

## **Taylor Police & Fire Retirement Board November 12, 2015 Meeting Minutes**

The regular meeting of the City of Taylor Police & Fire Retirement Board was held at the **Taylor Police Department**, 23515 Goddard Road, Taylor Michigan, on **Thursday, November 12, 2015**.

**Present:** Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Trustee Jesse Kriebel, Trustee Tim Faremouth and Trustee Ed Bourassa

**Also Present:** Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Linda Kemp, Plan Administrator; Christopher Kuhn, of The Bogdahn Group; Craig Haynes, of PNC Institutional Investments; Sheila Gorski-Schulte, Human Resource Director

**Excused:**

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

**Motion by Taylor, supported by Bourassa.**

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System's Board of Trustees held October 8, 2015.

*Unanimously approved.*

11.85-15

**Motion by Bourassa, supported by Taylor.**

Resolved: To receive and file the following financial correspondence:

1. Client Statement from First Eagle Global Value Fund, LP for the period of August 31, 2015 through September 30, 2015.
2. Letter dated October 21, 2015 to Ms. Barbara Citizen of PNC Bank requesting a shift in assets as approved at the October 8<sup>th</sup> meeting of the City of Taylor Police and Fire Retirement System's Board of Trustees.
3. Reimbursement received from Linda Kemp in the amount of \$580.81 for hotel accommodations not charged to her account for Trustee Kriebel to participate in the MAPERS Fall conference.

*Unanimously approved.*

11.86 15

**Motion by Taylor, supported by Kriebel.**

Resolved: To receive and file the following correspondence:

1. FOIA appeal response letter dated October 14, 2015 to Mr. Zack Cziryak.
2. Letter Dated October 14, 2015 to retiree George Quiroz regarding authorization for release of information request.
3. Email response from George Quiroz dated October 15, 2015.
4. Summary Annual Report received from Rodwan Consulting for fiscal year ending June 30, 2015.

## **Taylor Police & Fire Retirement Board**

### **November 12, 2015 Meeting Minutes**

5. Subpoena/Order to Appear dated October 14, 2015 received via certified mail from the office of Papista & Papista, PLC regarding Oakland County Circuit Court Case No. 15-833969-DM.
6. Response letter dated October 27, 2015 from the office of Vanoverbeke Michaud & Timmony P.C. to the office of Anthea Papista, Esq. referencing Oakland County Circuit Court Case No. 15-833969-DM.
7. Letter Dated October 26, 2015 from the law office of Jacqueline Theisz referencing Case No. 13-105-463-DM.
8. Letter dated November 2, 2015 received from Margaret Shalda requesting her alternate payee benefits commence as soon as administratively possible.
9. Letter dated October 30, 2015 from the office of Vanoverbeke Michaud & Timmony P.C. regarding Bloomfield Capital Income Fund III, LLC Compliance with Public Act 314 of 1965, as amended.
10. Bloomfield Capital Income Fund III, LLC Private Placement of Membership Interests subscription booklet.
11. Bloomfield Capital Income Fund III, LLC Execution version.
12. Payment received November 6, 2015 from Zack Cziryak of Financial Investment News in the amount of \$71.40 for fees associated with FOIA request.
13. Incoming Withholding for Support received from the Wayne County Friend of the Court dated October 27, 2015 referencing Agency Case No. 912799960.
14. Response letter to Wayne County Friend of the Court dated November 12, 2015 prepared by the office of Vanoverbeke Michaud & Timmony P.C. referencing Case No. 912799960.

*Unanimously approved.*

11.87-15

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

Resolved: To approve the following correspondence:

1. Letter received from the Officer Stephen Kish requesting the purchase of his PSO time.
2. The Bloomfield Capital Income Fund 11, LLC third quarter investor report.
3. Actuarial certification and payment of pension benefits to George Quiroz.
4. Actuarial certification and payment of pension benefits to Glenn Ross.
5. Actuarial certification and payment of pension benefits to Edward Sierota.
6. Actuarial certification and payment of pension benefits to Dan Reynolds.

*Unanimously approved.*

11.88.15

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

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, plan administrator for the period of October 11, 2015 through November 8, 2015 in the amount of \$2,692.50.
2. Payment to Alger for management fees for the period of July 1, 2015 through September 30, 2015 in the amount of \$17,271.25

## Taylor Police & Fire Retirement Board November 12, 2015 Meeting Minutes

3. Payment to Staples in the amount of \$144.97 for office supplies.
4. Payment to Vanoverbeke Michaud & Timmony P.C. for legal services rendered to the Police and Fire Retirement System for the period of July 1, 2015 through September 30, 2015 in the amount of \$5,022.70.
5. Payment to PNC for management fees for the period of July 1, 2015 through September 30, 2015 in the amount of \$24,697.56.
6. Payment to Newsouth for management fees for the period of July 1, 2015 through September 30, 2015 in the amount of \$23,533.
7. Payment to Brown Advisory for investment services for the period of July 1, 2015 through September 30, 2015 in the amount of \$19,722.84.
8. Reimbursement to Trustee Kriebel for expenses related to attendance at that MAPERS Fall Conference in the amount of \$909.83.
9. Payment to Herndon Capital for management fees for the period of July 1, 2015 through September 30, 2015 in the amount of \$18,715.53.
10. Payment to Rodwan Consulting Company for actuarial services rendered in connection with the computation of benefit payments to the participant and alternate payee to the Eligible Domestic Relations Order concerning Edward Shalda and alternate payee Margaret Shalda in the amount of \$300.

*Unanimously approved.*

11.89-15

**Mr. Timmony** informed the Trustees Mr. Cziryak submitted a check for fees associated with his previous FOIA request and the matter is now closed.

There was discussion related to the benefit calculation of Mr. Quiroz and the request made by the city for a copy of the actuary certification of his pension benefit. Mr. Quiroz declined authorization to release records to the city related to his benefit calculation. Mr. Timmony reminded the Board the settlement agreement on file between Mr. Quiroz and the city does not prohibit the use of any year as part of the FAC calculation. It was also noted it is the responsibility of the city to provide burden of proof in this matter. Mr. Timmony also quoted from Act 314 section 13-1D and section 20-H to provide greater explanation on this issue. No further action is required on this matter at this time.

The Trustees were advised Mr. Timmony's office received authorization from Mr. Smith in the Smith v Smith matter to release data requested in the Subpoena dated October 14<sup>th</sup>.

Item B-7 was briefly discussed; the matter does not involve the Retirement System and should be resolved through the parties divorce attorney's.

Item B-8 was also discussed. There is currently no written policy for paying an estimated benefit under an EDRO. Mr. Timmony suggests the Board consider adopting a policy on this matter in the future and that he would draft a policy for consideration.

It was noted at this meeting that the pension office is experiencing lengthy delays in receiving necessary reports from the city in order to provide timely benefit calculations for members. These delays are causing frustration for newly retired members. Chair Hill suggested Mr. Timmony draft

## **Taylor Police & Fire Retirement Board November 12, 2015 Meeting Minutes**

a letter to be sent to city officials advising of these delays and requesting reports be provided in a timelier manner.

An update on the Bloomfield Capital investment documents was also provided. Mr. Timmony advised the Board Bloomfield Capital's original documents requested the Board waive their right to a jury trial. Mr. Timmony does not recommend waiving that right. After further discussion Mr. Kuhn was requested to approach Bloomfield Capital to advise them waiving a jury trial is a "deal breaker" and recommend they remove that request from the documents.

**Craig Hayne** was present at this meeting and gave a commentary on the status of funds managed by PNC Institutional Investments as of September 30, 2015. Topics of discussion included portfolio performance, large cap value performance, small cap value performance and fixed income performance. Performance through October indicates Russell 1000 is up; small cap is up as well as fixed income. Mr. Haynes commentary also included duration structure, sector diversification and credit quality.

**Chris Kuhn** advised the Board the fund did not have a good quarter; fixed income was generally flat for the quarter. A compliance check list was provided in which it was noted total fund is in compliance as well as equity. Fixed income did not reach the three year bench mark. Mr. Kuhn also provided a manager compliance check list noting managers are performing as expected. Herndon and Brown are still trailing behind. Hill suggests severing ties with Herndon sooner rather than later. Mr. Kuhn will have value managers for consideration at next meeting. Newsouth is slightly under this quarter, however overall doing well. First Eagle does well in the down market, slightly ahead since inception. Intercontinental is right on bench mark and Graham has done very well. A quick recap of the market value report was also provided. There was also discussion related to investing in real estate. Mr. Kuhn provided a Value Added Real Estate Manager Review booklet which gave the definition, advantages disadvantages and other considerations for Primary Funds, Secondaries, Co-Investments and Fund to Funds. Firm comparisons, strategy comparisons and performance comparisons were provided for American Realty Advisors, Metropolitan Real Estate, Perennial Capital Advisors and Portfolio Advisors. An investment summary was also provided for each manager. Mr. Kuhn gave his thoughts on each of the managers discussed at this meeting. Current real estate allocation was discussed. Chair Hill suggested the possibility of bringing the managers in for an interview at a future meeting. Mr. Kuhn suggested the Board consider pulling slightly from Intercontinental and increase real estate allocation. It was noted at the meeting legal documents would need to be drawn up prior to interviews. Mr. Kuhn will invite Metropolitan and American Realty to present at the December meeting.

**Chair Hill** asked members to consider moving the December meeting to **Wednesday, December 9th 2015 at 4:30** due to scheduling conflicts.

**Motion by Bourassa, supported by Faremouth.**

**Taylor Police & Fire Retirement Board  
November 12, 2015 Meeting Minutes**

Resolved: To schedule the December meeting of the City of Taylor Police and Fire Retirement System's Board of Trustees to be held on **Wednesday, December 9, 2015.**

*Unanimously approved.*

11.90-15

**Motion by Bourassa, supported by Kriebel**

Resolved: To adjourn the meeting at 5:45 P.M.

*Unanimously approved.*

11.91-15

**The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held **WEDNESDAY, DECEMBER 9, 2015** at 4:30 at the Taylor Police Station.**