

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held at Taylor Police Station located at 23515 Goddard Road, Taylor, MI and remotely via Zoom, at 4:15 P.M. on Thursday, February 10, 2022.

**Present:** Chairman and Trustee Nicolas Hill, Trustee Jason Couture, Trustee Al Young, Trustee Michelle Tocco.

**Also Present:** Aaron Castle, VanOverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, CAIA, Senior Investment Consultant, AndCo; Ed Urbono (via Zoom), Senior Investment Advisor, PNC Capital Advisors; Gary Salzer (via Zoom), CFA, CIPM, Sr. Investment Advisor, PNC; Stephan Hagenbuckle (via Zoom), Founder and Managing Partner, TerraCap and Patrick Melton, Partner, Director of Institutional Sales, TerraCap.

**Excused:** Trustee Gerry Taylor

**Trustee and Chair, Nick Hill called the meeting to order at 4:17 P.M.**

**Motion by Couture, supported by Young,**

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System held January 13, 2022.

*Unanimously approved.*

02.07-22

**Motion by Couture, supported by Tocco.**

Resolved: To approve the following financial correspondence.

1. Distribution notice dated January 12, 2022 from Bloomfield Capital Income Fund III, LLC with a distribution in the amount of \$328,289.13.
2. Letter dated January 19, 2022 to Ms. Sara Boles of PNC Bank authorizing the facilitation of an approved rebalancing of assets for the City of Taylor Police & Fire Retirement System in the amount of \$1,000,000.
3. Transfer Trust to Trust document in the amount of \$1,000,000, as resolved at the January 13<sup>th</sup> of the City of Taylor Police & Fire Retirement System approved by Trustee Tocco.
4. End of month Transfer Trust to Trust verification dated January 31, 2022 indicating a transfer from the commingled account to the administrative account in the amount of \$328,290.15 approved by Trustee Michelle Tocco.
5. Employee contributions received from the City of Taylor for October, November, and December 2021 in the amount of \$175,342.67.

*Unanimously approved*

02.08-22

**Motion by Young, supported by Tocco.**

Resolved: To receive and file the following correspondence:

1. Letter of retirement dated January 12, 2022 received from Cpl. Dave Szokola, Police with an effective retirement date of December 4, 2021.
2. Correspondence dated January 13, 2022 received from Abbott Capital advising of their new business address.
3. Payment received by the following firefighters for employee contributions. Note, funds have been deposited to the Police & Fire Retirement System.
  - Andrew Bartrum \$11,077.10
  - Jesse Bonanno \$10,376.31
  - Derek Gornall \$12,135.61
  - Nathan Dorofrio \$12,466.76
  - Christopher Holcomb \$5,466.76
  - Christopher Hudson \$27,753.27
  - Brian Murray \$13,924.19
  - Jake Oliver \$3,638.95
  - Gregory Pinkowski II \$15,485.88
4. Payment received from retiree Ronald Howard in the amount of \$7,560.54 which represents payment in full of an overpayment of retirement benefits.
5. FOIA request received January 21, 2022 from Irina Arefyeva of Bloomberg.
6. FOIA response letter dated January 24, 2022 to Irina Arefyeva with corresponding fee schedule.
7. FOIA request received from Zack Cziryak of Financial Investment News dated February 4, 2022.
8. FOIA response letter dated February 8, to Zack Cziryak with corresponding fees schedule.

*Unanimously approved.*

02.09-22

**Motion by Tocco, supported by Young.**

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp for the period of January 16, 2022 through February 6, 2022 in the amount of \$1,872.50 and \$15.98 for monthly Zoom subscription for a total of \$1, 888.48.
2. Payment to Fred Alger for management fees for the period of October 1, 2021 through December 31, 2021 in the amount of \$25,517.41.
3. Payment to Brown Advisory for investment services for the period of October 1, 2021 through December 31, 2021 in the amount of \$20,789.08.
4. Payment to Newsouth Capital Management, Inc. for management fees for the period of October 31, 2021 through December 31, 2021 in the amount of \$43,277.
5. Payment to Vanoverbeke Michaud and Timmony P.C. for legal services rendered to the City of Taylor Police & Fire Retirement System in the amount of \$2,812.
6. Payment to Staples for office supplies in the amount of \$74.45.

7. Payment to Brandywine for asset management fees for the period of October 31, 2021 through December 31, 2021 in the amount of \$14,050.20.

*Unanimously approved.*

02.10-22

**Mr. Aaron Castle** will ask Board to go into closed session at end of meeting. Mr. Castle advised the Board the Open Meeting Acts requires all Trustees to be physically present at meetings in order to participate and vote. Legislation to allow virtual attendance is currently at a standstill. The Michigan Attorney General did recently issue an opinion indicating the members of a public body with a qualifying disability under the American with Disability Act (ADA) can be permitted to attend and participate in meetings remotely as a reasonable accommodation under the ADA.

**Patrick Melton and Steve Hagenbuckle of TerraCap** were both in attendance at this meeting to provide a presentation to the Trustees. TerraCap is a privately held real estate investment manager. Firm is employee owned. Presentation included an Executive Summary. TerraCap seeks the best built and best located remaining vacancy in high demand markets. They create value during ownership as an operator, not as an allocator, they invest defensively in high demand secondary growth markets only. avoid new construction, industry, tenant, and single asset concentration risk, focuses on minimizing the J-curve and producing investor cashflow. Current portfolio has been resilient through recent times of crisis – COVID-19. Continued employment growth in secondary markets, cost of living and affordability. Discussed TerraCap performance vs. public market equivalents. Investment style and investment process also discussed as well as fee structure, investment term, and investment amounts.

**Gary Salzer** participated via Zoom to provide an update on PNC large cap value as of December 31, 2021. As part of his commentary Mr. Salzer touched base on account summary, account performance, portfolio characteristics, account performance, sector allocation, performance attribution analysis and portfolio appraisal.

**Ed Urbono** provided an update on rising interest rates, account performance, quarterly and year to date update. The market is currently knocking fixed income down. It is speculated if interest rates go up, that could have a negative impact on our portfolio. Brief discussion on the 3-, 5- and 10-year yield curve. January will most likely not be a good month. High yield looks to be fairly good valuations. The risk to raising rates is real.

**Motion by Couture, supported by Young.**

Resolved: To receive and file reports presented by Gary Salzer and Ed Urbono.

*Unanimously approved.*

02.11-22

**Chris Kuhn** advised the Board of a letter from CFA/CEO Mike Welker. Mr. Kuhn thanked the Board for their continued faith in AndCo. Also provided an updated organizational chart and announced two new employees. A fourth quarter Executive Summary was provided that included fixed income, domestic and international equity, small caps, and emerging markets. Provided a compliance check list as of December 31, 2021. It was noted the fund was up for the quarter. Individual strategies: Alger and Brown both did not keep pace with their benchmark for the quarter. Impressive results in the real estate portfolio. Chair Hill asked what is going on with the Bloomfield Fund II. Mr. Kuhn advised they are waiting for fair value and believes they will get their money back. Market update indicates January numbers are a bit ugly. S&P was down just over 5% for the month, emerging markets only down about 2%, fixed income was down 2% also, WCM also down for January. Review of asset/manager summary. Follow up discussion on TerraCap and potentially investing with them. Chair Hill commented on the inferior performance of fixed income and suggests taking money from fixed income to invest elsewhere. Mr. Kuhn suggests adding cash to the cash account to provide availability for future investments. Trustee Couture and Chair Hill like TerraCap and are interested in investing with them. Mr. Kuhn suggests investing \$4M with TerraCap.

**Motion by Hill, supported by Couture.**

Resolved: To authorize Investment Consultant, Chris Kuhn to invest 4M with TerraCap from  
*Unimanually approved.*

02.12-22

**Motion by Couture, supported by Young.**

Resolved to receive and file reports provided by Investment Consultant Chris Kuhn.  
*Unanimously approved.*

02.13-22

**Chair Hill Open Business:** Chair Hill brought forward the issue of the tax ID number for the Retirement System. Aaron Castle will research and get back to the Board. Trustee Young requested the password information for the website. Linda Kemp will provide that information.

**Motion by Couture, supported by Tocco.**

- **Hill – yes**
- **Young – yes**
- **Tocco – yes**
- **Couture – yes**

Resolved: To go to closes session to discuss and Attorney – Client privileged memo from legal counsel at 5:45 P.M.

02.14-22

The Board returned to open session at 5:50.

TAYLOR POLICE & FIRE RETIREMENT BOARD  
Thursday February 10, 2022

*Unanimously approved.*  
02.15-22

**Motion by Couture, supported by Young.**

Resolved: To authorize legal counsel to pursue securities fraud claims against Sea Limited.

*Unanimously approved.*  
02.16-22

**Motion by Tocco, supported by Young.**

Resolved: To adjourn at 6:00 P.M.

*Unanimously approved.*  
02.16-22

**The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Thursday, March 10, 2022 at 4:15 P.M. Meeting will be held at the Police Station second floor conference room.**