

Taylor Police & Fire Retirement Board January 11, 2012 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, January 11, 2012.

Present: Chairman Nicolas Hill, Trustee Gerry Taylor, Trustee Dan Bzura & Trustee Russ McNamee. It is noted that the City Treasurer position, which is an ex officio member of the Retirement System Board of Trustees, remains vacant.

Also Present: Jack Timmony of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel, Chris Kuhn of Gray & Company, Kirk VanDagens of PNC Bank, Dean Philo, Linda Mills Kemp, Plan Administrator, Kari Shea of Plante Moran and Ms. Jenetta Kregel, new Budget & Finance Director for the City of Taylor

Chair Nicolas Hill called the meeting to order at 4:33 P.M.

Motion by Bzura, supported by McNamee.

Resolved: To approve the minutes of the regular meeting of the Board held December 14, 2011 revising resolution 12.115-11 to read: Resolved: *To approve the certified calculation and payment of monthly benefits to Scott Schlinder:*

Unanimously approved.

1.1-12

Motion by Bzura, supported by McNamee.

Resolved: To receive and file the following financial correspondence:

1. Reinvestment of distribution from Intercontinental Real Estate Corporation in the amount of \$36,271.51 (pro rata gross share of an overall distribution of \$4,152,295.33) less \$11,287.72 management fee for a total reinvestment amount of \$24,983.79.
2. Employee contributions received from the City of Taylor for the Taylor Police & Fire Pension System for November & December 2011 in the amount of \$47,221.49 & \$75,907.38 respectively.

Unanimously approved.

1.2-12

Motion by Taylor, supported by Bzura.

Resolved: To receive and file the following correspondence.

1. Email correspondence between Kari Shea of Plante Moran and the Pension office regarding audit.
2. Resolution drafted by the office of VanOverbeke, Michaud & Timmony P.C. referencing Wayne County Circuit Court Case No. 10-110031 DM.
3. Summons referencing Costella vs. City of Taylor Police & Fire Retirement System.

Unanimously approved.

1.3-2

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Motion by Taylor, supported by Bzura.

Resolved: To approve certified calculation and payment of monthly benefits for the following retiree:

1. Actuarial certification of retiree benefits for Scott Schlinder.

Unanimously approved.

1.4-12

Motion by Taylor, supported by Bzura.

Resolved: To pay the following bills:

1. Payment to Tradewinds Global Investors, LLC for investment management fees for the period of July 1, 2011 through September 30, 2011 in the amount of \$11,897.07.
2. Payment to Linda Mills Kemp, Pension Plan Administrator, for periods December 12, 2011 through January 8, 2012 in the amount of \$2,745.

Unanimously approved.

1.5-12

Kari Shea of Plante Moran was present to review and discuss the annual audit report. A lengthy discussion took place regarding procedure for calculating Final Average Compensation (FAC), it was suggested by Ms. Shea that the Board consider having a second review performed on all FAC calculations. Mr. Timmony, Legal Counsel for the Board advised the Board that they are fulfilling their fiduciary responsibilities with current practice and procedures, however if it is the pleasure of the Board to obtain a second review on calculations the Board may want to consider using an outside source. It was also noted at this meeting that when the Board was considering Ms. Kemp for the position of Plan Administrator there was full and proper disclosure of her family background. It was further noted by Trustee Taylor that at the time Ms. Kemp's contract was approved by the Board, she was not related to any Board member at that time.

Mr. Timmony gave a brief update on the Costella litigation. Mr. Ron McNamee, requested to be kept aware of the status of this litigation as he is named in this case.

Chair Hill brought forward a request from the Police Officers Labor Association regarding laid off Police & Fire personnel who have requested to purchase the time during which they were laid off. Mr. Timmony advised that the Union would need to get a Memorandum of Understanding between the Union and the City.

The Board discussed the process for a possible Medical Retirement. Mr. Timmony advised the Board that the first step in the process is for the individual making the request to submit a written application to the Board.

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Mr. Timmony advised the Board that the terms of the Eligible Domestic Relations Order (EDRO) for Wayne County Circuit Court Case #10-110031DM are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended.

Motion by Taylor, supported by Bzura.

Resolved: To adopt the resolution for Wayne County Circuit Court Case #10-110031DM.

Unanimously approved.

1.6-12

Chris Kuhn of Gray & Company provided the Board with a Market Value update stating we are close to all of our targets at this time.

Mr. Philo suggested the Board consider sending performance reports to City Council as does the General Employee Pension System. Mr. Kuhn will work with Mr. Philo on the format and bring a report to the next meeting prior to submitting to City Council.

Mr. Kuhn recommended the Board consider moving \$1MM from the Fixed Income account to the Administrative account.

Motion by Taylor, supported by Bzura.

Resolved: To authorize the transfer of funds as recommended by Mr. Kuhn.

Unanimously approved.

1.7-12

Kirk VanDagens reviewed the Capital Advisors Market Outlook, reviewed our current standing, stated the 2011 market was flat, job recovery remains sluggish, however unemployment is improving, housing prices continue to decline as well as new home construction. A detailed review of our portfolio was also discussed.

Retiree Rick Swope's requested that the Police & Fire Retirement System to pay his Medicare Part A premium in the amount of \$248 per month.

Motion by Taylor, Supported by Bzura.

Resolved: To *deny* request made by Retiree Rick Swope to pay his Medicare Part A insurance premium in the amount of \$248 per month.

Unanimously approved.

1.8-12

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It was decided that in the future a letter of explanation will be mailed to retirees prior to them receiving their final calculation detailing any changes from the estimated figure.

Motion by Taylor, supported by Bzura.

Resolved: To send a letter of explanation to retirees detailing their final calculation prior to receiving first benefit check reflecting final figures.

Unanimously approved.

1.9-12

Motion by Bzura, supported by McNamee.

Resolved: To adjourn meeting at 6:15 P.M.

Unanimously approved.

1.10-12