

TAYLOR POLICE & FIRE RETIREMENT BOARD

August 10, 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, August 10, 2017 at 4:00 P.M.**

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

**Also Present:** Jack Timmony, VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, CFA, CAIA, Senior Consultant, & Co.; Kirk VanDagens, CIMA Sr. Client Advisor, PNC Institutional Asset Management, Craig Haynes, CFA, Sr. Client Advisor Director, PNC Institutional Asset Management.

**Excused:** Trustee Kriebel

**Trustee and Chair Nicolas Hill, called the meeting to order at 4:03 P.M.**

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

Resolved: To approve the minutes of the meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held June 8, 2017.

In favor: Hill, Taylor and Bourassa. Abstained: Couture.

*Motion passed.*

08.46-17

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

Resolved: To receive and file the following financial correspondence:

1. Client statement from First Eagle Global Value Fund, LP for the period of May 31, 2017 through June 30, 2017.
2. Capital Call notice dated June 28, 2017 received from Metropolitan Real Estate Partners Secondaries & Co-Investments Fund L.P.
3. Letter dated July 5, 2017 to Ms. Barbara Citizen of PNC Bank authorizing the facilitation of the Metropolitan Capital Call.
4. Second half payment of the Police & Fire required city contribution per the June 30, 2015 actuarial report in the amount of \$5,190,370.00.
5. Reimbursement from the City of Taylor General Employee Retirement System for one half of expenses associated with the participation of Trustee Bourassa at MAPERS Spring Conference in the amount of \$569.50.
6. Employee contributions received from the City of Taylor for May 2017 in the amount of \$51,874.84.

*Unanimously approved.*

08.47-17

**Motion by Taylor, supported by Couture.**

Resolved: To receive and file the following correspondence:

1. July and August Medicare reimbursement report. Note four (4) changes in July and one (1) in August.
2. Letter of retirement dated July 6, 2017 received from Police Chief Mary Sclabassi with a retirement date effective July 30, 2017.

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3. Letter of retirement dated July 4, 2017 received from Police Cpl. Keith O'Connor with a retirement date effective July 30, 2017.
4. General Durable Power of Attorney documents received July 10, 2017 for surviving spouse Madeleine Vaughn.
5. Letter of retirement dated July 10, 2017 received from Battalion Chief Dan Doran with a retirement date effective August 31, 2017.
6. Correspondence dated July 13, 2017 from Brian Drummond, CFA of Brandywine Global referencing Form ADV Part 2A.
7. Oath of office dated June 6, 2017 appointing Jason Couture as Trustee of the City of Taylor Police and Fire Retirement System's Pension Board.

*Unanimously approved.*

08.48-17

**Motion by Taylor, supported by Couture.**

Resolved: To approve the following correspondence.

1. Letter from Rodwan Consulting Company dated June 12, 2017 referencing Case No. 13-111634-DM providing EDRO certification. .

*Unanimously approved.*

08.49.17

**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 June 11, 2017 through August 6, 2017 in the amount of \$4,620.
2. Payment to Rodwan Consulting Company for normal actuarial and consulting services rendered to the City of Taylor Police and Fire Retirement System for the quarter ended June 30, 2017, pursuant to the Actuarial Services Agreement in the amount of \$2,050.
3. Payment to Alger for management fees for the period of January 1, 2017 to Alger for management fees for the period of April 1, 2017 through June 30, 2017 in the amount of \$18,035.17.
4. Payment to Newsouth for management fees from April 1, 2017 through June 30, 2017 in the amount of 24,208.
5. Payment to Vanoverbek Michaud & Timmony, P.C. for legal services rendered to the City of Taylor Police and Fire Retirement System in the amount of \$1,365.
6. Payment to PNC for asset management fees for the period of April 1, 2017 through June 30, 2017 in the amount of \$25,925.00.
7. Payment to Brown Advisory for management fees for the period of April 1, 2017 through June 30m 2017 in the amount of \$14,680.10.

*Unanimously approved.*

08.50-17

**Mr. Timmony** briefly discussed item B-4 Durable Power of Attorney indicating he had reviewed the document and stated it met necessary requirements. The Board was advised the individual named in the document had passed away shortly following receipt of the document. Also discussed was a settlement agreement between the City of Taylor and a police officer. Mr.

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Timmony reported he had reviewed the settlement agreement and noted no changes in future retirement benefits were necessary.

**Motion by Taylor, supported by Couture.**

Resolved: To receive and file the settlement agreement as presented.

*Unanimously approved.*

08.51-17

**Craig Haynes**, provided an economic summary indicating equity market continues to move ahead. An investment review as of June 30, 2017 was provided which indicated fixed income has increased and bonds have done well. A large cap value and an investment performance review was provided and discussed. A small cap core portfolio performance was also given.

**Chris Kuhn**, provided an investment performance review as of June 30, 2017, the manager compliance checklist was discussed indicating all targets have been met. Further discussion included asset allocation, financial reconciliation, comparative performance and individual managers' performance. It was noted at this meeting that Alger, Brown, PNC and Brandywine all had strong performances this quarter, however long term Brown and Newsouth did struggle. First Eagle fell slightly short this quarter, however long term results have been very good. PNC fixed income doing very well, real estate is slightly lower this quarter but long term returns are ahead. Mr. Kuhn advised the Board his team is concerned with the performance of Brown and the continued selection of poor stocks and is recommending they consider an alternate manager for this space. Trustee Couture noted Newsouth performance is not great and asked if the team is also concerned with their performance or considering making changes there as well. Mr. Kuhn advised they are watching Newsouth very closely. Chair Hill noted he would like Mr. Kuhn to search for a replacement for Brown and report back to the Board. Mr. Kuhn also recommended the Board consider looking at investing more in international strategies; perhaps an additional 5%. Mr. Kuhn provided the Board with a handout to review prior to the next meeting regarding the possibility of restructuring the large cap portfolio. Mr. Kuhn recommended a transfer of funds to the Administrative account to provide liquidity for upcoming benefit payments.

**Motion by Taylor, supported by Couture.**

Resolved: To authorize Investment Consultant Chris Kuhn to transfer \$500,000 from Brown to the Administrative account to provide liquidity for upcoming benefit payments.

*Unanimously approved.*

08.52-17

**Chair Hill**, advised he would be at SWAT training in September and requested consideration to hold the September meeting on September 7<sup>th</sup> at 4:00 P.M. Mr. Timmony advised he had a conflict that day, however would send Aaron Castle.

**Motion by Hill, supported by Couture.**

Resolved: To reschedule the September meeting of the Police and Fire Retirement System's Board of Trustees to Thursday, September 7, 2017 at 4:00 and to post accordingly.

*Unanimously approved.*

08.53.17

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**Motion by Bourassa, supported by Couture.**

Resolved: To adjourn at 5:00 P.M.

*Unanimously approved.*

08.54-17

**The next meeting of the Board of Trustees of the City of Taylor Police and Fire Retirement System will be held Thursday, September 7, 2017, at 4:00 p.m.**