

Taylor Police & Fire Retirement Board June 13, 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, June 13, 2012.**

Present: Chairman and Trustee Nicolas Hill, Trustee Dan Bzura, Trustee Lynn Cleary, Trustee Gerry Taylor & Trustee Russ McNamee.

Also Present: Jack Timmony and Aaron Castle, of VanOverbeke, Michaud & Timmony, P.C., legal counsel; Chris Kuhn of Gray & Company, investment consultant; Linda Mills Kemp, Plan Administrator.

Excused: Kirk VanDagens of PNC Bank.

Chair Nicolas Hill called the meeting to order at 4:31 P.M.

Motion by Bzura, supported by Taylor.

Resolved: To approve the minutes of the regular meeting of the Board held May 9, 2012.

Unanimously approved.

6.41-12

Motion by Bzura, supported by Cleary.

Resolved: To receive and file the following financial correspondence:

1. Employee contributions received from the City of Taylor for the Taylor Police & Fire Retirement System for May 2012 in the amount of \$66,003.92.
2. Funding request notice dated May 18, 2012 from Oaktree Capital Management, L.P.
3. Letter dated May 23, 2012 to Barbara Citizen of PNC Bank requesting the transfer of \$137,837.00 from the Administrative Account to the Commingled Fund Account on or before Tuesday, May 20, 2012 and to wire same to Oaktree Capital for the purchase of the Oaktree PPIP Private Fund, LP on or before Tuesday, May 29, 2012.
4. Funding request notice dated May 25, 2012 from Oaktree Capital Management, L.P.
5. Letter dated May 31, 2012 to Barbara Citizen of PNC Bank requesting the transfer of \$100,000.00 from the Administrative Account to the Commingled Fund Account on or before Monday, June 4, 2012 and to wire same to Oaktree Capital for the purchase of the Oaktree PPIP Private Fund, LP.
6. Reinvestment of distribution from Intercontinental Real Estate Corporation in the amount of \$27,184.23 (pro rata gross share of an overall distribution of \$4,193,237.82) less \$11,258.29 management fee for a total reinvestment amount of \$27,184.23.

Unanimously approved.

6.42-12

Motion by Taylor, supported by McNamee.

Resolved: To receive and file the following correspondence.

1. The Police & Fire Retirees 2012 new Delta Dental Premiums.

Taylor Police & Fire Retirement Board

June 13, 2012 Meeting Minutes

2. Letter dated May 25, 2012 from Intercontinental with attached Amendment to Operating Agreement.
3. The April 2012 Police & Fire Retirees Medicare Reimbursement Report.
4. Letter dated May 31, 2012 from the City of Taylor to all retirees receiving medical benefits.

Unanimously approved.

6.43-12

Motion by Taylor, supported by Bzura.

Resolved: To approve the following correspondence.

1. Letter of retirement dated May 29, 2012 from Firefighter Jeffrey Fall, effective retirement date of July 7, 2012.

Unanimously approved.

6.44-12

Motion by Bzura, supported by McNamee.

Resolved: To pay the following bills:

1. Payment to Linda Mills Kemp, Plan Administrator, for services during the period May 7, 2012 through June 10, 2012, in the amount of \$3,675.
2. Payment to Tradewinds Global Investors, LLC for investment management fees for the period of January 1, 2012 through March 31, 2012 in the amount of \$13,132.22.
3. Payment to VanOverbeke Michaud & Timmony P.C. for legal services rendered for the Costella litigation and legal services rendered to the Board of Trustees for the period of January 1, 2012 through March 31, 2012 in the amount of \$6,119.00 and \$5,337.50 respectively for a total of \$11,456.50.
4. Payment to Gray & Company for investment consultant retainer 1st Quarter 2012 billing in the amount of \$12,117.66.
5. Payment to PNC Bank for the following services rendered from 1/01/2012 through 3/31/2012 for Asset Based Fees, Account Maintenance Fees and Activity Fees for a total of \$33,179.63.

Unanimously approved.

6.45-12

- **Mr. Jack Timmony & Mr. Aaron Castle**, legal counsel for the Police & Fire Retirement System, gave a brief update on the Costella litigation.
- An overview of Senate Bill No. 1129 and Senate Bill No. 1171 was discussed as outlined in a memorandum dated June 13, 2012 which was handed out to all Board Members.
- A discussion took place regarding a letter received from Mr. Voelkner requesting payment of his employee contributions.

Taylor Police & Fire Retirement Board June 13, 2012 Meeting Minutes

Motion by Taylor, supported by Cleary.

Resolved: To accept letter dated June 10, 2012 submitted by Mr. Andrew Voelkner requesting payment of employee contributions.

Unanimously approved.

6.46-12

- A discussion took place regarding the recalculation of pension benefits according to the normal retirement benefit calculation for Mr. Keith Blanchard.

Motion by Bzura, supported by Taylor.

Resolved: To submit pension benefit calculations for Mr. Keith Blanchard to actuary for certification.

Unanimously approved.

6.47-12

- Mr. Castle advised the Board that he had provided Linda Kemp, Plan Administrator, responses to several inquiries received related to EDRO's.
- **Chris Kuhn of Gray & Company** provided the Board with a "snap shot" of performance comparisons, market values, capital activity and performance of managers.
- Mr. Kuhn also advised that the Real Estate allocation was slightly over the limit permissible by the Act. Mr. Timmony noted that Act 314 requires that, upon discovery that an investment causes the Retirement System to exceed a limitation prescribed in Act 314, the investment fiduciary shall reallocate assets in a prudent manner in order to comply with the prescribed limitation.

Motion by Taylor, supported by McNamee.

Resolved: To accept a letter as drafted by Investment Consultant, Chris Kuhn outlining the Board's position related to the use of cash.

Unanimously approved.

6.48-12

- Mr. Kuhn recommended to the Board that \$800,000.00 be transferred from the Fixed Income Account to the Cash Account.

Motion by Cleary, supported by Taylor.

Resolved: To concur with the recommendation of Investment Consultant Chris Kuhn to transfer \$800,000 from the Fixed Income Account to the Cash Account.

Unanimously approved.

6.49-12

Taylor Police & Fire Retirement Board

June 13, 2012 Meeting Minutes

- **Trustee McNamee** advised the Board that he has been approached by several laid off firefighters regarding deferring their pension benefits. It was suggested by Mr. Timmony that these individuals submit a letter to the Board requesting confirmation of deferred benefit status.
- **Trustee Hill** advised the Board that he had been contacted by two investment publication reporters requesting information related to the system's financial managers.

Motion by Bzura, supported by Cleary.

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

Unanimously approved.

6.50-12