

TAYLOR POLICE & FIRE RETIREMENT BOARD
JANUARY 12, 2011

The regular meeting of the Taylor Police & Fire Retirement Board was held at the Taylor Fire Department, 23345 Goddard Road, Taylor, Michigan, on Wednesday, January 12, 2011.

Present: Avery, Hill, McNamee, and Taylor.

Absent/Excused: Haydon, Terry

Also Present: Chris Kuhn of Gray & Company; J. Kirk VanDagens of PNC Bank; and, Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., legal counsel.

Chairman McNamee called the meeting to order at 4:31 p.m.

Motion by Hill, supported by Avery.

Resolved: To approve the minutes of the regular meeting of the Board held December 8, 2010.

Unanimously approved.

1.1-11

Motion by Hill, supported by Taylor.

Resolved: To receive and file the following correspondence:

1. Letter from PNC Bank dated 12-30-10 regarding their file form ADV Part II.
2. Letter to Gerald Soborowski, Esq., from Jack Timmony, legal counsel, regarding Matthew Minard.
3. Letter from Jack Timmony, legal counsel, dated 1-6-2011 regarding John Hall/Domestic Relations Order.
4. Copy of letter dated 11-20-96 to Valerie Geftos, Esq., and Blaise Repasky, Esq. regarding John Hall/Domestic Relations Order.
5. Letter from Jack Timmony, legal counsel, to William Asimakis of Clark Hill PLC and Stephen Hitchcock of Giarmarco, Mullins & Horton, P.C. dated 12-23-10 regarding decision on Costella's appeal.

Unanimously approved.

1.2-11

Motion by Taylor, supported by Avery.

Resolved: To pay invoice #1252 from Rodwan & Associates for the quarter ending December 31, 2010 in the amount of \$1855.

Unanimously approved.

1.3-11

Legal Counsel distributed and discussed a Resolution Regarding the Request of Kenneth A. Costella to Include Severance Pay in the Calculation of Final Average Compensation, which detailed the history concerning Mr. Costella's request, the Board's approval, subsequent rescission and denial, and affirmation of the denial upon appeal. Discussion followed.

Motion by Taylor, Supported by Hill.

Resolved: To adopt the Resolution.

Unanimously approved.

1.4-11

Legal Counsel next commented upon the correspondence in Items 2) A. 2. and 3. of the Agenda.

Legal Counsel then discussed the Board's investment in the Optima Fund, indicated that the investment contract documents were prepared and ready for signature, and asked the Investment Consultant, Mr. Chris Kuhn, to discuss the concept of "leverage" in connection with the investment in the Optima Fund. Discussion followed.

Motion by Taylor, supported by Avery.

Resolved: To receive and file Legal Counsel's report.

Unanimously approved.

1.5-11

Mr. J. Kirk VanDagens of PNC Bank, the Custodial Bank, distributed and discussed a report entitled "Account Status Report (Discretionary Assets) for the period ending 12-31-2010. Discussion followed.

Motion by Avery, supported by Hill.

Resolved: To receive and file the report.

Unanimously approved.

1.6-11

Mr. Chris Kuhn of Gray & Company, the Investment Consultant, distributed and discussed a report regarding the various Retirement System investment market values as of January 11, 2011. The report also contained several re-balancing of assets recommendations. Discussion followed.

Motion by Taylor, supported by Avery.

Resolved: To adopt and approve the re-balancing of assets recommendations as contained in the report.

Unanimously approved.

1.7-11

Mr. Kuhn next discussed the City auditor's statement made in a Management Letter dated December 10, 2010, as a part of an audit of the City's financial condition and affairs, regarding valuations of certain of the Retirement System investments. Mr. Kuhn distributed and discussed a letter which he authored, dated January 12, 2011, which details the frequency with which the subject investments are audited and valued. Discussion followed.

Motion by Hill, supported by Taylor.

Resolved: To receive and file Mr. Kuhn's referenced letter, and to direct Legal Counsel to provide a written response to the auditor and to include a copy of Mr. Kuhn's letter with that response.

Unanimously approved.

1.8-11

Mr. Kuhn next discussed the dividends which Intercontinental, a real estate investment manager of Retirement System assets, is paying. Discussion followed.

Motion by Hill, supported by Taylor.

Resolved: To direct the Investment Consultant to direct the re-investment of Intercontinental-paid dividends on a go forward basis.

Unanimously approved.

1.9-11

Open Forum

The Board discussed the One Day MAPERS seminar scheduled for February 10, 2011, in Ypsilanti, MI. Consistent with Board Policy, any interested Trustee may register and attend.

Motion by Hill, supported by Avery.

Resolved: To adjourn the meeting.

Unanimously approved.

1.10-11