

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held at the Taylor Police Department 23515 Goddard Road (second floor conference room), Taylor Michigan, on Thursday, May, 9 2019.

Present: Chairman and Trustee Nicolas Hill, Trustee Gerald Taylor, Trustee Jesse Kriebel and Trustee Jason Couture.

Also Present: Jack Timmony, Vanoverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, FA,CAIA, AndCo, Investment Consultant; Kirk VanDagens, CIMA Sr. Client Advisor, PNC Institutional Asset Management; Bill Currie, President Local 1052; Patricia Vannordon, City of Taylor Human Resource Department.

Excused:

Trustee and Chair Nicolas Hill, called the meeting to order at 4:00 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 April 11, 2019.

Unanimously approved.

05.35-19

Motion by Couture, supported by Kriebel

Resolved: To receive and file the following financial correspondence:

1. Capital call notice dated April 19, 2019 received from Bloomfield Capital with a call date of April 29, 2019.
2. Letter dated April 23, 2019 to Ms. Barbara Citizen of PNC Bank requesting the facilitation of the capital call for Bloomfield Capital.
3. Distribution notice from Metropolitan dated April 29, 2019.
4. First quarter 2019 Distribution Notice from Bloomfield Capital Income Fund III, LLC dated April 30, 2019.

Unanimously approved.

05.36-19

Motion by Taylor, supported by Couture.

Resolved: To receive and file the following correspondence:

1. Letter of retirement dated April 23, 2019 received from Phillip Mooney, fire fighter with a retirement date effective July 14, 2019.
2. Form ADV Part 2A received from First Eagle.
3. Form ADV Part 2A received from AndCo.
4. Amendment No. 2 to the Agreement of Limited Partnership received from American Realty Advisors dated April 1, 2019.
5. May 2019 Medicare report. Note one (1) change this reporting period.
6. Independent Auditors' Report received for the period ending December 31, 2018

for WCM Focused International Growth Fund, L.P.

Unanimously approved.

05.37-19

Motion by Taylor , supported by Couture.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of April 14, 2019 through May 5, 2019 in the amount of \$1,487.50.
2. Payment to Vanoverbeke, Michaud & Timmony, P.C. for legal services rendered to the City of Taylor Police & Fire Retirement System for the period of January 1, 2019 through March 31, 2019 in the amount of \$3,456.
3. Payment to Pure Data Services for shredding bins in the amount of \$50.
4. Payment to Newsouth Capital Management, Inc. for the period ending March 31, 2019 in the amount of \$23, 602.
5. Payment to Brown Advisory for the period of January 1, 2019 through March 31, 2019 in the amount of \$21,791.48
6. Reimbursement to Linda Kemp for registration fees paid for Chair Hill to participate in the 2019 MAPERS Spring Conference in the amount of \$300.

Unanimously approved.

05.38-19

Late arrival items:

Motion by Kriebel, supported by Couture.

Resolved: To receive and file FOIA dated May 7, 2019 received from Zack Cziryak

Unanimously approved.

05.39-19

Motion by Kriebel, supported by Couture.

Resolved: to receive and file letters of retirement received from Det. Steven Porta with an effective retirement date of June 30, 2019 and Rosanna Hopper, Police with an effective retirement date of June 9, 2019.

Unanimously approved.

05.40-19

Motion by Kriebel, supported by Couture.

Resolved: To pay the City of Taylor for Police & Fire Retirement System's portion of the annual audit in the amount of \$6,000.

Unanimously approved.

05.41-19

Motion by Couture, supported by Kriebel.

Resolved: To pay Pure Data services for shredding container in the amount of \$50.

Unanimously approved.

05.42-19

Motion by Kriebel, supported by Taylor.

Resolved: To pay PNC Institutional Asset Management for asset based fees for the period of January 1, 2019 through March 31, 2019 in the amount of \$26,386.94.

Unanimously approved.

05.43-19

Mr. Timmony advised the Board he had reviewed the deferred retirement benefit question which Mr. Beaudoin posed (a Taylor firefighter). Mr. Beaudoin previously submitted a letter to the Board regarding his “intention to retire from the City of Taylor Fire Department, on 7/5/2019.” He further stated in that letter that “[t]hat day will be my 20th calendar anniversary of full time employment with the department.” He thus requested that his pension benefits start in August 2019 pursuant to Section 6(1)(d) of Public Act 345.

Mr. Timmony noted that Act 345, at Section 6(1)(d), MCL 38.556(1)(d), in pertinent part provides that, a member who has 10 or more years of service shall have vested retirement benefits that are not subject to forfeiture on account of disciplinary action, charges, or complaints. If the member leaves employment before the date the member would have first become eligible to retire as provided in subdivision (a) for any reason except the member's retirement or death, the member is entitled to a pension that shall begin the first day of the calendar month immediately after the month in which the member's written application for the pension is filed with the retirement board **that is on or after the date the member would have been eligible to retire had the member continued in employment. The retirement board shall grant the member the benefits to which the member is entitled under this act, unless the member resumes service.** If the member resumes service, the member's pension shall be further deferred with service years of credit until the member actually retires. [Emphasis added].

Pursuant to his collective bargaining agreement, Mr. Beaudoin is eligible to retire with 20 years of service regardless of age. It was noted at this meeting that, due to Mr. Beaudoin's lay off time, his first eligibility date to collect his full retirement benefit is December 14, 2019. Linda Kemp advised the Board she had been in communication with Mr. Beaudoin who told her he will be rescinding his retirement letter to such time he is eligible to collect his full retirement. Mr. Currie, President of the Fire Fighters Union was at this meeting and asked for clarification on a section of Act 345, which Mr. Timmony read aloud (Section 6(1)(d)). Mr. Timmony explained that while Mr. Beaudoin might have 20 years of “seniority” for City of Taylor employment purposes, the fact that Mr. Beaudoin was laid off for approximately 6 months interrupted his service credit for pension purposes; that is, Mr. Beaudoin did not accrue service credit towards his pension eligibility during his period of layoff. Thus, Mr. Beaudoin will not be eligible to retire with a full, normal service retirement benefit until such time as he has acquired 20 years of service credit (December 14, 2019, according to Ms. Kemp's calculations).

Kirk VanDagens advised the Board PNC will be getting out of the mutual fund business by the end of this year. Mr. Patel, who has handled that portion of the Retirement System's portfolio, will no longer be involved with the P&F Retirement System's investments. Mr. VanDagens provided an investment review for the period ending March 31, 2019. Discussion included rolling 3 and 5 year review, portfolio performance update, returns on fixed income, sector allocation.

Chris Kuhn provided a quarterly investment performance review ending March 31, 2019. It was noted the 1st quarter of 2019 has done very well; fixed income is up almost 3%, however, next quarter could be less. Other related discussion included small cap yield curves, compliance check list and asset allocation. It was noted the performance review was up nearly 10% for the quarter making the fund rank in the top 7th percentile. It was also noted that Brown has been one of the best performers in the past 12 months. First Eagle and WCM have turned out to be a very good combination; Bloomfield II fund had a negative quarter and Fund V is doing nicely. Mr. Kuhn advised the Board there is no need for a transfer of funds to the cash account at this time. Chair Hill requested Mr. Kuhn do a small cap search and be prepared at our next meeting to review and discuss those options. The final version of the Investment Policy Statement, which was reviewed by Mr. Timmony's office, was brought forward to be adopted.

Motion by Taylor, supported by Kriebel.

Resolved: To adopt the 2019 IPS as presented by Investment Consultant Chris Kuhn.
Unanimously approved.
05.44-19

Motion by Taylor, supported by Kriebel.

Resolved: To receive and file reports submitted by Investment Consultant Chris Kuhn.
Unanimously approved.
05.45-19

Chair Hill noted at this meeting that the pension office is still waiting for outstanding pay reports from Human Resources for Ted Michouski and Tom Konarski so that pension benefits may be calculated.

Motion by Kriebel, supported by Couture.

Resolved: To receive and file email communications to Ms. Gorski-Schulte requesting pay reports for Ted Michousk and Tom Konarski.
Unanimously approved.
05.45-19

Motion by Kriebel, supported by Couture.

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

05.46-19

The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Thursday, June 13, 2019 at 4:00 P.M.