

TAYLOR POLICE & FIRE RETIREMENT BOARD

June 8, 2017

The regular meeting of the City of Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road (second floor conference room), Taylor Michigan, on **Thursday, June 8, 2017 at 4:00 P.M.**

Present: Chairman and Trustee Hill, Trustee Taylor, Trustee Kriebel, Trustee Bourassa

Also Present: Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, CFA, CAIA, Senior Consultant, of & Co.; Kirk VanDagens, Fire Retiree Ron McNamee.

Excused:

Trustee and Chair Nicolas Hill, called the meeting to order at 4:05 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 April 13, 2017.

Unanimously approved.

05.36-17

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following financial correspondence:

1. Client statement from First Eagle Global Value Fund, LP for the period of February 28, 2017 through April 30, 2017 and March 31, 2017 through April 30, 2017.
2. Letter dated May 15, 2017 to Mary Gregory of Brown Advisory requesting a rebalancing of the City of Taylor Police and Fire Retirement System's assets as resolved at the April meeting.
3. Letter dated May 15, 2017 to Ms. Barbara Citizen of PNC bank requesting the facilitation of the rebalancing of assets from Brown Advisory to the administrative account to provide liquidity for upcoming benefit payments.
4. Invoice requisition to the City of Taylor for reimbursement for one half of the expenses associated with Trustee Bourassa's attendance at the MAPERS Spring Conference in the amount of \$569.50.
5. Employee Contributions received from the City of Taylor for March 2017 and April 2017 in the amount of \$82,924.78 and \$55,706.61 respectively.

Unanimously approved.

05.37-17

Motion by Taylor, supported by Bourassa.

Resolved: To receive and file the following correspondence:

1. June Medicare reimbursement report. Note three (4) changes this reporting period.

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2. Letter dated May 8, 2017 titled “Numbered Letter 2017-1”referencing Michigan Department of Treasury annual reporting.
3. Form ADV Part 2A received from Brown Advisory.
4. Annual verification letter dated May 24, 2017 sent to all retirees, beneficiaries and alternate payees.

Unanimously approved.

05.38-17

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following correspondence.

1. Actuarial certification and monthly benefit payment to Police Cpl. John Marimpietri and Police Cpl. Steven Schwein.

Unanimously approved.

05.39.17

Motion by Taylor, supported by Bourassa.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of April 16, 2017 through June 4, 2017 in the amount of \$4,121.30.
2. Payment to Alger for management feed for the period of January 1, 2017 through March 31, 2017 in the amount of \$17,183.22.
3. Payment to Brown Advisory for investment services for the period of January 1, 2017 through March 31, 2017 in the amount of \$14,673.83.
4. Payment to Newsouth Capital Management, Inc. for management fees for the period of January 1, 2017 through March 31, 2017 in the amount of \$24, 170.
5. Payment to PNC for asset management fees for the period of January 1, 2017 through March 31, 2017 in the amount of \$25,617.92.
6. Payment to Vanoverbek Michaud & Timmony, P.C. for legal services rendered to the City of Taylor Police and Fire Retirement System for the period of January 1, 2017 through March 31, 2017 in the amount of \$5,722.50.
7. Payment to Brandywine Global for investment management services for the period of March 8, 2017 through March 31, 2017 in the amount of \$2,555.46.
8. Payment to Moonbase/Mauricio Gomes for annual hosting and maintenance of the City of Taylor Police & Fire Retirement System’s website in the amount of \$495.

Unanimously approved.

05.40-17

LATE ARRIVAL ITEMS:

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following late arrival items:

1. FOIA request received from Zack Cziryak.
2. FOIA response letter granting approval of FOIA request submitted by Zack Cziryak.

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Unanimously approved.

05.41.17

Mr. Timmony advised the Board the Governor has signed legislation prohibiting convicted felons from receiving a government pension where the conviction results from a breach of the public trust. The existing legislation provides for the discretion of the court, whereas this new legislation makes forfeiture mandatory. This action was brought about largely as a result of 13 former Detroit Public School officials who were involved in a kickback scandal. The effective date of this new legislation is expected to be very soon and is believed not to be retroactive.

Chris Kuhn presented a full quarterly report through March 31, 2017, noting S&P is up just over 6%, small cap is noticeably less, growth stocks did better, overseas stronger return, fixed income did fairly well and merging market was the big winner this quarter. Performance review reflected a slight shortfall in the policy index. Alger had a great quarter, Brown is well behind their bench mark and Newsouth had a nice rebound. Chair Hill asked why PNC and Brown seem to be trailing and asked if Mr. Kuhn had any thoughts as to why. Mr. Kuhn has looked at Brown and feels they are holding their own and feels it is unnecessary at this time to make a major change; PNC has done well until last year. Their three year return is slightly off and their calendar year also trailed behind however they seem to be back on track even though they did have three poor performance quarters in a row. Mr. Kuhn will be looking at potential passive strategies for the Boards review and consideration at the next meeting. Discussion continued noting Intercontinental's performance is in line and Graham underperformed. Mr. Kuhn advised the Board a transfer of funds to the administrative account is necessary to provide liquidity for upcoming benefit payments.

Motion by Taylor, supported by Bourassa.

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

Unanimously approved.

05.42-17

Chair Hill talked about the energy seminar he attended at MAPERS and solar tax credits stating some states require plans invest a certain portion in renewal energy strategies, however Michigan is not one of them. The entire segment can be viewed on the MAPERS website. Mr. Kuhn will review and get back to the Board with his thoughts. Chair Hill advised the Board he will be out of town for the July meeting and suggested a change of date. The July meeting has been cancelled due to the 4th of July holiday and other scheduling conflicts.

Motion by Hill, supported by Taylor.

Resolved: To cancel the July meeting of the Police and Fire Retirement System's Board of Trustees and to post accordingly.

Unanimously approved.

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05.43.17

Motion by Taylor, supported by Bourassa.

Resolved: To authorize Investment Consultant Chris Kuhn to transfer \$1M from Brown Advisory to the Administrative account if no deposit is made by the City to provide liquidity for the July 2017 benefit payments.

Unanimously approved.

05.44-17

Motion by Taylor, supported by Kriebel.

Resolved: To adjourn at 5:00 P.M.

Unanimously approved.

05.45-17

The next meeting of the Board of Trustees of the City of Taylor Police and Fire Retirement System will be held Thursday, August 10, 2017, at 4:00 p.m.