

TAYLOR POLICE & FIRE RETIREMENT BOARD

November 9, 2017

The regular meeting of the City of Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road (second floor conference room), Taylor Michigan, on **Thursday, November 9, 2017 at 3:00 P.M.**

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

Also Present: Jack Timmony, VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, CFA, CAIA, Senior Consultant, & Co.; Sheila Gorski-Schulte, Human Resource Director, Craig Haynes, PNC Institutional Investments; Jay Green, Harding Loevner and Bill Orke, WCM Investments.

Trustee and Chair Nicolas Hill, called the meeting to order at 3:00 P.M.

Motion by Kriebel, supported by Taylor.

Resolved: To approve the minutes of the meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held October 12, 2017.

Unanimously approved.

11.72.-17

Motion by Kriebel, supported by Couture.

Resolved: To receive and file the following financial correspondence:

1. Letter dated October 17, 2017 to Ms. Barbara Citizen of PNC Bank authorizing a transfer of funds to the Administrative account.
2. Client statement from First Eagle for the period of August 31, 2017 through September 30, 2017.
3. Employee contributions received from the City of Taylor for September 2017 in the amount of \$60,980.54.

Unanimously approved.

11.73-17

Motion by Taylor, supported by Couture.

Resolved: To receive and file the following correspondence:

1. Email correspondence received October 17, 2017 from Amanda Baron of First Eagle referencing acquisition of NewStar Financial.
2. Letter dated October 11, 2107 received from Robert Vanderlinder, Vice President of the Taylor Professional Fire Fighters Union Local 1252.
3. Interest rate documentation relative to the rate of interest paid on member contributions and withdrawal of member contributions.
4. FOIA request dated November 2, 2017 received from Joseph Shammass of Bloomberg L.P.
5. FOIA fee summary associated with the Bloomberg L.P. FOIA request.

Unanimously approved.

11.74-17

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Motion by Taylor, supported by Bourassa.

Resolved: To approve the following correspondence:

1. Final benefit calculation and payment of monthly benefit for retired Police Chief Mary Sclabassi.
2. Final benefit calculation and payment of monthly benefit for Police retiree Keith O'Connor.

Unanimously approved.

11.75.17

Motion by Taylor, supported by Bourassa.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of October 15, 2017 through November 5, 2017 in the amount of \$2,826.25.
2. Payment to AndCo. for consulting services and performance evaluation for the period of April 1, 2017 through June 30, 2017 in the amount of \$12,500.
3. Payment to Brown Advisory for investment services for the period of July 1, 2017 through September 30, 2017 in the amount of \$14,475.39
4. Payment to PNC Institutional Asset Management for asset based fees for the period of July 1, 2017 through September 30, 2017 in the amount of \$26,344.07
5. Payment to Rodwan Consulting Company for additional actuarial services rendered in connection with information for reporting purposes pursuant to Governmental Accounting Standards Board Statement 67 & 68 as of June 30, 2017 in the amount of \$4,900.
6. Payment to Newsouth Capital Management, Inc. for management fees for the period of July 1, 2017 through September 30, 2017 in the amount of \$24,308.
7. Payment to Staples for office supplies in the amount of \$130.43.
8. Payment to MAPERS for 2018 annual membership dues in the amount of \$100.

Unanimously approved.

11.76-17

Mr. Timmony discussed the documents related to the amount of interest to be paid on funds being held in DROP accounts. The rate of interest is 2% which is the same percentage used should a member elect to withdraw their employee contributions, as supported by previous and several years of Board meeting minutes.

Motion by Couture, supported by Taylor.

Resolved: To authorize Plan Administrator to provide interest rate information to Rodwan Consulting Company and to request the calculation of DROP funds with interest for two members exiting the DROP program: John Blair and Richard Hopper.

Unanimously approved.

11.77-17

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Mr. Timmony provided documents from Global Tax Services Incorporated for Chair Hill's signature. Trustee Kriebel brought forward a question from a fellow fire fighter regarding service credit time. Chair Hill advised that is a discussion between the city and the union and not for this Board to comment, and Mr. Timmony concurred with that statement.

Craig Haynes provided the Board with an investment review indicating all three strategies out performed this quarter. Additionally, part of the discussion was sector allocation, portfolio performance, large cap value, MFSCC overall asset allocation summary, fixed income quality allocation, and total market value.

Bill Orke of WCM was present at this meeting to provide a presentation that included a team member overview, monthly return data, large cap, risk, structural advantage, selection edge, how stocks are selected, investment philosophy, competitive advantage, valuation, diversification, portfolio holdings and fee structure. Mr. Timmony asked if the firm is registered with SEC and if they are currently involved in any pending litigation; they are registered with the SEC and are not involved in any current litigation.

Jay Green of Harding Loevner was present at this meeting to provide a presentation to include a firm profile overview, introduction to their investment team, quality growth investment philosophy, valuation and rating, portfolio construction, risk management, company performance summary, historical quality growth, portfolio statistics and fee structure. Mr. Timmony asked if the company is registered with the SEC and if they are currently involved in any pending litigation; they are registered with the SEC and are not involved in any current litigation.

Chris Kuhn provided an asset manager summary investment performance review as of September 30, 2017. A comparison of potential new managers was provided

Mr. Kuhn advised the Board there is a need to transfer funds to the administrative account to provide liquidity for upcoming benefit payments and expenses.

Motion by Couture, supported by Bourassa.

Resolved: To authorize Investment Consultant Chris Kuhn to transfer \$1M from PNC small cap to the Administrative account to provide liquidity for upcoming benefit payments.

Unanimously approved.

11.78-17

The Board reviewed handouts provided by both guests and had some discussion on both companies. It was decided at this meeting the Board members would review the material in greater detail and a decision will be made at the December meeting. Discussion related to some of our underperformers and what other options may be available. Mr. Kuhn will be working on some new ideas for Board consideration at the next meeting.

Motion by Couture, approved by Bourassa.

Resolved: To adjourn at 5:28 P.M.

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Unanimously approved.

11.79-17

The next meeting of the Board of Trustees of the City of Taylor Police and Fire Retirement System will be held Thursday, December 14, 2017 at 4:00 P.M.