

Taylor Police & Fire Retirement Board April 16, 2014 Meeting Minutes

The regular meeting of the Taylor Police & Fire Retirement Board was held at the Taylor Fire Department, 23345 Goddard Road, Taylor Michigan, on **Wednesday, April 16, 2014**.

Present: Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Trustee Ed Bourassa, Trustee Tim Faremouth

Excused: Trustee Portis

Also Present: Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, of Gray & Company, Investment Consultant; Kirk VanDagens, PNC Bank, Bank Investment Manager; Linda Kemp, Plan Administrator; Sheila Schulte-Gorski, Human Resource Director

Chair Nicolas Hill called the meeting to order at 4:36 P.M.

Motion by Taylor, supported by Faremouth .

Resolved: To approve the minutes of the regular meeting of the P&F Retirement System Board of Trustees held March 16, 2014.

Unanimously approved.

04.32-14

Motion by Taylor, supported by Faremouth:

Resolved: To receive and file the following financial correspondence:

1. Employee Contributions received from the City of Taylor for March 2014 in the amounts of \$53,887.61.
2. Letter dated March 25, 2014 to Ms. Barbara Citizen of PNC Bank requesting the transfer of \$100,000 from the Fixed Income account to the Administrative account on or before March 31, 2014 as approved by the Board of Trustees at the February 19th meeting.
3. Distribution from Intercontinental in the amount of \$76,838.46 (pro rata gross share of an overall distribution of \$5,759,387.63 less management fees of \$24,682.94) for an overall distribution of \$52,155.52.

Unanimously approved.

04.33-14

Motion by Taylor, supported by Faremouth.

Resolved: To receive and file the following correspondence:

1. Letter dated March 28, 2014 from Gerald Cole, President, of Taylor Police Officers Labor Association.
2. Memo dated April 8, 2014 from the office of VanOverbeke, Michaud and Timony, P.C. referencing House Bill No. 4001
3. Email dated March 28, 2014 from Ms. Gorski-Schulte to Mr. Jack Timmony referencing wages as stipulated by the City of Taylor Settlement Agreement and wage records.

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Unanimously approved.

04.34-14

Motion by Taylor, supported by Faremouth.

Resolved: To approve the following correspondence:

1. Actuarial certification and monthly retirement benefit payments for Tonya Rich, surviving spouse of deceased Police Officer Michael Rich.
2. Letter dated March 19, 2014 from Ms. Sheila Gorski-Schulte to Mr. Jack Timmony referencing wages as stipulated by the City of Taylor.

Unanimously approved.

04.35-14

Motion by Taylor, supported by Faremouth.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Pension Plan Administrator, for periods ending March 23, 2014 through April 13, 2014 in the amount of \$2,482.50.
2. Payment to Rodwan Consulting Company for normal actuarial and consulting services rendered to the City of Taylor Police and Fire Retirement System for the quarter ended March 31, 2014, pursuant to the Actuarial Services Agreement in the amount of \$1,990.
3. Reimbursement to Linda Kemp for MAPERS Spring Conference 2014 registration fee and hotel accommodations for Trustee Bourassa in the amount of \$701.12. MAPERS \$275, Soaring Eagle Resort: three nights at \$142.04 per night for a total for three nights in the amount of \$426.13.
4. Payment to Trustee Bourassa for round trip fuel for travel to MAPERS Spring Conference, being held May 18th through May 20th in the amount of \$179.20.
5. Payment to Fred Alger Management, Inc. for investment and advisory fees for the quarter of January 1, 2014 through March 31, 2014 in the amount of \$15,358.93

Unanimously approved

04.36-14

Motion by Taylor, supported by Faremouth.

Resolved: To approve additional reimbursement to Linda Kemp in the amount of \$701.13 for expenses related to the attendance of Chair Hill at the MAPERS Spring Conference 2014.

Unanimously approved.

04.37-14

Mr. Timmony, discussed item B-1 questioning why Union President for the Taylor Police Officers Association was requesting information on behalf of a suspended officer. Chair Hill informed the Board and Mr. Timmony that the suspended officer is involved in a legal matter with the Police Department and has been requested not to enter the Police station. It was further noted that no information has been provided to the Union President; however the pension office has provided the officer with the requested information directly.

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A legislative update was discussed regarding House Bill No. 4001 and the proposed amendments to the Freedom of Information Act (FOIA) and a statewide standardization of fees and costs charged for responding to FOIA requests. The recent amendments propose a series of complex guidelines and limitations regarding the labor, redaction and reproduction costs that may be charged in responding to a request under the FOIA. MAPERS is continuing their efforts in opposition to this bill.

House Bill 4804 was also briefly discussed. This bill would amend the Public Employment Relations Act to specify that a municipality or charter county adopt a resolution, ordinance or charter provision that operates to prohibit offering a defined benefit plan to some or all employees. Such an amendment would prohibit the subject of a defined benefit plan as part of collective bargaining.

The issue of a recalculation of benefits for a retired fire fighter who has a settlement agreement with the City was discussed and determined that this issue is not within the jurisdiction of the Retirement System but rather an issue to be addressed between the retiree and the City of Taylor.

Motion by Faremouth, supported by Bourassa.

Resolved: To direct Plan Administrator to draft a letter to the retiree directing him to contact the City of Taylor directly relative to a recalculation of benefits.

Unanimously approved.

04.38-14

Mr. Timmony advised the Board that Ms. Gorski-Schulte provided him with the documentation to address the issue of back pay for fire fighters. Linda Kemp advised the Board those documents have been forwarded to the actuary for processing.

Kirk VanDagens introduced himself to newly appointed Trustee Faremouth and provided him with the role PNC has with the Retirement System.

Mr. VanDagens advised the Board that two of the three portfolios beat their bench mark last quarter. He also stated that the first quarter was rather choppy. Large value exceeded 60/70 basis points. The transition of the portfolio in June is 300 basis points ahead. The PNC fixed income team came out with a forecast, which was provided at the meeting.

Chris Kuhn, provided the Board with his monthly market value update report. Equity markets in a bit of a downward trend. The Board was advised the City of Taylor made a deposit to the cash account, therefore there is no need to transfer funds at this time. One million dollars from that account will be used to fund the Graham account. Mr. Kuhn is in the process of completing the Graham documents. A discussion regarding Millennium and the decision not to enter into an agreement with them at this time was briefly discussed. Mr. Kuhn is researching other managers for the Board to consider. Trustee Taylor asked Mr. Kuhn if he had a response to his question

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presented at the March meeting regarding the NewSouth report. Mr. Kuhn addressed the concern as well as provided a follow up email on the matter.

Chair Hill, requested the Board receive and file a late agenda item of the May 2014 Medicare Reimbursement report; noting seven (7) changes this reporting period.

Motion by Taylor, supported by Faremouth.

Resolved: To receive and file the May 2014 Medicare Reimbursement report; noting seven (7) changes this reporting period.

Unanimously approved.

04.39-14

Chair Hill advised the Board that the recent disability application submitted by Officer Sepell is still on hold. Mr. Sepell has not yet provided the pension office with the necessary list of doctors; therefore no medical records have been requested at this time. Chair Hill will contact Mr. Sepell to discuss this matter in greater detail.

The Board was advised that a tracking system is in the works for the purpose of recording funds of members who enter into the DROP program. When finalized Linda Kemp will provide the Board with a copy and explain the calculation process and discuss any potential changes to the process.

Due to scheduling conflicts the Board agreed to change the May meeting date to **Wednesday, May 21st**.

Motion by Taylor, supported by Faremouth.

Resolved: To hold the next meeting of the Retirement System's Board of Trustees on **Wednesday, May 21, 2014 at 4:30 P.M.**

Unanimously approved.

04.40-14

Motion by Hill, supported by Faremouth.

Resolved: To adjourn the meeting at 5:36 P.M.

Unanimously approved.

04.41-14

The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held Wednesday May 21, 2014 at 4:30 P.M.