

## **Taylor Police & Fire Retirement Board May 8, 2013 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, May8, 2013.**

**Present:** Chairman and Trustee Nicolas Hill, Trustee Dan Bzura, Trustee Russ McNamee, Trustee Gerry Taylor

**Also Present:** Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn of Gray & Company, Investment Consultant; Kirk VanDagens, of PNC Bank; Bank Investment Manager; Linda Kemp, Plan Administrator; Sheila Gorski-Schulte, Human Resource Director for the City of Taylor; George Quoriz, Union President Local 1252; Retired Battalion Chief Ron McNamee; Marc Dion, CFA Principal/Portfolio Manager of Morgan Dempsey; David Durham, Principle Morgan Dempsey

**Excused:** Trustee Lynn Cleary

**Chair Nicolas Hill called the meeting to order at 4:35 P.M.**

**Motion by Taylor, supported by Bzura.**

Resolved: To approve the minutes of the regular meeting of the P&F Retirement System Board of Trustees held April 10, 2013.

*Unanimously approved.*

05.58-13

**Motion by Bzura, supported by Taylor.**

Resolved: To receive and file the following financial correspondence:

1. Distribution from Oaktree Capital Management, L.P. dated April 18, 2013 in the amount of \$84,943.00 pursuant to Section 6.3(b) of the Amended and Restated Limited Partnership Agreement.

*Unanimously approved.*

05.59-13

**Motion by Taylor, supported by McNamee.**

Resolved: To receive and file the following correspondence:

1. The April 2013 Police & Fire Retirees Medicare Reimbursement Report. Note 4 changes this reporting period.
2. Letter Mr. Kirk VanDagens, Vice President PNC Institutional Investments dated April 17, 2013 referencing the PNC Focused Equity portfolio.
3. Letter dated April 17, 2013 to Kirk VanDagens, Vice President PNC Institutional Investments requesting a writing detailing PNC's management of the Focused Equity portfolio.
4. Letter dated April 23, 2013 from Kirk VanDagens, Vice President PNC Institutional Investments detailing management of Focused Equity portfolio.

## **Taylor Police & Fire Retirement Board May 8, 2013 Meeting Minutes**

5. The revised Annual Actuarial Valuation report provided by Rodwan Consulting.  
*Unanimously approved.*

05.60 -13

### **Motion by Taylor, supported by McNamee.**

Resolved: To approve the following correspondence:

1. Letter of retirement dated April 12, 2013 from Fire Fighter Richard Michalski.
2. Letter of retirement dated April 24, 2013 from Fire Chief Robert Tompos.
3. Revised Service Provider Disclosure Policy Resolution submitted by the office of VanOverbeke Michaud & Timmony P.C. on May 1, 2013.

*Unanimously approved.*

05.60-13

### **Motion by Taylor, supported by Bzura.**

Resolved: To pay the following bills:

1. Payment to Linda Kemp, Plan Administrator, for services during the period ending April 14, 2013 through May5, 2013 in the amount of \$2,445.
2. Payment to NewSouth Capital Management, Inc. for management fees from January 1, 2013 through March 31, 2013 in the amount of \$11,580.

*Unanimously approved.*

05.61-13

**Mr. Jack Timmony** provided the Board with a brief update on the management investment contracts stating he is in continued discussion with both Aljers and Herndon and should have those contracts finalized very soon.

Item C, the Service Provider Disclosure Policy Resolution was discussed briefly. It was determined that the month of August will be the month in which the Retirement System will submit the necessary forms to service providers per the policy.

The Personal Services contract between the City and Former Fire Chief Tompos was discussed in great detail. Part of the discussion included the language related to the purchase of service credit years as well as whether or not an annuity withdrawal was part of the Labor Agreement between the Fire Union and the City of Taylor. It was noted at this meeting that the only Labor Agreement which currently allows an annuity withdrawal is that of the Police Command Union.

Mr. Timmony advised the Board that he had been in discussion with Ms. Gorski-Schulte regarding the effective retirement date for Mr. Proctor. It was noted that Mr. Proctor's official retirement date was March 14, 2013. The Pension office is awaiting payroll records to begin benefit calculations for both Mr. Proctor and Mr. Tompos.

**Chris Kuhn of Gray & Company** provided the Board a performance report indicating the equity market had a good 1<sup>st</sup> quarter. Further discussion included fed funds rate, yield curve, inflation

## **Taylor Police & Fire Retirement Board May 8, 2013 Meeting Minutes**

indicator, fixed income market performance and target allocation. Mr. Kuhn advised the Board the total fund is up which is an incredible start to the year. Mr. Kuhn recommended the Board move forward with the transition of the PNC portfolio. Gray & Company will continue to search for a suitable manager.

### **Motion by Taylor, supported by Bzura.**

Resolved: To authorize Investment Consultant to increase fixed income to 20%.

*Unanimously approved.*

05.62-13

### **Motion by Taylor, supported by Bzura.**

Resolved: To authorize Investment Consultant, to index with S&P 500 until a suitable manager can be found.

*Unanimously approved.*

05.63-13

**David Durham and Marc Dion of Morgan Dempsey** were present at this meeting to give a detailed presentation of Morgan Dempsey's investment philosophy, investment process overview, investment objective, discipline and risk control and an overall view of how they believe they would be of value to the Retirement System's financial portfolio.

**Kirk VanDagens of PNC Bank** discussed the letter submitted to the Board detailing the management of the PNC portfolio and gave a brief update of the financial market review, account status and a fixed income portfolio update.

**Chair Hill**, advised the Board that Trustee McNamee would be providing the Pension office with a letter from the Fire Union related to his election to the P&F Board. The second review process was discussed briefly. It was decided that the Chair will provide the second review for the two pending retirements.

**George Quoriz Local 1252 Union President** was present at this meeting to discuss the Stipulated Agreement between the City and the Fire Union. Discussion included whether or not the funds awarded in the agreement are eligible to be included in 2011 FAC calculations. Mr. Timmony suggested since this matter is still in litigation the Board not take any action until such time this matter has reached a resolution in the courts. Mr. Timmony also suggested upon court resolution of this issue the Board consider bringing the Actuary in to discuss how best to resolve this issue.

**Taylor Police & Fire Retirement Board  
May 8, 2013 Meeting Minutes**

**Motion by Taylor, supported by McNamee.**

Resolved: To receive and file the Stimulated Agreement between the City of Taylor and the Taylor Fire Fighters Union Local 1252.

*Unanimously approved.*

5.64-13

**Motion by Bzura supported by McNamee.**

Resolved: To adjourn meeting at 6:35 P.M.

*Unanimously approved.*

05.65-13

**The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held Wednesday June 12, 2013.**