

## **Taylor Police & Fire Retirement Board September 10, 2014 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, September 10, 2014.**

**Present:** Chairman and Trustee Nicolas Hill (via phone conference), Trustee Gerry Taylor, Trustee Ed Bourassa, Trustee Steve Portis

**Excused:** Trustee Faremouth

**Also Present:** Aaron Castle, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, of Gray & Company, Investment Consultant; Linda Kemp, Plan Administrator; Sheila Schulte-Gorski, Human Resource Director; Michael Brooks, of Ativo, Director of Client Relation; Ricardo Bekin, of Ativo, CEO/Chief Management Investment Officers; Kurt Winrich of WCM, Investment Manager; William Orke, of WCM, Investment Manager; Jason Jarjosa of Bloomfield Capital Partners, Partner; Nicholas Coburn, of Bloomfield Capital Partners, Managing Partner; Michael Lucci, Jr., of Bloomfield Capital Partners, Director, Bill Currie, Taylor Fire Fighter

**Aaron Castle, acting on behalf of Chairman Hill, called the meeting to order at 4:30 P.M.**

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

Resolved: To approve the minutes of the regular meeting of the P&F Retirement System Board of Trustees held August 13, 2014 to include a change recommended by Mr. Timmony.

*Unanimously approved.*

09.69-14

### **Motion by Taylor, supported by Bourassa:**

Resolved: To receive and file the following financial correspondence:

1. Employee contributions received from the City of Taylor for August 2014 in the amount of \$53,726.99.
2. Distribution from Intercontinental in the amount of \$124,360.29 less pro rata gross share of an overall distribution of \$10,607,676.17 (less management fees of \$24,738.56 for second quarter 2014) for a net distribution in the amount of \$99,621.73.

*Unanimously approved.*

09.70-14

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

Resolved: To receive and file the following correspondence:

1. The August 2014 Medicare report. Note one (1) change this reporting period.
2. Employee contribution payment received in the amount of \$315.62 from retiree Jeff Fall for upgrade pay received from the City of Taylor in which no employee contributions were previously withheld.
3. Correspondence dated August 22, 2014 submitted by Christopher Kuhn of Gray and Company on behalf of the Police & Fire Retirement System's Board of Trustees to Ativo

## **Taylor Police & Fire Retirement Board September 10, 2014 Meeting Minutes**

Capital Management, WCM Investment Management and Bloomfield Capital Partners inviting a representative from each organization to provide presentations at the September 10<sup>th</sup> Board meeting.

*Unanimously approved.*

09.71-14

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

Resolved: To approve the following correspondence:

1. Letter dated August 14, 2014 from Rodwan Consulting Company referencing fire fighter employee contributions.
2. Letter dated August 14, 2014 from Rodwan Consulting Company referencing previously laid off police officers employee contributions.
3. Actuarial certification and payment of deferred retiree benefits for Kristina Corne.
4. Actuarial certification and payment of recalculated retiree benefits for retiree Jeff Fall due to payment of upgrade pay.

*Unanimously approved.*

09.72-14

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

Resolved: To approve the following payment of bills reflecting a change to item D-3to reimburse Trustee Faremouth as requested by Trustee Bourassa:

1. Payment to Linda Kemp, Plan Administrator, for periods ending August 17, 2014 through September 7, 2014 in the amount of \$1,642.50.
2. Payment to Medsource Services/Consulting Physicians for review of records and disability retirement exam and written report in the amount of \$1,870.
3. Reimbursement to Trustee Faremouth for gas mileage (city rate .56 per mile as of January 1, 2014 x 526 miles round trip) to Grand Traverse Resort to participate in the Fall MAPERS Conference in the amount of \$296.24, as well as reimbursement for three (3) nights lodging at Grand Traverse Resort at \$159 per night plus \$9.95 per night (\$29.85) resort fee, plus 5% tourism assessment fee per night (\$23.85) for a total reimbursement in the amount of \$826.94.

*Unanimously approved.*

09.73-14

**Mr. Castle** discussed the revisions to the Actuarial Funding Policy (section C-1 reflecting the current amortization method), requesting the Board consider adopting the policy as revised.

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

Resolved: To adopt the Actuarial Funding Policy as revised.

*Unanimously approved.*

09.74-14

Mr. Castle also provided the Board with a copy of the Michigan Supreme Court's Order in the matter of Kenneth Costella vs. Board of Trustees of the City of Taylor Police and Fire Retirement

## **Taylor Police & Fire Retirement Board September 10, 2014 Meeting Minutes**

System (SC: 147810 COA: 310276 Wayne CC: 11-015152-AS), and advised the Board that the Supreme Court had denied Mr. Costella's Motion for Reconsideration, virtually closing the case. He also indicated that a bill of costs was submitted to the Supreme Court prior to Mr. Costella's Motion for Reconsideration, and that the Board should be able to recoup some of the costs of appeal from Mr. Costella.

Mr. Castle suggested entering into closed door session to discuss securities litigation matters under the attorney-client privilege and the disability application of Bradley Sepell subject to federal privacy laws.

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

Resolved: To enter into closed door session at 4:41 p.m. to discuss matters relating to securities and the disability application of Bradley Sepell.

*Unanimously approved.*

09.75-14

### **Roll Call:**

Chair Hill	Yes
Trustee Taylor	Yes
Trustee Bourassa	Yes
Trustee Portis	Yes

### **Motion by Bourassa, supported by Hill.**

Resolved: To return to regular public meeting.

*Unanimously approved.*

09.76-14

### **Roll Call:**

Chair Hill	Yes
Trustee Taylor	Yes
Trustee Bourassa	Yes
Trustee Portis	Yes

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

Resolved: To authorize Legal Counsel to pursue Securities Litigation regarding L-3 Communications Holdings Inc.

*Unanimously approved.*

09.77-14

**Bill Currie** of the Taylor Fire Department was at this meeting to ask questions regarding a pay out of monies he received from the City of Taylor as a result of an arbitration award and how that pay

## **Taylor Police & Fire Retirement Board September 10, 2014 Meeting Minutes**

out could affect his “good year” toward his future retirement benefit. Chair Hill stated this is a matter between the employee and the city. Ms. Gorski advised Mr. Currie of a union meeting scheduled for later in the week in which she would discuss the matter and look at specific language in the contract in an attempt to resolve this issue with Mr. Currie.

**Chris Kuhn** gave a brief update on market values noting the fund made significant earnings since the last meeting and that Graham had a very good quarter. Mr. Kuhn advised the Trustees he is not recommending a transfer of funds to the cash account at this time.

A brief introduction of guests present at this meeting was given prior to hearing each presentation.

**Michael Brooks, Director of Client Relations of Ativo and Ricardo Bekin, CEO/Chief Management Investment Officer of Ativo** were present at this meeting and gave a very detailed presentation which included a firm overview of their Chicago based firm, number of employees, explained how American Depository Receipt works, asset growth, investment philosophy and process, portfolio characteristics, performance, weight factors and overall investment process.

Mr. Castle asked if Ativo is currently involved in any ongoing litigation. Mr. Bekin responded by saying there were currently involved in a legal matter with an ex-partner over a dispute the former partner believes he was owed at the time of his departure from the firm. Mr. Taylor asked if they would be willing to sign on as a fiduciary; the response was yes.

**William Orke, and Kurt Winrich of WCM Investment Management** provided the Board with an overview of their California based firm, number of employees, discussed assets under their management, why they believe their firm is successful, explained how they partner with great businesses for great investments and how they identify those businesses, their philosophy is to think long term, explained how they go about building a portfolio, the firm has seven (7) principal owners. Mr. Kuhn asked about their fees and Mr. Castle asked if there firm was currently involved in any ongoing litigation. Mr. Winrich responded no.

**Jason Jarjosa, Partner, Nicholas Coburn, Managing Partner and Michael Lucci Jr., Director, of Bloomfield Capital** gave a detailed presentation on the function of their firm; basically they finance real estate loans that may otherwise not be approved via the regular banking process. They acquire a diverse portfolio of commercial mortgage loans, deeds of trust and other real estate investments, the funds objective is to build a portfolio of primarily senior, secured mortgages providing investors with consistent income and superior risk-adjusted returns.

Following these presentations the Board agreed to review all of the information provided at this meeting and to discuss at greater length at the October meeting.

## **Taylor Police & Fire Retirement Board September 10, 2014 Meeting Minutes**

**Trustee Portis** stated he is interested in learning more about how the Retirement System operates as he is a new Trustee. Mr. Castle said he would provide him with a new trustee handbook and stated he would be happy to speak to him at any time to help familiarize Trustee Portis at greater length on the function of a Trustee. Mr. Kuhn also said he would meet with Trustee Portis to give him a full understanding of the investment process of the retirement fund.

**Trustee Taylor** advised the other Trustees he has a conflict with the October meeting date. It was agreed by the Trustees to hold the October meeting on **Wednesday, October 15<sup>th</sup> at 4:30.**

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

Resolved: To hold the October meeting of the Police & Fire Retirement System's Board of Trustees on Wednesday, October 15, 2014 at 4:30 p.m.

*Unanimously approved.*

09.78-14

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

Resolved: To adjourn the meeting at 6:51P.M.

*Unanimously approved.*

09.79-14

**The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held Wednesday, October 15, 2014 at 4:30 P.M.**