

TAYLOR POLICE & FIRE RETIREMENT BOARD

April 12, 2018

The regular meeting of the City of Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road (second floor conference room), Taylor Michigan, on **Thursday, April 12, 2018 at 3:30 p.m.**

Present: Chairman and Trustee Hill, Trustee Kriebel, Trustee Couture (arrived 4:15) and Trustee Taylor

Also Present: Jack Timmony, VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Rob Abb, Vanoverbek, Michaud & Timony, P.C., Legal Counsel, Chris Kuhn, CFA, CAIA, Sheila Gorski-Schulte, Human Resource Director; Steven Schwein (retiree), Sandra Rodwan of Rodwan Consulting.

Excused: Trustee Bourassa

Trustee and Chair Nicolas Hill, called the meeting to order at 3:34 p.m.

Motion by Kriebel, supported by Taylor.

Resolved: To approve the minutes of the meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held March 8, 2018.

Unanimously approved.

04.27-18

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following financial correspondence:

1. Client statement received from First Eagle for the period of December 31, 2017 through January 31, 2018.
2. Employee contributions received from the City of Taylor for February 2018 in the amount of \$54,346.91.
3. Capital call notice dated April 3, 2018 received from American Realty Advisors.
4. Letter dated April 11, 2018 to Ms. Barbara Citizen of PNC requesting the facilitation of the American Realty capital call notice.

Unanimously approved.

04.28-18

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following correspondence:

1. April 2018 Medicare report. Note eleven (11) changes this reporting period.
2. FOIA email received March 9, 2018 from Bloomberg.
3. FOIA response dated March 14, 2018 and fees summary for same.
4. Letter of retirement dated March 12, 2018 received from Cpl. Michael Milka with an effective retirement date of May 21, 2018.
5. Letter dated March 28, 2018 sent to Ms. Sheila Gorski-Schulte, Human Resource Director for the City of Taylor referencing review of Police and Fire Retirement documents.

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6. Request for Information for Audit Services prepared by the office of Vanoverbeke Michaud & Timmony P.C.
7. Request for Information for Actuarial Services prepared by the office of Vanoverbeke Michaud & Timmony P.C.
8. FOIA email received April 6, 2018 from Zack Cziryak.
9. FOIA response letter and fee summary.
10. Letter dated April 5, 2018 from First Eagle Global Value Fund, LP referencing the December 31, 2017 audited financial statement.
11. PNC Summary of Material Changes dated March 15, 2018.

Unanimously approved.

04.29-18

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following correspondence:

1. Revision of benefit and monthly payment to retiree Steven Schwein.

Unanimously approved.

04.30.18

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of March 11, 2018 through April 8, 2018 in the amount of \$1,627.50.
2. Payment to AndCo for consulting services and performance evaluation for the period of January 1, 2018 through March 31, 2018 in the amount of \$12,500.
3. 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, 2018 pursuant to the Actuarial Services Agreement in the amount of \$2,090.00.
4. Payment to Alger for management fees for the period of January 1, 2018 through March 31, 2018 in the amount of \$19,454.27.
5. Payment to John Zitnik for repair of office laptop in the amount of \$125.
6. Payment to Brown Advisory for investment services for the period of January 1, 2018 through March 31, 2018 in the amount of \$19,723.96.

Unanimously

04.31-18

Mr. Timmony was present and discussed the following:

Item B-5 was briefly discussed advising the Trustees the letter to Ms. Gorski-Schulte was necessary as a result of her recent review of Police & Fire Retirement records. Certain state statutes protect, and in some cases prohibit, information that is contained in Retirement System records. Of course, the Trustees are legally obligated to comply with the requirements of the statutes and must also prevent third party transgressions of the applicable statutes.

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Chair Hill expressed his frustration with the ongoing unresolved issues between the Retirement Board and the City administration. Mr. Timmony advised the Board it is their obligation to render their own interpretation of the Plan provisions as contained in the parties' labor agreement after a reasonable length of time without a response from the parties, and that the Board is duty bound to process a member's benefit. The outstanding issues are the matter of shift premium being deemed non-pensionable by the City, vacation time 1000 hours issue, the type of pay reports being provided for retirement calculations as well as the length of time it takes to receive reports. Discussion followed. The Trustees and Ms. Gorski-Schulte agreed that all future requests for City employee information and records regarding service credit, payroll history, and any other related information required for pension purposes (e.g., benefit calculations) be copied to Mayor Sollars, Mr. Dickerson, Trustee Couture, Chair Hill and legal counsel.

Mr. Timmony also discussed the Board's request for RFI's for actuarial consulting services as well as audit services. The Board directed legal counsel to issue the RFI's to the appropriate professionals.

Motion by Taylor, supported by Kriebel

Resolved: To authorize legal counsel to issue RFI's for both an auditor and actuary services.

Unanimously approved.

4.32-18

Mr. Rob Abb was present at this meeting and advised the Board the potential new investment manager WCM is unwilling to come to an agreement on the standard side letter relative to the subject of FOIA's, among other issues. Due to their unwillingness to agree to the terms legal counsel has determined are necessary for the Retirement System and Board, legal counsel does not recommend the Board enter into an agreement upon the terms that WCM is demanding. Mr. Kuhn will reach out to WCM prior to the next meeting of the Police & Fire Retirement Board in an effort to persuade WCM to come to terms with the Board as recommended by legal counsel.

Chris Kuhn advised the Board the city has made their required partial deposit into the Retirement fund, therefore he recommends the Board rescind their motion to transfer funds made at the March meeting.

Motion by Taylor, supported by Taylor.

Resolved: To rescind the motion made at the March meeting of the City of Taylor Police & Fire Retirement System to transfer funds from PNC to the Administrative account due to the deposit of funds by the City of Taylor to the Retirement System.

Unanimously approved.

04.33-18

Mr. Kuhn distributed and reviewed the Asset/Manager Summary, Performance Detail and updated performance summary for NewSouth Capital Management. Further discussion included real estate allocation, Graham performance, fixed income options, technology investments. Mr. Kuhn provided a letter and a draft three year Investment Consulting Agreement that includes a

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slight fee increases. Mr. Timmony's office will review the agreement, upon review and approval of agreement Mr. Timmony will submit to Chair Hill for signature. The current contract remains in effect until such time as the new contract can be executed.

Motion by Hill, supported by Taylor.

Resolved: To accept the new Investment Consultant Agreement with AndCo with the annual fee of \$58,000.00 rather than the requested annual fee of \$60,00.00, said annual fee to be the fee for three years, effective beginning May 1, 2018.

Unanimously approved.

04.34-18

Sandra Rodwan was present at this meeting to discuss actuarial valuation assumptions. Her discussion included amortization period, mortality table, City's contribution, accrued liability, trend in increasing life expectancy, assumed interest rates and state requirements.

Mr. Steve Schwein (retiree) was present at this meeting to ask if Ms. Gorski-Schulte had any update on his issue with his FAC calculation. Ms. Gorski-Schulte advised that a meeting with appropriate City representatives is scheduled for the following week regarding his issue and that she will follow up with the Board at their May meeting.

Mr. Timmony asked Trustee Couture about his efforts to review the City's systems to see what other pay reports are available to better assist with the process of benefit calculations, and Trustee Couture advised that this is an ongoing process.

Motion by Taylor, supported by Kriebel.

Resolved: To authorize Linda Kemp to purchase new laptop for the Police and Fire Retirement office for a price not to exceed \$2,500.

Unanimously approved.

4.35-18

Motion by Couture, supported by Kriebel.

Resolved: To adjourn at 5:16 pm.

Unanimously approved.

04.36-18

The next regular meeting of the Retirement System Board of Trustees is scheduled for Thursday, May 10 at 4:00 p.m.