

TAYLOR POLICE & FIRE RETIREMENT BOARD

May 10, 2018

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, May 10, 2018 at 4:00 p.m.**

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

Also Present: Jack Timmony, VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn, CFA, CAIA, Sheila Gorski-Schulte, Human Resource Director; Craig Haynes, PNC Capital Advisors, LLC, CFA Sr. Client Advisor. Retiree Steve Schwein requested it be noted he is not present at this meeting due to the annual Police Unity Tour.

Excused: Trustee Bourassa

Trustee and Chair Nicolas Hill, called the meeting to order at 4:02 p.m.

Motion by Kriebel, supported by Taylor.

Resolved: To approve the minutes of the meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held March 8, 2018 to include the approval of the purchase of a new laptop for the pension office for an amount not to exceed \$2, 500.

Unanimously approved.

05.37-18

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following financial correspondence:

1. Employee contributions received from the City of Taylor for March 2018 in the amount of \$.72,186.23.

Unanimously approved.

05.38-18

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file the following correspondence:

1. May 2018 Medicare report. Note 3 (2) changes this reporting period.
2. ADV Part 2 Disclosure Brochure dated March 29, 2018 received from First Eagle Investment Management, LLC.
3. ADV Part 2A Brochure dated March 29, 2018 received from Intercontinental Real Estate Corporation.

Unanimously approved.

05.39-18

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following correspondence:

1. First Amendment to Investment Consulting Agreement between the City of Taylor Police and Fire Retirement System and AndCo Consulting, LLC.

TAYLOR POLICE & FIRE RETIREMENT BOARD

May 10, 2018

2. Correspondence received from Vanoverbek Michaud & Timmony P.C. referencing an increase in hourly billing rate.
3. Legal Representation Agreement between the City of Taylor Police and Fire Retirement System and Vanoverbeke Michaud & Timmony P.C.

Unanimously approved.

05.40.18

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of April 8, 2018 through May 6, 2018 in the amount of \$1,163.75.
2. Reimbursement to Linda Kemp for purchase of HP laptop, as approved at the April 10th Board meeting in the amount of \$2,024.75, reimbursement for MAPERS registration in the amount of \$300 for Chair Hill and reimbursement for hotel accommodations at Soaring Eagle for three (3) nights in the amount of \$442.20 for a total reimbursement in the amount of \$2,766.95.
3. Payment to PNC for asset management fees for the period of January 1, 2018 through March 31, 2018 in the amount of \$22,341.76.
4. Payment to Vanoverbeke Michaud & Timmony P C for legal services rendered to the City of Taylor Police and Fire Retirement System in the amount of \$5,057.50 for the period January 1, 2018 to March 31, 2018.

Unanimously

05.41-18

Mr. Timmony was present and discussed the following:

The amendment to the AndCo Investment Consultant Agreement has been reviewed and is now ready for execution. The Board was advised Mr. Kuhn reached out to WCM regarding the required side letter which was met with a positive outcome. The side letter has been agreed to; therefore, the WCM investment management agreement is ready to be executed. Also noted at this meeting: the RFI's for audit and actuarial services have gone out. Mr. Timmony also provided the Board with copies of the Vanovebeke Michaud & Timmony P.C.'s professional liability insurance certificate and policy.

Mr. Craig Haynes provided the 2018 first quarter economic and market review. Discussion included multi factor small cap core funds (handout provided), investment review for the period ending March 31, 2018, market value update, investment performance, asset allocation, fixed income, sector allocation and a portfolio performance review.

Chris Kuhn provided the Board with a investment performance report, asset allocation, fixed income and sector allocation. It was noted the fund had a very good quarter and is nicely ahead of the policy index. Brown did very well over the past year, Newsouth seems to be turning

TAYLOR POLICE & FIRE RETIREMENT BOARD

May 10, 2018

around, nice results by Graham, good quarter from Intercontinental. Mr. Kuhn recommended a transfer to the Administrative account to provide liquidity for upcoming benefit payments.

Motion by Couture, supported by Taylor.

Resolved: To authorize investment consultant, Chris Kuhn to transfer 1M from PNC small cap to the Administrative account to provide liquidity for upcoming benefit payments.

Unanimously approved.

05.42.18

Mr. Kuhn advised the Board he has a conflict with the June meeting date.

Trustee Couture discussed the report provided by Rodwan. The discussion included open amortization vs closed amortization. Several scenarios were presented and discussed. Discussion also included reaching 60% funding, mortality rate table, pension liability and potential assumed interest rate adjustments as well as changing the amortization period. Trustee Chair Hill asked how the state calculates the pension liability. It was noted the Trustees would like Rodwan to include a separate line item to reflect the liability. Trustee Couture will reach out to Sandra Rodwan to request additional information and will report his findings to the other Board members. This matter was tabled until the next meeting and the Board reviewing additional information from Rodwan. Trustee Couture advised the Board action will need to be taken at the June meeting due to budget deadlines.

Trustee Taylor requested a copy of the Police & Fire portion of the annual audit for the past three years. Trustee Couture offered to request the same from Plante Moran.

Chair Hill discussed conflicts with the June meeting date. The Trustees agreed to move the June meeting to Thursday, June 7th at 4:00 and to post accordingly

Motion by Couture, supported by Taylor.

Resolved: To change the date of the June meeting to Thursday, June 7th at 4:00 and to post accordingly.

Unanimously approved.

05.43.18

Motion by Couture, supported by Taylor.

Resolved: To adjourn at 5:28 p.m.

Unanimously approved.

04.36-18

TAYLOR POLICE & FIRE RETIREMENT BOARD

May 10, 2018

The next regular meeting of the Retirement System Board of Trustees is scheduled for Thursday, June 7, 2018 at 4:00 p.m.

