

TAYLOR POLICE & FIRE RETIREMENT BOARD
FEBRUARY 10, 2010

The regular meeting of the Taylor Police & Fire Retirement Board was held at the Taylor Fire Department, 23345 Goddard Road, Taylor, Michigan, on Wednesday, February 10, 2010.

Present: Avery, Haydon, Hill, McNamee and Taylor

Also Present: City of Taylor Police Department retiree Bob Zieleniewski; Larry Gray and Chris Kuhn of Gray & Company; J. Kirk VanDagens of National City Bank; , and, Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., legal counsel.

Chairman McNamee called the meeting to order at 4:37 p.m.

Motion by Hill, supported by Haydon/

Resolved: To approve the minutes of the regular meeting of the Board held January 13, 2010.

Unanimously approved.

2.1-10

Motion by Haydon, supported by Hill.

Resolved: To approve the Consent Agenda (Employee contributions to the Retirement System in the amount of \$82,027.24 for the month of December 2009).

Unanimously approved.

2.2-10

Motion by Hill, supported by Avery.

Resolved: To receive and file the following correspondence:

1. Letters from legal counsel to Tradewinds Global Investors and ABS Global Value Fund dated January 18, 2010.
2. Letter to Chief Dale Tamsen, Police Department, requesting Trustee Nick Hill be allowed off work on February 5, 2010 to attend a MAPERS one day seminar on Alternative Investments to be held in Detroit, Michigan.
3. Letter from legal counsel to Kenneth Costella requesting a copy of the entire arbitration opinion and award.

Unanimously approved.

2.3-10

Motion by Taylor, supported by Hill.

Resolved: To approve the letter from Vince Fedel, Fire Chief, requesting retirement from the Taylor Fire Department effective March 4, 2010 (regular service retirement).

Unanimously approved.

2.4-10

**Taylor Police & Fire Retirement Board
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Motion by Taylor, supported by Hill.

Resolved: To pay the following invoices:

1. Invoice #864997 from PNC for the period October 1, 2009 through December 31, 2009 for market value fees \$32,308.16, transaction fees \$1182, asset fees 0.75 and account base fee \$125, total of \$33,615.91;
2. Reimbursement to Donna Terry, Plan Administrator, for the payment of MAPERS 2010 membership fees in the amount of \$50, and payment of \$50 each for Board members Avery, Hill and Taylor to attend a MAPERS one day seminar on Alternative Investments held in Detroit, Michigan, total amount of \$200 charged to Ms. Terry's personal Mastercard;
3. Payment of \$7,472.50 to VanOverbeke, Michaud & Timmony, P.C., for the period October 1, 2009, through December 31, 2009, for legal services.

Unanimously approved.

2.4-10

Legal Counsel:

Mr. Timmony distributed and discussed an opinion letter qualifying the Oaktree PPIP investment under Michigan Public Act 314.

Motion by Taylor, supported by Hill.

Resolved: To receive and file the opinion letter.

Unanimously approved.

2.5-10

Mr. Timmony next distributed and discussed an opinion letter regarding the calculation of Final Average Compensation regarding the pension benefit of Mr. Kenneth Costella. Mr. Timmony discussed that letter in connection with an arbitration opinion and award against the City of Taylor and in Mr. Costella's favor (November 2009). Discussion followed.

Motion by Taylor, supported by Haydon.

Resolved: To send correspondence to the Retirement System actuary to calculate Mr. Costella's Final Average Compensation by adding 26 weeks of base pay (\$48,168.18), plus interest at the Michigan statutory rate for payments already made, thereby adjusting Mr. Costella's pension benefit.

Unanimously approved.

2.6-10

Open Forum:

Mr. J. Kirk VanDagens was present. He mentioned that he distributed the PNC 4th quarter investment performance report last month. The Board did not have any questions for him regarding this issue.

Taylor Police retiree Bob Zieleniewski had questions regarding the bank's record keeping and calculation methodology relating to his pension benefit. Mr. VanDagens explained that there is a new administrator at the bank (as a result of the recent PNC acquisition of National City). Mr. VanDagens agreed that he should review the calculations related to all retirees going back to September, 2008, and will report back at the next regular Retirement Board meeting.

Motion by Taylor, supported by Haydon.

Resolved: To receive and file the report.

Unanimously approved.

2.7-10

Larry Gray and Chris Kuhn of Gray & Company provided and discussed a letter regarding the investment performance of PNC Capital Advisors, structured small cap core portfolio, dated March 10, 2010. They recommend patience and continued monitoring of the investment performance. Discussion followed. The Portfolio Manager will appear before the Board at next month's meeting. Watch status is continued.

Mr. Gray and Mr. Kuhn next distributed and discussed the Investment Performance Report for the period ending December 31, 2009. Discussion followed.

Motion by Avery, supported by Hill.

Resolved: To receive and file the report.

Unanimously approved.

2.8-10

Motion by Hill, supported by Haydon.

Resolved: To adjourn meeting.

Unanimously approved.

2.9-10