

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held via Zoom, at 4:00 P.M. on Thursday, August 13, 2020.

Present: Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Trustee Michelle Tocco.

Also Present: Jack Timmony, Vanoverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, FA, CAIA, AndCo, Investment Consultant; Sheila Gorski-Schulte, Direct of Human Resources for the City of Taylor; Zack Cziryak, Editor – Financial Investment News; Brad Lafferty, PNC Vice President/Senior Investment Advisor.

Excused: Trustee Couture and Trustee Jesse Kriebel

Trustee and Chair, Nick Hill called the meeting to order at 4:20 P.M.

Motion by Taylor, supported by Tocco.

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System held July 9, 2020.

Unanimously approved.

08.36-20

Motion by Taylor, supported by Tocco.

Resolved: To receive and file the following correspondence:

1. Memorandum dated July 29, 2020, received from the office of Vanoverbeke, Michaud & Timmony P.C. referencing “Electronic Signatures – Executive Order 2020-158”.
2. Letter of retirement dated July 7, 2020, received from Alex Roman, Fire Department, with an effective retirement date of July 17, 2020.
3. Letter of retirement received from Jason Hall, Police Department, requesting to enter the DROP Program effective July 27, 2020.
4. Annual medical deduction change report provided by the City for retirees.
5. Medicare report for benefit payments issued September 1, 2020. Note four (4) changes this reporting period.
6. Letter of Understanding between the City of Taylor and the Taylor Professional Fire Fighters Union, Local 252, IAFF (“Union”) with an effective date of July 20, 2020.

Unanimously approved.

08.37-20

Motion by Tocco, supported by Taylor.

Resolved To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of July 12, 2020, through August 9, 2020, in the amount of \$2,275 and reimbursement for Zoom subscription in the amount of \$15.89.
2. Payment to Brandywine Global Investment Management, LLC for investment

- management services for the period of April 1, 2020, through June 30, 2020, in the amount of \$9,007.34.
3. Payment to Newsouth Capital Management, Inc. for management fees for the period of April 1, 2020, through June 30, 2020, in the amount of \$22,288.
 4. Payment to Vanoverbeke, Michaud & Timmony P.C. for legal services rendered to the City of Taylor Police & Fire Retirement System for the period of April 1, 2020, through June 30, 2020, in the amount of \$4,666.50.
 5. Payment to Alger for investment management fees for the period of April 1, 2020, through June 30, 2020, in the amount of \$23,222.54.

Unanimously approved.

08.38-20

Mr. Timmony briefly discussed item B-1; Governor's Executive Order regarding electronic signatures stating the order has been extended. Also discussed was the Letter of Understanding between the City of Taylor and the Taylor Professional Fire Fighters Union Local 252, IAFF ("Union") dated July 20, 2020. Mr. Timmony asked if the LOU is applicable only to Mr. Vanderlinder or is it intended for all fire fighters. It was noted clarification, in writing, is necessary. Ms. Gorski-Schulte was present at this meeting and advised the group she would provide written clarification. Ms. Gorski-Schulte also noted those involved in the LOU must retire in a "deferred" status. Mr. Timmony asked the Board if they were still planning on meeting with Mr. Saph to discuss the details of the proposed liability insurance policy. Chair Hill stated he is still interested in getting the General Board members along with the P&F Board members together with Mr. Saph for further discussion on the matter. The goal is to hold the meeting at City Hall in the Council Chamber or the Study Session Room to allow for proper social distancing, however Trustee Taylor suggested Mr. Saph be invited to the next in-person Police & Fire Board meeting providing it is safe to do so.

Brad Lafferty advised the Board Mr. VanDagens will be at the next meeting. Mr. Lafferty provided the Board with an overview on fixed income stating we are slightly overweight on corporate bonds and underweight in US Treasuries. The structure of the portfolio was discussed as was cash flow, quarterly results, bond rates, large cap value, sector allocation and the S&P 500. Mr. Kuhn asked if there had been a change to allocations in the past three months, and Mr. Lafferty will get back to him on that. It was noted securities have been doing well.

Chris Kuhn provided a market update stating overall it was a particularly good quarter. Full year numbers still in some negative territory. Fixed income was the big winner this quarter. Total overall fund performance was favorable. Brown and Alger had strong quarters; PNC and Brandywine also did very well. Newsouth performed above their benchmark. Intercontinental did well and WCM is doing incredible; they have been one of our best performers for the year. Fixed income rebounded nicely while real estate continues to struggle because of the Government shut down. Trustee Taylor asked if we should consider leaving some of our real

estate. Mr. Kuhn will research other options for the Board's consideration. Bloomfield III and IV are doing very well. It was noted at this meeting there is a need to transfer funds to the Administrative account to provide liquidity for upcoming benefit payments. A brief discussion regarding distressed debt also took place. Trustee Taylor suggested an investment in distressed debt may not be wise at this time. Chair Hill recommends waiting for a full Board to discuss this matter in greater detail.

Motion by Taylor, supported by Tocco.

Resolved: To authorize Investment Consultant Chris Kuhn to arrange for a transfer of \$1.5M from Brown to the Administrative account to provide liquidity for upcoming benefit payments.

Unanimously approved.

08.39-20

Motion by Taylor, supported by Tocco.

Resolved: To receive and file the report as presented by Investment Consultant Chris Kuhn.

Unanimously approved.

08.40-20

Motion by Taylor, supported by Tocco.

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

Unanimously approved.

08.41-20

The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Thursday, September 10, 2020 at 4:00 P.M.