

Taylor Police & Fire Retirement Board May 9, 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, May 9, 2012.**

Present: Chairman and Trustee Nicolas Hill, Trustee Dan Bzura, Trustee Lynn Cleary, and Trustee Gerry Taylor.

Also Present: Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., legal counsel; Chris Kuhn of Gray & Company, investment consultant; Kirk VanDagens of PNC Bank, custodian bank and investment manager; Linda Mills Kemp, Plan Administrator; Christine Burns of NewSouth Capital Management; and, Mr. Ron McNamee, retiree.

Via Phone: Steve Morrow of NewSouth Capital Management

Excused: Trustee Russ McNamee

Chair Nicolas Hill called the meeting to order at 4:33 P.M.

Motion by Taylor, supported by Bzura.

Resolved: To approve the minutes of the regular meeting of the Board held April 18, 2012.

Unanimously approved.

5.35-12

Motion by Bzura, supported by Taylor.

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 March 2012 in the amount of \$40,158.36.

Unanimously approved.

5.36-12

Motion by Taylor, supported by Bzura.

Resolved: To receive and file the following correspondence.

1. The April 2012 Police & Fire Retirees Medicare Reimbursement Report.
2. Memorandum from VanOverbeke Michaud & Timmony, P.C., dated May 9, 2012, regarding Michigan legislative update.

Unanimously approved.

5.37-12

Motion by Bzura, supported by Taylor.

Resolved: To pay the following bills:

1. Payment to Staples for office supplies in the amount of \$116.96.
2. Payment to Linda Mills Kemp, Plan Administrator, for services during the period April 16, 2012 through May 6, 2012, in the amount of \$2,190.

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3. Payment to Chair Hill for expenses related to the MAPERS Spring Conference in the amount of \$373.18.
4. Payment to Trustee Cleary for expenses related to the MAPERS Spring Conference in the amount of \$320.24.

Unanimously approved.

5.38-12

- **Mr. Jack Timmony**, legal counsel for the Police & Fire Retirement System, gave a brief update on the Costella litigation.
- An overview of amendments to PA 107 was discussed as outlined in the memorandum dated May 9, 2012 included in the agenda.
- The Board was advised of a recent conversation between the Plan Administrator and Mr. Diel regarding his Medicare overpayment and the collection of same.
- A brief discussion took place regarding Retiree Blanchard who will obtain the age of 55 in October of 2012, at which time his pension benefits will be computed according to the normal retirement benefit calculation formula rather than his present disability benefit calculation formula pursuant to applicable Plan provisions.
- Mr. Timmony responded to questions from Chair Hill regarding the withdrawal of employee contributions and repayment of same, and the effect of a withdrawal upon accrued service credit.

- **Mr. Kirk VanDagens of PNC Bank** presented the Board with a letter dated April 23, 2012, regarding a previously cancelled credit card credit of \$816. Letter was signed and funds will be returned to the Pension Fund.

- **Ms. Christine Burns of New South** was present to give the Board a full presentation with the assistance of Steve Morrow who participated via conference call about what NewSouth Capital Management may have to offer the Retirement System as a potential new manager, pursuant to the request and recommendation of Investment Consultant Gray & Co. Following the presentation the Trustees and Investment Consultant Kuhn engaged in a discussion regarding the NewSouth investment strategy.

Motion by Taylor, supported by Bzura.

Resolved: To concur with the recommendation of Investment Consultant Chris Kuhn to transfer 100% of assets currently under management with Tradewinds to NewSouth Capital Management upon contract approval to be prepared by legal counsel, Jack Timmony.

Unanimously approved.

5.39-12

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- **Chris Kuhn of Gray & Company** provided the Board with a performance report that included global market performance, index returns, asset allocation, Oaktree PPIP, cumulative performance comparison, performance consistency and updated market values.

Former Board Chair Ron McNamee suggested the Board make available online forms for retirees to utilize if they wish to have their retirement funds split between various banks. Plan Administrator will follow up with PNC Bank and report back to the Board.

Chair Hill advised the Board that the Police Command Unit is in the process of negotiating a Deferred Retirement Option Program (“DROP”) as part of their new contract. Mr. Timmony suggested the draft of said program be brought to legal for review prior to finalizing negotiations, to ensure compliance with applicable state and federal law, including Michigan Public Act 728 regarding the requirement that a supplemental actuarial analysis be performed and provided timely.

Motion by Bzura, supported by Cleary.

Resolved: To adjourn meeting at 7:07 P.M.

Unanimously approved.

5.40-12