

Taylor Police & Fire Retirement Board June 11, 2015 Meeting Minutes

The regular meeting of the City of Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road, Taylor Michigan, on **Thursday June 11, 2015**.

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

Also Present: Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Linda Kemp, Plan Administrator; Christopher Kuhn, of The Bogdahn Group; and Sheila Gorski-Schulte, Human Resource Director

Chairman Hill, called the meeting to order at 4:32 P.M.

Motion by Faremouth, supported by Kriebel.

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held May 14, 2015.

Unanimously approved.

06.48-15

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following financial correspondence:

1. Distribution from Intercontinental in the amount of \$115,407.84 (pro rata gross share of an overall distribution of \$12,788,992.77 less \$25,102.61 management fees) resulting in a net distribution in the amount of \$90,305.23.
2. Letter dated May 29, 2015 to Ms. Christine Burns Patti authorizing the partial rebalancing of the City of Taylor Police and Fire Retirement System's assets in the amount of 5MM.
3. Letter dated May 29, 2015 to Ms. Barbara Citizen of PNC Bank requesting the sale of 23,800 shares of SPY on or before Wednesday, June 3, 2015 and to transfer the proceeds from the SPY sale to the Newsouth account and to notify the manager of the amount transferred.
4. Employee contributions received from the City of Taylor for the months of May 2015 in the amount of \$47,618.84.
5. Copy of warrant indicating the City of Taylor has deposited the first half payment of the Police and Fire Retirement Systems required annual city contribution per the 6/13 actuarial report in the amount of \$5,409,465.

Unanimously approved.

06.49-15

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Motion by Taylor, supported by Faremouth.

Resolved: To receive and file the following correspondence:

1. Letter dated May 15, 2015 from the office of Vanoverbeke Michaud and Timmony P.C. to Jacqueline Theisz, Esq. and John Camilleri, Esq. referencing Wayne County Case No. 13-105463-DM advising the DRO in this matter does NOT comply with the plan provisions.
2. The June 2015 Medicare report.

Unanimously approved.

06.50-15

Motion by Kriebel, supported by Faremouth.

Resolved: To receive and file the following correspondence: (Late arrival items)

3. Letter of retirement dated June 9, 2015 received from Battalion Chief Glenn Ross with an effective retirement date of July 8, 2015.
4. Letter of retirement received June 9, 2015 from Fire Captain Ed Sierota with an effective retirement date of July 8, 2015.
5. FOIA requested received June 9, 2015 from retiree Scott Gregory.

Unanimously approved.

06.51-15

Motion by Taylor, supported by Faremouth.

Resolved: To approve the following correspondence.

1. Letter dated May 28, 2015 from the office of Vanoverbeke Michaud & Timmony P.C. to Ms. Theisz and Mr. Camilleri referencing Wayne County Case No. 13-105463-DM advising the Domestic Relations Order (DRO) now complies with plan provisions.

Unanimously approved.

06.52-15

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator, for periods ending May 17, 2015 through June 7, 2015 the amount of \$2,145.
2. Payment to The Bogdhan Group for performance evaluation and reports and consulting services for the period of March 31, 2015 through June 30, 2015 in the amount of \$13,750.
3. Payment to Mauricio Gomes for annual hosing and maintenance of the Police and Fire website in the amount of \$460.

Unanimously approved.

06.53-15

Jack Timmony discussed item B-5; FOIA request received from retiree Scott Gregory. The Trustees were advised it is no longer required to disclose actuarial calculations. Regarding the FOIA request at issue, the statute does not require the creation of a document or list, however the

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FOIA response can be provided by redacting current files and providing only that which was requested.

The QDRO Worksheet prepared by QDRO Express was also discussed. It was determined at this meeting the worksheet should be completed by the divorce attorneys and/or QDRO Express. The Board directed Ms. Kemp to contact the individual who submitted the worksheet to suggest she forward the form to her attorney.

Chris Kuhn provided the Trustees with a Manager Summary which was reviewed and discussed. The Trustees were advised the transfer of funds approved at the May meeting will be finalized on or before June 3, 2015 as directed. Mr. Kuhn prepared a write up for this meeting regarding a prior investment with Bloomfield Capital in which he stated the investment has performed as expected. Bloomfield Capital has begun the process of pre-marketing their next fund, Bloomfield Capital Income Fund III. The new fund is similar to the prior investment with a target size of approximately \$100 million. The Bogdhan Group has not yet completed formal due diligence due primarily to Bloomfield Capital's lack of registration with the U.S. Securities and Exchange Commission (SEC). The firm does not need to register with the SEC until the firm's asset under management reach \$150 million. If the Board elects to invest in Bloomfield Capital Income Fund III, Mr. Kuhn recommends an investment between 1 - 2% of the funds assets. It is also recommended the Retirement System negotiate a side letter with Bloomfield Capital, requiring them to apply for SEC registration as soon as the firm becomes eligible to do so. Further discussion regarding incentives and possible fee reductions took place. Mr. Kuhn will work with Bloomfield Capital to negotiate the best possible incentives and fee structure.

Motion by Taylor, supported by Bourassa.

Resolved: To authorize Mr. Kuhn to transfer 3 million from bonds to be invested with Bloomfield Capital Income Fund III.

Unanimously approved.

06.54-15

Chair Hill provided Mr. Kuhn with some investment information he received from the recent MAPERS Seminar and requested he research this particular manager to see if it makes sense for the Retirement System to consider a possible investment. Chair Hill also advised the other Trustees all of the MAPERS Seminars are online for review. There was some discussion regarding MLP's and whether or not that would be a good investment for the Retirement System to consider. Mr. Kuhn will research MLP's in greater detail and work with Mr. Timmony and report his findings at the next meeting.

The Trustees were advised the retirement benefit calculation of Mr. Quiroz has been recalculated using a year that was not previously used due to a directive from Ms. Gorski in which she stated a Settlement Agreement prevented that year from being used as part of the FAC. The Settlement

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Agreement was sent to Mr. Timmony for review. Mr. Timmony advised the Trustees there is nothing in the Settlement Agreement that would alter how to calculate the FAC and recommended the calculation be performed according to the labor agreement formula.

Motion by Faremouth, supported by Kriebel

Resolved: To adjourn the meeting at 5:34 P.M.

Unanimously approved.

06.54-15

The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held THURSDAY, July 9, 2015 at 4:30 at the POLICE STATION.