

TAYLOR POLICE & FIRE RETIREMENT BOARD

January 10, 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 **Wednesday, January 10, 2018 at 4:00 P.M.**

Present: Chairman and Trustee Hill, Trustee Bourassa, Trustee Kriebel, Trustee Couture and Trustee Taylor

Also Present: Jack Timmony, VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, CFA, CAIA, Senior Consultant, & Co.; Sheila Gorski-Schulte, Human Resource Director and retiree Ron McNamee.

Excused: None

Trustee and Chair Nicolas Hill, called the meeting to order at 4:03 P.M.

Motion by Taylor, supported by Kriebel.

Resolved: To approve the minutes of the meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held, December 14, 2017.

Unanimously approved.

01.01.-18

Motion by Taylor, supported by Bourassa.

Resolved: To receive and file the following financial correspondence:

1. Letter dated December 21, 2017 to Ms. Barbara Citizen of PNC Bank authorizing the facilitation of the American Realty Capital Call notice.
2. Letter dated December 18, 2017 from American Realty Advisors regarding Capital Call.
3. Client statement received from First Eagle for the period of October 31, 2017 through November 30, 2017.
4. Letter dated December 19, 2017 received from Metropolitan Real Estate regarding distribution.
5. Letter dated December 15, 2017 to Ms. Christine Burns Patti of Newsouth advising of a partial rebalancing of funds.
6. Letter dated December 15, 2017 to Ms. Barbara Citizen of PNC Bank authorizing the facilitation of a rebalancing of funds as resolved at the December 14, 2017 meeting of the Board of Trustees.

Motion by Taylor, supported by Couture.

Resolved: To receive and file the following correspondence:

1. .Payment received from Bloomberg for FOIA request.
2. Annual City Audit Report as prepared by Plante Moran (submitted electronically).

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3. Memo dated January 5, 2018 received from the office of Vanoverbeke Michaud & Timmony P.C. referencing "Protecting Local Government Retirement and Benefit Act – Public Act 202 of 017".

Unanimously approved.

01.02-18

Motion by Taylor, supported by Bourassa.

Resolved: To approve the following correspondence:

1. Benefit calculation and payment of monthly benefit for Fire retiree Daniel Doran.
2. Benefit calculation and payment of monthly benefit for Fire retiree Troy Tiefer.

Unanimously approved.

01.03.18

Motion by Bourassa, supported by Kriebel.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of December 17, 2017 through January 7, 2018 in the amount of \$2,485..
2. Payment to AndCo. for consulting services and performance evaluation for the period of October 2017 through December 2017 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 December 31, 2017 and for payment shortage for quarter ended September 30, 2017 in the amount of \$40 for a total payment in the amount of \$2,130.
4. Payment to Alger for management fees for the period of October 1, 2017 through December 31, 2017 in the amount of \$20,461.74.
5. Payment to Vanoverbeke Michaud & Timmony P.C. for legal services rendered to the City of Taylor Police & Fire Retirement System for the period of October 1, 2017 through December 31, 2017 in the amount of \$4,462.50.

Unanimously approved.

01.04-18

Mr. Timmony briefly discussed item B-3 Memo regarding legislative update of Public Act 202 of 2017; Protecting Local Government Retirement and Benefits Act. It was noted the Governor signed Senate Bill No. 686 creating Public Act 202 of 2017. The memo outlined requirements imposed on Local Units of Government and their defined benefit retirement systems. Also included were requirements for retiree health care benefit funds.

Mr. Timmony also discussed the FAC Calculation Resolution adopted in April, 1996, and presented a calculation of FAC scenario using the guidelines of the resolution. It was recommended that Chair Hill, Jason Couture, Sheila Gorski-Schulte and Linda Kemp meet to discuss/recalculate Mr. Schwein's benefit to assure the FAC Calculation Resolution was

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followed. Mr. Timmony noted that neither Act 345 nor the applicable labor agreements contain any provision regarding how FAC should be calculated, and retiree McNamee added that the resolution was adopted by the Retirement Board in 1996 in an effort to address this defect. It was further noted and acknowledged that the intention of the subject Resolution should not result in losing one of the three high years of compensation as had apparently occurred in the case of Mr. Schwein's FAC calculation. Ms. Gorski-Schulte advised that perhaps the resolution/methodology of the calculation might be appropriate to be a part of the applicable labor agreement. Discussion followed. The Board agreed that it would be helpful and appropriate for Chair Hill, Trustee Couture, H.R. Director Gorski-Schulte, and Plan Administrator Kemp to meet and review the FAC calculation methodology.

Mr. Kuhn advised the Board there is no need for a transfer of funds to the Administrative Account at this time. An Asset Manager Summary was provided and reviewed. The fund continues to gain. A discussion related to potential future changes in asset allocation. Consideration is being given to taking partial funds from First Eagle to invest with a potential new investment manager or managers. Chair Hill recommends waiting until next month so the numbers for both Brown and First Eagle may be reviewed and a decision made. Trustee Couture asked for and was given the definition of "basket clause" relevant to qualifying Retirement System investments pursuant to the applicable guidelines of Public Act 314.

Trustee Taylor asked why final calculations seem to be taking longer than normal. Ms. Kemp advised pay reports from HR have been delayed. Ms. Gorski-Schulte told the Board there have been numerous recent retirements and keeping up has been a problem.

Trustee Couture discussed some issues found with the Annual Audit. He recommends inviting the Retirement System Actuary, Sandra Rodwan, to a future meeting to address these concerns. Trustee Couture will provide scenarios for Rodwan to prepare for February meeting.

Chair Hill advised the Board Linda Kemp will be out of town for the February 8th meeting. Mr. Timmony graciously agreed to take minutes of that meeting.

Motion by Couture, supported by Kriebel.

Resolved: To adjourn at 5:23 P.M.

Unanimously approved.

01.05-18

The next meeting of the Board of Trustees of the City of Taylor Police and Fire Retirement System will be held **Thursday, February 8, 2018 at 4:00 P.M.**