

Taylor Police & Fire Retirement Board September 10, 2015 Meeting Minutes

The regular meeting of the City of Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road, Taylor Michigan, on **Thursday, September 10, 2015**.

Present: Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Jesse Kriebel, and Trustee Ed Bourassa

Also Present: Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Linda Kemp, Plan Administrator; Christopher Kuhn, of The Bogdahn Group

Excused: Trustee Tim Faremouth

Chairman Hill, called the meeting to order at 4:31 P.M.

Motion by Taylor, supported by Kriebel.

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held August 8, 2015.

Unanimously approved.

09.62-15

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following financial correspondence:

1. Client statement from First Eagle Global Value Fund, LP for the period of June 1, 2015 through July 31, 2015.
2. Distribution from Intercontinental in the amount of \$141,772.22 (pro rata gross share of an overall distribution of \$19,136,748.87 less \$25,628.08 management fees) resulting in a net distribution of \$116,144.14.

Unanimously approved.

09.63-15

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following correspondence:

1. The September 2015 Medicare reports. Note NO changes this reporting period.
2. 2015 Retiree Medical Contribution report.
3. 2015 Retiree Delta Dental Premium report.
4. Letter of retirement dated August 25, 2015 from Cpl. Edward Shalda with an effective retirement date of September 27, 2015.
5. Letter of retirement dated August 27, 2015 from Cpl. Gerald Cole with an effective retirement date of September 30, 2015.
6. Letter of retirement dated August 21, 2015 from Cpl. Nolan Schilz with an effective retirement date of January 26, 2015.
7. Letter dated August 31, 2015 from Cpl. Nolan Schilz rescinding his letter of retirement dated August 21, 2015.

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8. Response letter dated August 31, 2015 to Scott Reinacher of The Thin Blue Line.
9. Letter of retirement dated August 28, 2015 from Detective Maureen Brinker with an effective retirement date of September 30, 2015.

Unanimously approved.

09.64-15

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following correspondence.

1. Letter dated August 19, 2015 from First Eagle Investment Management referencing Consent to Assignment for First Eagle Global Value Fund, LP.
2. Letter dated August 28, 2015 from the office of Vanoverbeke Michaud & Timmony PC referencing Wayne County Circuit Court Case No. 14-101008-DM advising EDRO complies with the provisions of the Retirement System and applicable law.

Unanimously approved.

09.65-15

Motion by Taylor, supported by Kriebel.

Resolved: To adopt the resolution referencing Wayne County Circuit Case NO. 14-104008-DM.

Unanimously approved.

09.66-15

Motion by Bourassa, supported by Kriebel.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator, for periods ending August 16, 2015 through September 6, 2015 in the amount of \$2,190.
2. Reimbursement to Trustee Kriebel for gas and other miscellaneous expenses related to attending the Fall MAPERS Conference in the amount of \$134.92.
3. Payment to The Bogdahn Group for performance evaluation reports and consulting services for the period of June 30, 2015 through September 30, 2015 in the amount of \$10,000.

Unanimously approved.

09.67-15

Mr. Timmony advised the Trustees no action necessary today relative to the King Digital Litigation.

The Consent to Assignment for First Eagle Global Value Fund, LP (item C-1) was briefly discussed. Mr. Timmony recommends the approval.

Motion by Taylor, supported by Taylor.

Resolved: To approve the First Eagle Global Value Fund, LP Consent to Assignment.

Unanimously approved.

09.68-15

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It was noted during this portion of the meeting that Mr. Kuhn has been in communication with Bloomfield Capital relative to registering with the SEC. Further, Mr. Kuhn has been working with Aaron Castle of Mr. Timmony's office regarding a side letter to Bloomfield Capital. A brief discussion regarding Employee Retirement Income Security Act of 1974 (ERISA) followed. Mr. Timmony provided a detailed explanation of ERISA stating in part, it is a federal law that pertains to requirements of pension and healthcare plans in private sector industry.

Trustee Kriebel asked Mr. Timmony a question on behalf of an active fire fighter with an EDRO on file regarding surviving spouse benefits. Mr. Timmony explained the various ways in which an EDRO may be drafted related to surviving spouse benefits to meet the provisions of the Retirement System as well as applicable law.

Chris Kuhn advised the Trustee the fund took a bit of a hit since last month due to a down turn in the market; however First Eagle did relatively well. Discussion related to funds previously invested with Thornberg included the option to leave funds where they are currently, possibly adjusting allocations as well as Mr. Kuhn looking into other investment options and reporting back to the Board members.

Mr. Kuhn's market discussion included the slowdown in China, Japanese currency, decline in oil prices and the negative affect that is having on energy stocks. Trustee Taylor asked about the possibility of moving funds to mid-caps. Mr. Kuhn suggested a 5% allocation to S&P 400 as an option.

Motion by Taylor, supported by Kriebel.

Resolved: To authorize Mr. Kuhn to arrange for the transfer of 100% of funds in S&P 500 ETF to S&P 400 ETF.

Unanimously approved.

09.69-15

Mr. Kuhn advised the Trustees there is no need at this time to transfer funds to the administrative account. It was noted the City of Taylor will be making a contribution to the Retirement System as required sometime in September. Trustee Bourassa will forward a copy of the warrant to the pension office as soon as available. Ms. Kemp will then forward the information to Mr. Kuhn.

Chair Hill brought to the Trustees attention a matter regarding a 2000 Memorandum of Understanding (MOU) between the City of Taylor and the Police union. Active Police members involved in this MOU were given an opportunity to repay employee contributions. It was noted at this meeting two members involved have not fully paid their portion of employee contributions. One of those members has submitted his retirement letter. Chair Hill advised the Trustees this individual has requested the opportunity to repay those contributions prior to his retirement. After further discussion, Mr. Timmony stated he would review the MOU in greater detail and report back. The matter of interest to be paid on those employee contributions was also discussed.

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Trustees were also made aware of a matter with 2009 pay records for fire fighters. At that time any fire member who received upgrade pay did not have employee contributions taken from those earnings. Going forward any fire member using 2009 as part of their FAC calculation will need to pay employee contributions on upgrade pay received if those earnings are to be used toward FAC.

Motion by Taylor, supported by Bourassa.

Resolved: To go to closed door session to review matters subject to attorney client privilege.

Unanimously approved.

09.70-15

Roll Call

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|------------------------|-----|
| Trustee and Chair Hill | Yes |
| Trustee Bourassa | Yes |
| Trustee Kriebel | Yes |
| Trustee Taylor | Yes |

Motion by Taylor, supported by Bourassa.

Resolved: To return to open session.

Unanimously approved.

09.71-15

Motion by Taylor, supported by Kriebel

Resolved: To adjourn the meeting at 5:33 P.M.

Unanimously approved.

09.72-15

The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held THURSDAY, October 8, 2015 at 4:30 at the Taylor Police Station.