

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held at the Taylor Police Department 23515 Goddard Road (second floor conference room), Taylor Michigan, on Wednesday, January 9, 2019.

**Present:** Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Trustee Jesse Kriebel and Trustee Jason Couture.

**Also Present:** Aaron Castle, Vanoverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, AndCo, FA,CAIA; Craig Haynes PNC Capital Advisors, LLC, CFA Sr. Client Advisor.

**Excused:** Trustee Ed Bourassa.

**Trustee and Chair Nicolas Hill, called the meeting to order at 4:00 P.M.**

**Motion by Taylor, supported by Kriebel,**

Resolved: To approve the minutes of the meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held January 9, 2019.

*Unanimously approved.*

02 -101.19

**Motion by Taylor, supported by Kriebel,**

Resolved: To receive and file the following correspondence:

1. Employee Contributions received from the City of Taylor for November 2018 in the amount of \$48,848.08.
2. Client Statement received from First Eagle for the period of November 30, 2018 through December 31, 2018.
3. Capital call notice dated February 4, 2019 received from Bloomfield Capital.
4. Letter dated February 7, 2019 to Ms. Barbara Citizen of PNC Bank requesting the facilitation of the Bloomfield Capital capital call.
5. Account statement received from First Eagle Global Value Fund, LP.

*Unanimously approved.*

2-102.19

**Motion by Couture, supported by Kriebel,**

Resolved: To receive and file the following correspondence:

1. Medicare reimbursement for February and March 2019. Note twenty six (26) changes for January and six (6) for February.
2. Letter of retirement dated January 14, 2019 received from Cpl. Thomas Konarski.
3. Email dated January 16, 2019 to Ms. Gorski-Schulte requesting pay reports for

Thomas Konarski.

4. Email dated December 3, 2018 to Ms. Shelia Gorski-Schulte to check the status of previously requested pay reports for: Dale Chapman, Ted Michowski, Jennifer Catner and Kraig Dalton.
5. Emails dated November 15, 2018 and January 15, 2019 to Ms. Gorski-Schulte requesting length of PSO service credit for Michael Voelz.
6. Letter dated January 22, 2019 received from Newsouth Capital Management, Inc. referencing accordance and compliance with investment guidelines.
7. Letter dated January 23, 2019 received from AndCo referencing annual audit.
8. Letter dated February 7, 2019 from First Eagle Investment Management referencing an administrative issue and subsequent correction.
9. Communication received from First Eagle referencing electronic delivery of IRS form 1065 Schedule K-1.

*Unanimously approved.*

02-103.19

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

Resolved: To approve the following correspondence.

1. Approval of certified retirement benefit calculation and payment of monthly benefit to Jennifer Catner.
2. Approval of certified retirement benefit calculation and payment of monthly benefit to Kraig Dalton.
3. Approval of certified retirement benefit calculation and payment of monthly benefit to Dale Chapman.
4. Approval of certified retirement benefit calculation and payment of alternate payee monthly benefits to Michele Chapman.

*Unanimously approved.*

02-104.19

**Motion by Taylor, supported by Kriebel.**

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for administrative services to the Retirement System for the period of January 12, 2019 through February 10, 2019 the amount of \$1,828.75.
2. Payment to American Lock and Key to drill lock in the amount of \$150.
3. Payment to Rodwan Consulting Company for normal actuarial services rendered to the City of Taylor Police & Fire Retirement System pursuant to the Actuarial

Services Agreement in the amount of \$2,150.

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 October 1, 2018 through December 31, 2018 in the amount of \$4,968.
5. Payment to Brown Advisory for investment services for the period of October 1, 2018 through December 31, 2018 in the amount of \$20,244.06.
6. Payment to Staples for office supplies in the amount of \$98.45
7. Payment to Newsouth Capital Management, Inc. for management fees for the period of October 1, 2018 through December 31, 2018 in the amount of \$20,466.
8. Payment to PNC Institutional Asset Management for asset-based fees for the period of October 1, 2018 through December 31, 2018 in the amount of \$25,183.39.

*Unanimously approved.*

02-105.19

### **Late Arrival Items:**

#### **Motion by Taylor, supported by Kriebel.**

Resolved: To approve payment to A&B Locksmith to replace lock on file cabinet in the amount of \$250.

*Unanimously approved.*

02-106.19

#### **Motion by Taylor, supported by Kriebel.**

Resolved: To approve reimbursement to Linda Kemp for annual Microsoft fee in the amount of \$105.98.

*Unanimously approved.*

02-107.19

**Mr. Castle** confirmed for the Board members an actuarial experience study is due to be performed in light of the requirements of PA 202, and it would be prudent for the Board to request their actuary perform the study.

#### **Motion by Hill, supported by Kriebel.**

Resolved: To request Rodwan Consulting Company prepare an experience study through the fiscal year ended June 30, 2018.

*Unanimously approved.*

02-108.19

**Craig Haynes** was present at this meeting and provided an investment review for the period ending December 31, 2018. Discussion/review included large cap, fixed income, disclosures, earnings vs multiple expansion. It was noted the forecast of earnings for 2019 is roughly half of what was previously anticipated. The yield curve continues to

flatten. High yield significantly under performed during the 4<sup>th</sup> quarter. The review also included a quarterly fund highlight report ending December 31, 2018 which covered large cap market value, investment performance, sector allocation, and a review of the fixed income portfolio performance. Mr. Kuhn asked if any portfolio shifts have been considered by the PNC team to which Mr. Haynes responded the team is attempting to change the risk factor by following companies who have improved their credit standing.

**Chris Kuhn** was also present at this meeting and expressed on behalf of Mike Welker his appreciation for the Board's continued partnership. Mr. Kuhn provided the Board with an executive summary review which gave a quick recap of the market. The compliance check list was reviewed. It was noted there have been some challenges on the equity side of asset allocation. Emerging markets were the best performers this quarter. Brown had a very good year and Brandywine struggled, however at the moment they are nicely ahead for the 1<sup>st</sup> quarter. First Eagle long term numbers are very good and real estate has had fairly good returns. Metropolitan is providing a very nice return. It was noted the Graham portfolio has been liquidated. Also noted there is no need for a transfer of funds to the cash account at this time.

**Motion by Couture, supported by Kriebel.**

Resolved: To receive and file both the PNC and AndCo reports as presented.

*Unanimously approved.*

02.109-19

**Chair Hill** advised the Board members of the need for a new fireproof file cabinet for the pension office as well as a cost comparison. Chair Hill also shared his concern with the possibility of a large number of fire fighters being eligible to retire this year and suggests a letter be drafted and sent to the Fire Chief to request a minimum of 60 days be given by potential fire retirees to avoid delays.

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

Resolved: To authorize Linda Kemp to purchase a new fireproof file cabinet for the pension office for an amount not to exceed \$3,000.

*Unanimously approved.*

02.110-19

**Motion by Couture, supported by Kriebel.**

Resolved: To authorize Linda Kemp to contact Pure Data Services to request shredding bins be delivered to the pension office to continue with purging outdated files for an amount not to exceed \$300.

*Unanimously approved.*

02-111.19

**Chair Hill** mentioned the discussion from the January meeting regarding active police and fire members requesting estimates of future retirement benefits. The policy states each member is entitled to one free estimate, any other estimates are done for a fee. Chair

Hill requested legal counsel to prepare a letter to be sent to all active members as a reminder.

**Trustee Kriebel** brought forward a question from a newly hired fire fighter who was previously a Taylor fire fighter asking if she is able to bridge her service credit and pay back employee contributions previously paid to her in order to use past service credit toward a future pension. Mr. Castle suggested that her eligibility to participate in the closed Act 345 Retirement System is not clear at this point in time and while his office could provide the Board with a legal opinion, it would be better for everyone involved if the situation could be resolved through collective bargaining.

**Motion by Couture, supported by Kriebel.**

Resolved: To adjourn at 5:12 P.M.

*Unanimously approved.*

02.112-19

**The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Thursday, March 14, 2019 at 4:00 P.M.**