

Taylor Police & Fire Retirement Board March 14, 2012 Meeting Minutes

The regular meeting of the Taylor Police & Fire Retirement Board was held at the Taylor Fire Department, 23345 Goddard Road, Taylor Michigan, on Wednesday, March 14, 2012.

Present: Chairman Nicolas Hill, Trustee Gerry Taylor, Trustee Dan Bzura & Trustee Russ McNamee, City Treasurer Lynn Cleary.

Also Present: Jack Timmony of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel, Chris Kuhn of Gray & Company, Kirk VanDagens of PNC Bank, Linda Mills Kemp, Plan Administrator, Dean Philo, Finance Director for the City of Taylor, Mr. Ron McNamee and Mr. Keith Blanchard.

Chair Nicolas Hill called the meeting to order at 4:34 P.M.

Motion by Taylor, supported by Bzura.

Resolved: To approve the minutes of the regular meeting of the Board held February 8, 2012.

Unanimously approved.

3.19-12

Motion by Taylor, supported by Bzura.

Resolved: To receive and file the following financial correspondence:

1. Employee contributions received from the City of Taylor for the Taylor Police & Fire Retirement System for February 2012 in the amount of \$53,017.76.
2. Reinvestment of distribution from Intercontinental Real Estate Corporation in the amount of \$31,496.64 (pro rata gross share of an overall distribution of \$3,732,351.01) less \$11,357.21 management fee for a total reinvestment amount of \$20,139.43.

Unanimously approved.

3.20-12

Motion by Taylor, supported by Bzura.

Resolved: To receive and file the following correspondence.

1. Information related to the MAPERS upcoming Spring Conference.
It was agreed at this meeting that any Board member interested in participating in the Spring Conference will contact the Pension office within one week so reservations may be made.
2. Memorandum from the office of VanOverbeke Michaud & Timmony P.C. dated March 5, 2012.

Unanimously approved.

3.21-12

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Motion by Bzura, supported by Taylor.

Resolved: To approve the following correspondence.

1. Letter dated February 28, 2012 from Cpl. Steven Schwein.

Unanimously approved.

3.22-12

Motion by Taylor, supported by Cleary.

Resolved: To authorize Legal Council to draft response letter to Cpl. Schwein to be signed by Board Chair.

Unanimously approved.

2.23-12

Motion by Taylor, supported by McNamee.

Resolved: To pay the following bills:

1. Payment to VanOverbeke Michaud & Timmony, P.C. for legal services rendered for the period of October 1, 2011 through December 31, 2011 in the amount of \$7,540.
2. Payment to Linda Mills Kemp, Pension Plan Administrator, for periods February 6, 2012 through March 11, 2012 in the amount of \$3,585.
3. Payment to Tradewinds Global Investors, LLC for investment management fees for the period of October 1, 2011 through December 31, 2011 in the amount of \$12,503.24.
4. Payment to Gray & Company for Investment Consultant Retainer billing for 4th quarter 2011 in the amount of \$11,192.72.

Unanimously approved.

3.24-12

Mr. Timmony, legal counsel for the Police & Fire Retirement System informed the Board that the court hearing for the Costella litigation has been moved to March 23rd and that the City has also filed a motion to dismiss.

Item B-2, Rollover Notice from legal counsel was discussed. Mr. Timmony detailed the changes as they relate to the new Michigan state tax law.

Mr. Timmony reported that he, along with the Board's Investment Consultant Chris Kuhn, have been researching potential investment opportunities on behalf of the Board. Direct Lending is being looked at as a possible option for consideration. Mr. Kuhn will email Board members requirement qualifications for review.

Mr. Timmony agreed to place a follow up call to the Human Resource Director for the City of Taylor regarding upgrade pay for firefighters. Mr. Timmony will report back to the Board on this matter at the next meeting.

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Kirk VanDagens of PNC Bank provided the Board with a brief account status update stating the markets are up nicely so far this year. A more detailed report will be provided at the April meeting.

Trustee Bzura requested the bank provide updated signature forms to be completed by the Board now that there is a full Board.

Chris Kuhn of Gray & Company provided the Board with a portfolio review to include the following: Economic Growth, Government Debt, World Economies, Inflation, Fixed Income (down from one year ago), Gross Domestic Product, Housing Market, Improvement in Productivity, Real Estate, Hedge Funds (expectations generally not realistic as it relates to Hedge Funds, however still a good investment if expectations are realistic).

Mr. Kuhn also discussed portfolio strategies and target allocations.

Mr. Kuhn recommended the Board consider moving \$500,000 from Tradewinds to the Administrative account.

Motion by Taylor, supported by Bzura.

Resolved: To authorize the transfer of funds as recommended by Mr. Kuhn.

Unanimously approved.

3.25-12

Trustee Taylor expressed concern with the Optima fund and requested Mr. Kuhn keep a close eye on that particular investment manager. Trustee Taylor made a request that Mr. Kuhn bring alternate investment options for discussion and consideration to the next meeting.

Chair Hill advised the Board of a Medicare Reimbursement overpayment to Retiree Diel and will report the resolution on this matter to the Board at the next meeting.

Mr. Keith Blanchard addressed the Board regarding multiplier used when calculating retiree benefits for recent retirees who left under the Memorandum of Understanding dated June 2011.

Motion by Bzura, supported by Taylor.

Resolved: To hold the April meeting on Wednesday, April 18th at 4:30 P.M.

Unanimously approved.

3.26-12

Motion by Bzura, supported by McNamee.

Resolved: To adjourn meeting at 6:30 P.M.

Unanimously approved.

3.27-12