

Taylor Police & Fire Retirement Board June 9, 2016 Meeting Minutes

The regular meeting of the Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road, Taylor Michigan, on **Thursday June 9, 2016**.

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

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

Excused: Trustees Faremouth and Taylor.

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

Motion by Kriebel, supported by Bourassa.

Resolved: To approve the minutes of the regular meeting of the Police and Fire Retirement System's Board of Trustees held May 12, 2016.

Unanimously approved.

06.34-16

Motion by Bourassa, supported Kriebel.

Resolved: To receive and file the following financial correspondence:

1. Client statement from First Eagle Global Value Fund, LP for the period of March 31, 2016 through April 30, 2016.

Unanimously approved.

06.35-16

Motion by Bourassa, supported by Kriebel.

Resolved: To receive and file the following correspondence:

1. The June 2016 Medicare report. Note two (2) changes this reporting period.
2. Letter received May 28, 2016 from Phil Wengrowski requesting to purchase his PSO service credit time.
3. Letter of retirement dated May 19, 2016, received from Battalion Chief Jeffrey Morrow with a retirement effective date of June 30, 2016.
4. Letter dated May 20, 2016, from Commander Richard Hopper requesting a retirement date of July 3, 2016, and to enter the Deferred Retirement Option Plan effective July 4, 2016.
5. Letter of retirement dated May 23, 2016 from Battalion Chief Bob Lavender with a retirement effective date June 30, 2016.
6. Letter dated May 20, 2016, to Mr. Herb Proctor requesting that he schedule a re-examination per the Retirement System's Disability Re-examination Policy and Procedure
7. Letter dated May 20, 2016, to Dr. Allen Babcock, the Retirement System's Medical Director, referencing the re-examination of Mr. Herb Proctor.

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8. Correspondence received from the office of Vanoverbeke Michand & Timmony P.C. referencing MAPERS recent legal issues and decisions.

Unanimously approved.

06.36-16

Motion by Kriebel, supported Bourassa.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of May 8, 2016 through June 5, 2016 in the amount of \$2,055.

Unanimously approved.

06.37-16

Late arrival (Open Business) items:

Motion by Kriebel, supported by Bourassa.

Resolved: To receive and file the following late arrival items.

1. Retiree Scott Atkinson suggested that the Board consider an encrypted secure email system when sending and receiving information of a confidential nature.
2. Payment received from Steve Kish in the amount of \$5,978.58 for the purchase of PSO service credit time.
3. Correspondence dated June 2, 2016, received from Metropolitan Real Estate referencing capital call #3.
4. Letter dated June 7, 2016, to Ms. Barbara Citizen authorizing actions to facilitate Metropolitan Real Estate capital call #3.
5. Letter dated June 6, 2016, received from American Realty Advisors referencing The American Strategic Value Realty Fund capital call notice.
6. Letter dated June 9, 2016, received from Sheila Gorski-Schulte, Human Resource Director, referencing unpaid employee contributions of Commander Michael Lividini.

Unanimously approved.

06.38-16

Mr. Timmony distributed and discussed a proposed resolution related to the workers' compensation set-off requirement of duty disability retiree Bradley Sepell. Mr. Sepell redeemed his workers' compensation matter by order dated March 1, 2016, and the redemption order awards \$1150 directly to Mr. Sepell. Pursuant to Public Act 345, at Section 6(2)(f), and pursuant to the Retirement System's workers' compensation offset policy and procedure, that amount is required to be offset from and against disability benefits payable from the Retirement System to Mr. Sepell. The Board resolved to adopt the resolution which legal counsel distributed and reviewed, a copy of which will be provided to the parties and entities listed in the resolution, and with particular instruction to custodian bank PNC to effect the referenced offset.

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Motion by Bourassa, supported by Kriebel

Resolved: To adopt the Resolution regarding the Workers' Compensation Redemption for Bradley Sepell.

Unanimously approved.

06.39-16

Mr. Kuhn noted at this meeting that investment performance of Herndon remains under scrutiny and that he will begin a manager search for a potential successor to be discussed at the next regular scheduled Board of Trustees meeting.

Mr. Kuhn also distributed and discussed the Asset/Manager Summary report, with recommendations to redeem certain assets in order to satisfy pension benefit payment obligations as well as capital call requirements for certain real estate fund investments (American VA RE and Metropolitan VA RE). The Board approved the recommendation to redeem \$1.2 million dollars from the Alger Large Cap Growth portfolio and \$1.2 million dollars from the Herndon Large Cap Value portfolio.

Finally, Mr. Kuhn distributed and discussed the City of Taylor Police and Fire Retirement System Investment Policy Statement with a recommendation that the Board adopt it following discussion, with a concurrence from legal counsel. Both Mr. Kuhn and Mr. Timmony noted for the Board that the final item for resolution was contained in Section IX, paragraph D.3., on page 11: This is a requirement that Retirement System investment managers disclose to the Board of Trustees any investigation by or sanction imposed by the Securities Exchange Commission or FINRA which is relevant to the services provided by the subject investment manager to the Retirement System.

Motion by Kriebel, supported by Bourassa.

Resolved: To authorize the recommendation of Investment Consultant, Chris Kuhn, to redeem 1.2 million dollars from Alger large cap growth portfolio and 1.2 million dollars from Herndon large cap value portfolio.

Unanimously approved.

06.40-16

Motion by Kriebel, supported by Bourassa.

Resolved: To adopt the City of Taylor Police and Fire Retirement System Investment Policy Statement.

Unanimously approved.

06.41-16

Under the Open Forum portion of the meeting agenda, legal counsel noted receipt of an email dated June 9, 2016, from Trustee Taylor addressed to all of the Trustees, the Plan Administrator, and legal counsel, wherein Trustee Taylor requested that the content of his email be noted in the record. Legal counsel read the contents of the email aloud, as follows:

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“Dear Fellow Board Members. Please accept my sincere apologies for my inability to attend today’s June meeting of the City of Taylor Police and Fire Pension Board meeting. With reference to the arbitration results that were revealed on Chairman Nick Hill’s grievance at the May meeting, I would request my position on this matter to be duly noted. I have volunteered and sacrificed nearly two thousand hours over the last nine years to work along Chairman Nick Hill’s side in an effort to save and balance the funds in the City of Taylor Police and Fire Pension Plan for the benefit of both, the pensioners and the City of Taylor. As a result of our diligent work amidst a very difficult economical era, we have managed to increase the balance of the fund’s assets from roughly \$60 Million to roughly \$110 Million. In retrospect, the City of Taylor’s complaint on the Chairman’s grievance appears to be incredibly trivial. I would like it to be noted, if Chairman Hill and Trustee Kriebel resign I will have no choice but to also resign. I would hate to see all of our hard work and sacrifice end in vain.”

Mr. Kuhn advised the Board that he is unavailable to attend the next scheduled regular meeting of the Board, which is on July 14. Discussion about changing the July meeting date from the 14th to another date in July followed.

Motion by Kriebel, supported by Bourassa.

Resolved: To adjourn the meeting at 5:59 P.M.

Unanimously approved.

06.42-16

The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held at a date and time in July to be determined by the Board Chairman at the Police Station.