthly update information. A \$400,000 non-refundable deposit has been received by the Retirement System. The purchaser must close by February 15, 2019 or will be in default.

Bloomfield Capital was in attendance to present to the Board. Bloomfield's credit strategy focuses on niche credit investments that seek to provide consistent income and risk-adjusted returns. They originate and acquire loans for a short-term period (typically 15-16 months) with target 9-11% returns. The Board discussed their fit with the current asset allocation of the Retirement System. The Investment Consultant recommended a \$5 million allocation, subject to legal review, to be called over the course of 2019.

R.B. 18-150 MOTION by Fisher, supported by Wilson, to commit \$5 million to Bloomfield Capital, subject to legal review of all documents. MOTION CARRIED UNANIMOUSLY

Duane Garth exited the meeting at 2:05.

Market Update as of November 30 was presented. Market trends for the month of November were mainly positive.

A proposed Manager Meeting Schedule for 2019 was discussed and agreed upon. There will be four manager meetings scheduled throughout the year as follows:

March 12 – Nantucket, KStone

June 11 – LSIA, Morgan Dempsey, QMA, 1607

July 9 – PRISA, JCR

September 10 – Loomis Sayles, Tortoise

A liquidity plan for December 2018 to May 2019 was reviewed. The Investment Consultant recommended that the withdrawals scheduled for December and January be rescinded as additional cash was not currently needed.

R.B. 18-151 **MOTION** by Lowenberg, supported by Wilson, to rescind previously communicated liquidity draws from LSIA for December 31, 2018 and January 31, 2019 and authorize that any liquidity needs that may arise through May 31, 2019 be funded equally from Tortoise and Loomis Sayles Fixed Income. **MOTION CARRIED UNANIMOUSLY**

Irv Lowenberg informed the Board that he and the Investment Consultant had a phone conversation with QMA regarding their underperformance since being hired.

Meeting adjourned at 2:14 p.m.

Prepared by Megan Battersby, Retirement Program Director

Approved by Board Motion on January 22, 2019