

## **Taylor Police & Fire Retirement Board November 9, 2011 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, November 9, 2011.

**Present:** Acting Chairman Nicolas Hill, Trustee Gerry Taylor & Trustee Dan Bzura

**Also Present:** Jack Timmony of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel, Chris Kuhn of Gray & Company, Kirk VanDagens of PNC Bank, Ronald McNamee, Dean Philo, Jack Hayden, Wayne Avery and Linda Mills Kemp, Pension Plan Administrator

Acting Chair Nicolas Hill called the meeting to order at 5:05 P.M.

### **Motion by Taylor, supported by Bzura.**

Resolved: To approve the minutes of the regular meeting of the Board held September 14, 2011, the minutes of the special meeting of the Board held October 26, 2011 and the closed door minutes of the special meeting of the Board held October 26, 2011 as submitted.

*Unanimously approved.*

11.101-11

### **Motion by Taylor, supported by Bzura.**

Resolved: To receive and file the following financial correspondence:

1. Funding Request Notice dated October 3, 2011 from Oaktree Capital Management, L.P.
2. Letter to Barbara Citizen of PNC Bank dated October 6, 2011 requesting the transfer of \$100,000 from the Administrative Account (7506 7449 0758) to the Comingled Fund Account (7506 7449 0821) on or before October 13, 2011 and to wire \$100,000 to Oaktree for the purchase of the Oaktree PPIP Private Fund, LP on or before October 13, 2011.
3. Employee contributions received from the City of Taylor for the Taylor Police & Fire Pension System for August & September 2011 in the amount of \$67,344.06 and \$52,366.81 respectively.
4. Letter to Barbara Citizen of PNC Bank dated October 19, 2011 requesting the transfer of \$1,500,000 from the Fixed Income Account (750674490813) to the Administrative Account (750674490758) on or before October 31, 2011.

*Unanimously approved.*

11.101-11

## **Taylor Police & Fire Retirement Board November 9, 2011 Meeting Minutes**

### **Motion by Taylor, supported by Bzura.**

Resolved to receive and file the following correspondence.

1. Memo for discussion dated December 9, 2009 received from the office of VanOverbeke Michaud & Timmony P.C.
2. Memo dated September 22, 2011 received from Shelia Gorski, Interim HR Director for the City of Taylor.
3. Response letter prepared by Aaron Castle of VanOverbeke Michaud & Timmony P.C. dated September 27, 2011 to Forrest & Smith, P.C.
4. Email request dated September 29, 2011 received from Wanda Martinez regarding 2010 Annual Survey of Public Employees Retirement Systems.
5. Form ADV Part 2B received from PNC Bank dated July 19, 2011.
6. Response letter prepared by Aaron Castle of VanOverbeke Michaud & Timmony P.C. dated September 29, 2011 to Ms. Myers of ODRO Express.
7. Email dated October 25, 2011 from Mr. Philo.
8. Emails dated October 19, 2011 from Dennis Lockhart of the Oakland County Retirement System.
9. Letter dated October 28, 2011 to the Honorable Stephen Murphy from Mr. Timmony.
10. Memorandum and attachments received from VanOverbeke Michaud & Timmony November 4, 2011 regarding taxation of pensions.

*Unanimously approved.*

11.102-11

### **Motion by Taylor, supported by Bzura.**

Resolved: To approve the following correspondence:

1. Eligible Domestic Relations Order (EDRO) received by ODRO Express LLC via email on September 23, 2011.
2. Income Withholding Order for Support from the Wayne County Friend of the Court for change in deduction from retiree benefits.
3. Letter to Barbara Citizen dated November 10, 2011 requesting payment to John Hancock Financial Services in the amount of \$1,838.50 to cover the Long Term Care premiums for Retiree Atkinson & his spouse. This amount will be deducted from Mr. Atkinson's December (for the month of November) pension benefits check.

*Unanimously approved.*

11.103-11

## **Taylor Police & Fire Retirement Board November 9, 2011 Meeting Minutes**

### **Motion by Taylor, supported by Bzura.**

Resolved: To pay the following bills:

1. Payment to Rodwan Consulting Company for actuarial services rendered for the computation of final benefit payments to participant and alternate payee from the Taylor Police and Fire Retirement System pursuant to the Eligible Domestic Relations Orders (EDRO) for a total of \$300 to be reimbursed by the participants and their alternate payees.
2. Payment to Donna Terry, former Pension Plan Administrator, for periods September 12, 2011 thru October 9, 2011 in the amount of \$560.
3. Payment to Linda Mills Kemp, Pension Plan Administrator, for periods September 12, 2011 thru October 9, 2011 in the amount of \$3,510.
4. Payment to Rodwan Consulting Company in the amount of \$1,920.00 for actuarial and consulting services rendered to the City of Taylor Police & Fire Retirement System for the quarter ended September 30, 2011, pursuant to the Actuarial Services Agreement.
5. Payment to American Lock & Key for lock replacement in pension office in the amount of \$85.
6. Payment to PNC Bank for services rendered from 7/1/2011 thru 9/30/2011 in the amounts of \$18,567.59, \$10,783.08, \$1,936.35 and \$418.91.
7. Payment to VanOverbeke Michaud & Timmony for legal services rendered regarding Costella litigation for the period of July 1, 2011 thru September 30, 2011 in the amount of \$3,325 and for legal services rendered to the Board for the period of July 1, 2011 thru September 30, 2011 in the amount of \$5,932.50.
8. Payment to Gray & Company for services rendered in the amount of \$10,809.22.
9. Payment to Donna Terry for services rendered from October 10, 2011 thru November 6, 2011 in the amount of \$612.50.
10. Payment to Linda Mills Kemp, Plan Administrator, for periods October 10, 2011 thru November 6, 2011 in the amount of \$3,030.

*Unanimously approved.*

11.104-11

Chris Kuhn of Gray & Company gave a portfolio performance report; spoke on inflation indicator, federal funds, U.S. Treasuries interest rates, fixed income, and international market. It was also noted that the funds performance is down about 9.5%.

Trustee Taylor requested consistency in reporting.

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### **Motion by Taylor, supported by Bzura.**

Resolved: To allow Board Chair to authorize movement of funds in emergency situations.

*Unanimously approved.*

11.105-11

Legal Counsel Jack Timmony discussed Rollover memorandum, letter to the Honorable Judge Murphy and the new Michigan state income tax law as it relates to retiree pensions. It was recommended by Mr. Timmony that the Board send a letter to all retirees and beneficiaries advising of new state tax law along with appropriate forms and information packet.

Mr. Timmony also reported that, in his opinion, Retiree Ziegler may continue to receive his pension benefits while employed as a Public Safety Officer as there was a separation of employment. An IRS bulletin was provided on the subject for the file.

### **Motion by Taylor, supported by Bzura.**

Resolved: To authorize Plan Administrator to prepare and distribute letter to retirees and beneficiaries regarding new state required withholding effective January 1, 2012.

*Unanimously approved.*

11.106-11

### **Motion by Taylor, supported by Bzura.**

Resolved: To receive and file IRS bulletin submitted by Mr. Timmony detailing IRS regulations as they relate to Mr. Ziegler's retirement benefits.

*Unanimously approved.*

11.107-11

Kirk VanDagens of PNC Bank presented an economic overview to the Board indicating recovery has been slow, however long term figures look good and that the positioning of the portfolio has helped.

### **Motion by Bzura, supported by Taylor.**

Resolved: To adopt resolutions of appreciation for former Trustee Wayne Avery, former Trustee Jack Hayden and former Plan Administrator Donna Terry.

*Unanimously approved.*

11.108-11

Mr. McNamee, former Board Chair, presented resolutions of appreciation and gifts of appreciation to Mr. Avery, Mr. Haydon and Ms. Terry for their years of service and dedication to the Board.

## **Taylor Police & Fire Retirement Board November 9, 2011 Meeting Minutes**

Mr. Philo, Budget & Finance Director for the City of Taylor presented financial information to the Board to be received and filed. It was noted that Mr. Philo will change the phrasing “alternative” investments and label investments as titled in portfolio.

### **Motion by Bzura, supported by Taylor.**

Resolved: To receive and file financial information submitted by Mr. Philo.

11.109-11

### **Motion by Bzura, supported by Taylor.**

Resolved: To approve the final retirement calculations for Mike Caldwell, Joseph Chadwick, Donald Farago, Jon Gersky, Greg Henke, John MacDonald, Ronald McNamee, Connie Scruggs and Jeffrey Witherspoon as certified by the Actuary.

*Unanimously approved.*

11.110-11

### **Motion by Bzura, supported by Taylor.**

Resolved: To adjourn meeting at 6:50 p.m.

*Unanimously approved.*

11.111-11