

TAYLOR POLICE & FIRE RETIREMENT BOARD

Thursday February 11, 2021

ra/approved

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held remotely via Zoom, at 4:00 P.M. on Thursday, February 11, 2021.

Present: Chairman and Trustee Nicolas Hill, Wayne County, Michigan; Trustee Gerry Taylor, Wayne County, Michigan; Trustee Jason Couture, Wayne County, Michigan; and Trustee Michelle Tocco, Wayne County, Michigan.

Also Present: Robert Abb, VanOverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, FA, CAIA, AndCo, Investment Consultant; Craig Haynes, PNC; Gary Salzer, CFA, CIPM, Sr. Investment Advisor, PNC; Sheila Gorski-Schulte, City of Taylor Human Resource Director.

Excused:

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

Motion by Taylor, supported by Couture.

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System held January 14, 2021.

Unanimously approved.

02.73-21

Motion by Taylor, supported by Tocco.

Resolved: To approve the following financial correspondence:

1. Letter dated January 21, 2021 to Mr. Christopher Gibson of Brown Advisory requesting a partial rebalancing of the City of Taylor Police & Fire Retirement System's assets in the amount of 2MM.
2. Letter dated January 21, 2021 to Mr. Ted Doyle of Fred Alger & Company requesting a partial rebalancing of the City of Taylor Police & Fire Retirement System's assets in the amount of \$2MM
3. Letter dated January 21, 2021 to Ms. Sara Boles of PNC Bank authorizing the facilitation of a rebalancing of assets.
4. Employee contributions received from the City of Taylor for December 2020 in the amount of \$70,029.15.

Unanimously approved.

02.74-21

Motion by Taylor, supported by Couture.

Resolved: To receive and file the following correspondence:

1. Letter dated January 21, 2021 received from Newsouth Capital Management, Inc. referencing investment compliance.
2. Letter of retirement dated January 27, 2021 received from Carl Dowell, fire with an effective retirement date of February 28, 2021.

Unanimously approved.

02.75-21

Motion by Taylor, supported by Tocco.

Resolved: To table the following correspondence until issues can be resolved:

1. Approval of the following benefit calculations and benefit payments to the following:

- a. Ron Howard
- b. Bryan Schwesing
- c. Jason Hall
- d. Alex Roman
- e. Miles Jarvis
- f. Scott Barry
- g. Stephanie Barry, alternate payee

Unanimously approved.

02.76-21

Motion by Taylor, supported by Couture.

Resolved To approve the following payment of bills:

1. Payment to Linda Kemp for the period of January 17, 2021 through February 7, 2021 in the amount of \$1,881.25 and reimbursement for monthly Zoom subscription in the amount of \$15.98 and \$200 for monthly MAPERS membership for a total amount of \$2,097.23.
2. Payment to Alger for management fees for the period of October 1, 2020 through December 31, 2020 in the amount of \$26,326.61.
3. Payment to Brown Advisory for investment services for the period of October 1, 2020 through December 31, 2020 in the amount of \$27,165.10.
4. Payment to Newsouth Capital Management, Inc. for management fees for the period of October 1, 2021 through December 31, 2020 in the amount of \$27,593.
5. Payment to Brandywine Global for investment management services for the period of October 1, 2020 through December 31, 2020 in the amount of \$11,063.31.

Unanimously approved.

02.77-21

Mr. Abb addressed Trustee Couture's concerns/questions related to the pension calculation process as well as reports being provided by the city and used for benefit calculations. Mr. Abb stated the ultimate responsibility for accurate benefit calculations falls to the Police & Fire Retirement Board and, as fiduciaries, they have a duty to ensure that the correct pensions are paid. It was noted at this meeting by Trustee Couture he would like the city to provide "third party" reports to better assure accuracy and proper back up documentation when second reviews are being performed. The discussion included the arbitration and stipulated award between the city and the fire union and what portion of those funds were deemed pensionable for the year 2011. Sheila Gorski-Schulte, the Director of Human Resources for the city, was also in attendance and stated that award money received for 2012 should not be included as pensionable wages for 2011. Chair Hill asked what other types of reports can be provided by the city to assure accurate figures are being used. Trustee Couture noted that he is familiar with other

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reports that are available from the city's paycom system and offered to work with Ms. Gorski-Schulte to ascertain what detail should be included in the reports from paycom.

Mr. Abb further advised the Board that the recent amendments to the Open Meetings Act allow for the Board to continue meeting remotely for any reason through March 31, 2021; however, it is likely to be extended.

Craig Haynes was present at this meeting to introduce Gary Salzer who has been assigned to replace Mr. Vandagens.

Gary Salzer introduced himself to the Board and said he looks forward to meeting everyone in person and he will his best to carry on where Mr. VanDagens left off. Mr. Salzer advised the Board the large cap value strategy had a strong performance in the 4th quarter of 2020. Value stock outperformed growth stock at the end of the year. Fixed income had a fantastic year, our portfolio was also up for the quarter. Long term numbers look exceptionally good going forward.

Chris Kuhn mentioned the annual letter from the President of AndCo; the letter stated 2020 was a bit of a challenge, however the firm continues to grow and expand its employee ownership of the firm. Mr. Kuhn provided a brief performance review; fixed income was up 11% for the quarter and up 13% for the full year putting the fund in the top 3 ranking. An individual manager review was provided as well. International market held up well, WCM had a spectacular year. Intercontinental fell short this quarter, however had a good year overall. Private investments had a big rebound for Bloomfield Capital. It was noted we have an 8M redemption pending with Intercontinental, however those funds will not be available until the end of March. We will fund the TA investment at the end of March. Mr. Kuhn recommended the Board consider a transfer of funds to the cash account to provide liquidity for upcoming benefit payments.

Motion by Taylor, supported by Tocco.

Resolved: To authorize Investment Consultant Chris Kuhn to transfer 1M from Brown Advisory to the cash account to provide liquidity for upcoming benefit payments.

Unanimously approved.

02.78-21

Trustee Taylor suggests taking all the funds from Intercontinental. Mr. Kuhn will review potential investment for those funds and get back to the Board.

Motion by Couture, supported by Taylor.

Resolved: To receive and file investment report as presented by Chris Kuhn

Unanimously approved.

02.79-21

Chair Hill asked that the March meeting be changed to March 9th at 4:00 and would like the meeting to be in person at city hall. Ms. Gorski-Schulte said she would check the availability of space. Ms. Gorski-Schulte also stated she would need a list of attendees prior to the meeting.

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Linda Kemp will provide that list. Chair Hill also stated he would reach out to Ms. Gorski-Schulte regarding the recent batch of calculations for clarification.

Motion by, Couture supported by Taylor.

Resolved: To adjourn at 5:16 P.M.

Unanimously approved.

02.80-21

The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Tuesday, March 9, 2021 at 4:00 P.M. at Taylor City Hall