

Taylor Police & Fire Retirement Board March 12, 2015 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, March 12, 2015**.

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

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

Excused: Trustee Steve Portis

Chairman Hill, called the meeting to order at 4:33 P.M.

Motion by Bourassa, supported by Faremouth.

Resolved: To approve the minutes of the regular meeting of the P&F Retirement System's Board of Trustees held February 12, 2015.

Unanimously approved.

03.23-15

Motion by Taylor, supported by Faremouth.

Resolved: To receive and file the following financial correspondence:

1. Letter dated February 15, 2015 from Nino Chiappetta of Herndon Capital Management referencing audit of financial statements.
2. Client statement from First Eagle for the period of December 31, 2014 through January 31, 2015.
3. Payment of employee contributions received from the following fire fighters:
 - Bradley Hoffman \$262.33
 - Alex Roman \$2,474.71
 - Glenn Ross \$608.65
 - Todd Yankauskas \$425.08
4. Letter dated March 2, 2015 to Ms. Barbara Citizen of PNC Bank authorizing the release of bank information to Chris Kuhn of The Bogdhan Group.

Unanimously approved.

03.24-15

Motion by Taylor, supported by Bourassa.

Resolved: To receive and file the following correspondence:

1. Letter dated February 20, 2015 from Michael F. DiMeglio, Senior Vice President of Alger referencing Revocation of Authorization.

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2. Letter dated February 17, 2015 from Craig Haynes of PNC Capital Advisors referencing leadership transition.
3. Letters dated February 22, 2015 signed by Mayor Sollars sent to previously laid off fire fighters rescinding the previous layoff date.
4. Layoff letters dated February 20, 2015 to 15 fire fighters with a layoff date of June 30, 2015.
5. Letters sent to fire fighters involved in the Stipulated Award advising amount of employee contributions to be paid to the Retirement System as specified in the Stipulated Award.
6. Letter dated February 17, 2015 from Mark McGlone, President and CIO; PNC Capital Advisors referencing organizational announcement.
7. Letter dated March 3, 2015 received from the office of Vanoverbeke Michaud and Timmony P. C. referencing Wayne County Circuit Court Case No. 14-100085-DO.

Unanimously approved.

03.25-15

Motion by Taylor, supported by Bourassa.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator, for periods ending February 15, 2015 through March 8, 2015 in the amount of \$3,210.
2. Payment to Staples for office supplies in the amount of \$75.35.
3. Payment to Rodwan Consulting Company for additional actuarial services in connection with Governmental Accounting Standards Board Statement (GASB) in the amount of \$4,900.
4. Payment to The Bogdhan Group for consulting services for the period through March 31, 2015 in the amount of \$13,750.(late arrival item)

Unanimously approved.

03.26-15

Mr. Timmony advised the Trustees his office is in the process of preparing a proposed policy for review and approval by the Board relative to the upcoming changes to the Freedom of Information Act (FOIA). FOIA changes go into effect July 1, 2015. Mr. Timmony touched briefly on the various changes to go into effect as well as consequences for failure to comply.

Chair Hill mentioned a fire fighter had asked a question regarding his future retirement as it relates to contract negotiations; i.e. if contract has expired yet a new contract has not yet been ratified which contract would his retirement fall under. Mr. Timmony advised this is a matter between the union and the administration.

Chris Kuhn advised the Trustees the transition from Gray & Company to The Bogdhan Group has been very smooth and all data up to June 30, 2014 has been input and a quarterly report will be provided at the next meeting.

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An Asset Manager Summary as well as a Market Update Summary handout were provided, reviewed and discussed. Mr. Kuhn stated January was off to a slow start, not as strong on value as growth and international has come back fairly strong. Fixed income performed great in January.

Mr. Kuhn mentioned the 7 mm trade is pending. Trustee Taylor asked if there is a way in which the trade process could be expedited in the future. Mr. Kuhn responded stating that PNC now has him online with their system which will allow quicker access for transactions where cash is available.

Mr. Kuhn mentioned the departure of Andy Harding from PNC. Sean Rhoderick will be stepping into the role of business management responsibilities. Mr. Kuhn recommended in light of the organizational changes at PNC a letter placing them on watch may be in order.

Motion by Hill, supported by Bourassa.

Resolved: To authorize Mr. Kuhn to draft a letter to be sent to PNC advising they have been placed on watch due to the recent organizational changes.

Unanimously approved.

03.27-15

Chair Hill stated the fund has been at somewhat of a stand still for some time and asked if Mr. Kuhn could provide some other investment options that may have a greater return. Mr. Kuhn suggested a possible increased investment with Graham or Bloomfield Capital where higher returns are being realized. The matter will be discussed further at a future meeting.

Kirk VanDagens provided an account status of all portfolios managed by PNC. It was noted large value is up and so far this year the numbers look good. Small cap continues to do well and fixed income is on the incline. Craig Haynes will be at the next meeting to provide a full portfolio update. It was further noted at this meeting that Hitesh Patel out performed by \$700,000 a year for the past five years.

Chair Hill advised the members a request had been made by fire fighter Bill Caruso to repay his employee contributions on a payment plan. The matter was discussed; the Trustees unanimously agreed a payment plan is not an option given everyone involved in the Stipulated Award was aware when the Award was received they would need to pay employee contributions on those funds. Further discussion resulted in an agreement to send a reminder letter to those involved in the Stipulated Award.

Motion by Bourassa, supported by Taylor.

Resolved: To send a reminder letter to those involved in the Stipulated Award.

Unanimously approved.

03.28-15

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Chair Hill asked Ms. Gorski-Schulte about the report prepared by Rodwan Consulting indicating monies owed by the previously laid off police officers in order to make their pension whole. Ms. Gorski stated she believes an additional actuarial study needs to be performed and the matter would need to go before City Council. It was not clear at this time why this matter is being handled differently than similar situations in the past. The matter needs further review.

Ms. Gorski was asked by Chair Hill if the contributions being paid by the fire fighters are to be considered pretax or after tax contributions. Ms. Gorski advised they are to be after tax contributions. PNC will be advised of same.

Motion by Faremouth, supported by Bourassa.

Resolved: To adjourn the meeting at 5:25 P.M.

Unanimously approved.

03.29-15

The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held THURSDAY, April 16, 2015 at 4:00 at the POLICE STATION.