

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, December 14, 2017 at 3:00 P.M.**

Present: Chairman and Trustee Hill, 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, Kirk VanDagens, PNC Institutional Investments.

Excused: Trustee Kriebel and Trustee Couture

Trustee and Chair Nicolas Hill, called the meeting to order at 4:05 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 November 9, 2017.

Unanimously approved.

12.80.-17

Motion by Taylor, supported by Bourassa.

Resolved: To receive and file the following financial correspondence:

1. Client statement from First Eagle for the period of September 30, 2017 through October 31, 2017.
2. Employee contributions received from the City of Taylor for October 2017 in the amount of \$49,857.91.
3. Metropolitan Real Estate Partners Secondaries & Co-Investments Fund, L.P. Partner's Capital Account statements.

Unanimously approved.

12.81-17

Motion by Taylor, supported by Bourassa.

Resolved: To receive and file the following correspondence:

1. December Medicare reimbursement report. Note six (6) changes this reporting period.
2. Memo dated December 7, 2017 from the office of Vanoverbeke Michaud & Timmony P.C. referencing HB 5298 and SB 686.

Unanimously approved.

12.82-17

Motion by Bourassa, supported by Taylor.

Resolved: To approve the following correspondence:

1. Revised final benefit calculation and payment of monthly benefit for Police retiree Steve Schwein.

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2. Final benefit calculation and payment of monthly benefit for Police retiree Gerald Cole.

Unanimously approved.

12.83.17

Motion by Bourassa, supported by Taylor.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of November 12, 2017 through December 10, 2017 in the amount of \$2,642.50.
2. Payment to Staples for office supplies in the amount of \$54.94.
3. Payment to Brandywine Global for investment management fees in the amount of \$10,691.88.

Unanimously approved.

12.84-17

Mr. Timmony briefly discussed item B-2; legislative update regarding Protecting Local Government Retirement and Benefits Act, noting the Act is significantly different than originally introduced bills. The revised legislation will be separated into three categories: Mandated changes, required reporting/transparency and underfunded local units. The Board members were advised MAPERS has taken an active role in this matter. Items of concern are the potential of an actuary audit every eight (8) years by another actuarial firm and the health care account set up. Item C-1 the recalculation of Mr. Schwein's retirement benefit was discussed. A draft letter reviewed and approved by Mr. Timmony was presented to the Board for consideration to be sent to Mr. Schwein. It was also recommended Chair Hill contact Mr. Schwein to advise there will be a change to his benefit.

Motion by Hill, supported by Taylor.

Resolved: To authorize Plan Administrator to send approved letter via certified mail to Mr. Schwein.

Unanimously approved.

12.85-17

Kirk VanDagens discussed the Global Package documents regarding funds being held by Canada due to the need for additional documents necessary to obtain funds. Mr. Timmony will work with Mr. VanDagens to prepare the appropriate documents necessary.

A portfolio update was provided/discussed noting 2016 was a rather rough year, however overall the portfolio has done very well.

Mr. Kuhn advised the Board members American Reality will have a capital call coming due. Chair Hill advised Mr. Kuhn there will be two (2) members exiting the DROP program; therefore we will need to have funds available for their distributions. Discussion related to presenters at previous meeting resulted in no change at this time as it relates to bringing in a new management strategy. It was noted Newsouth and First Eagle are struggling and Brown has been on watch for a year and is still under performing. Chair Hill noted at this meeting there is a potential for up to

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30 members to retiree within the next three (3) years and expressed some concern on the underperformers. It was also noted that the Fire Department new hires are not part of the Retirement System; therefore are not contributing to the system. Mr. Kuhn will continue to research alternative options for the Boards consideration.

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. Chair Hill recommended moving 2M to the Administrative account to provide liquidity for upcoming benefit payments as well as have funds available for the DROP payouts.

Motion by Taylor, supported by Bourassa.

Resolved: To authorize Investment Consultant Chris Kuhn to transfer \$2M from Newsouth to the Administrative account to provide liquidity for upcoming benefit payments and DROP distributions.

Unanimously approved.

12.86-17

Trustee Taylor advised the Board, due to scheduling conflicts, he is unable to attend the regular January Board meeting. Chair Hill recommended changing the meeting to Wednesday, January 10th at 4:00 P.M.

Motion by Hill, approved by Bourassa.

Resolved: To change the January meeting of the City of Taylor Police and Fire Retirement System's Board of Trustees to Wednesday, January 10, 2018 at 4:00 P.M. and to post accordingly

Unanimously approved.

12.87-17

Motion by Bourassa, supported by Taylor.

Resolved: To adjourn at 4:50 P.M.

Unanimously approved.

12.88-17

The next meeting of the Board of Trustees of the City of Taylor Police and Fire Retirement System will be held **Wednesday, January 10, 2018 at 4:00 P.M.**