

Taylor Police & Fire Retirement Board September 11, 2013 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, September 11, 2013.**

Present: Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Trustee Dan Bzura, Trustee Russ McNanee, Trustee Lynn Cleary via phone conference

Also Present: Jack Timmony, of VanOverbeke, Michaud & Timmony, P.C., Legal Counsel; Chris Kuhn of Gray & Company, Investment Consultant; Kirk VanDagens, of PNC Bank; Linda Kemp, Plan Administrator; Retiree Robert Tompos

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

Motion by Taylor, supported by McNamee.

Resolved: To approve the minutes of the regular meeting and the minutes of the closed door session of the P&F Retirement System Board of Trustees held August 14, 2013.

Unanimously approved.

09.93-13

Motion by Bzura, supported by McNamee.

Resolved: To receive and file the following financial correspondence:

1. Capital Demand Notice from U.S. Real Estate Investment Fund, LLC.
2. Distribution from Intercontinental in the amount of \$72,106.65 (pro rata gross share of an overall distribution of \$8,953,142.79 less \$11,738.96 management fees) resulting in a net distribution in the amount of \$60,367.69.
3. Letter to Ms. Barbara Citizen of PNC Bank dated August 21, 2013 requesting the redemption of shares totaling \$1,125,000 from the First Eagle Global Value Fund on or before August 30, 2013, the transfer of \$1,125,000 from the Administrative Account to the Commingled Fund Account on or before September 3, 2013, the transfer of \$2,250,000 from the PNC Fixed Income Account to the Commingled Fund Account on or before September 3, 2013 and to wire \$4,500,000 out of the Commingled Fund Account to Intercontinental for purchase of the U.S. Real Estate Investment Fund on or before September 3, 2013.
4. Thornburg International Equity Fund, LLC withdrawal request dated September 30, 2013.

Unanimously approved.

09.94-13

Motion by Taylor, supported by Cleary.

Resolved: To receive and file the following correspondence:

1. The August 2013 Police & Fire Retirees Medicare Reimbursement Report. Note 1 change this reporting period.

Taylor Police & Fire Retirement Board

September 11, 2013 Meeting Minutes

2. Letter dated August 21, 2013 from Brown Advisory.
3. Letter dated August 26, 2013 from the office of VanOverbeke Michaud & Timmony P.C. submitted to Ms. Gorski-Schulte and Mrs. Mary Anne Helveston, Esq. on behalf of the Board of Trustees regarding retirement benefits for Scott Gregory.
4. State of Michigan Court of Appeals documents submitted by the office of VanOverbeke, Michaud & Timmony P.C. referencing Wayne County Circuit Court LC NO. 11-015152-AS.

Unanimously approved.

09-95.13

Motion by Taylor, supported by Cleary.

Resolved: To approve the following correspondence:

1. Correspondence dated August 30, 2013 from Denise Jones of Rodwan Consulting referencing Service Credit purchase.
2. Memo dated September 5, 2013 from the office of VanOverbeke Michaud & Timmony P.C. referencing Monroe County Circuit Court Case No. 10-34376-DM.
3. Memo dated September 5, 2013 from the office of VanOverbeke Michaud & Timmony P.C. acknowledging EDRO related to Monroe County Circuit Case No. 10-34376-DM is consistent with the provisions of the City of Taylor Police & Fire Retirement System.
4. Resolution prepared by the office of VanOverbeke Michaud & Timmony P.C. referencing Monroe County Circuit Case No. 10-34376-DM.

Unanimously approved.

09-96-13

Motion by Cleary, supported by McNamee.

Resolved: To pay the following bills:

1. Payment to Linda Kemp, Plan Administrator, for services during the period ending August 18, 2013 through September 8, 2013 in the amount of \$2,445.
2. Payment to Herndon Capital Management for management fees for the period April 1, 2013 through June 30, 2013 in the amount of \$2,405.19.
3. Payment to Rodwan Consulting for actuarial services rendered in connection with computing cost of purchasing service credit years in the amount of \$500.

Unanimously approved.

09.97-13

Mr. Jack Timmony Chair Hill inquired about the DROP program, specifically the issue of interest paid to the participant. It was recommended by Mr. Timmony that the Board seek guidance from the actuary in this matter. The issue of medical premiums for individuals participating in the DROP program also came up. Email received by the pension office on this topic will be forwarded to Mr. Timmony for review and comment.

Taylor Police & Fire Retirement Board September 11, 2013 Meeting Minutes

Mr. Kirk VanDagens provided the Board with a very brief summary of assets managed by PNC. The summary included past two months performance as well as a year to date performance review.

Mr. Chris Kuhn gave the Board a Market Value update with a brief overview discussion. A Search Book was also provided to Board members and was discussed in detail. Discussion included a performance comparison, trailing returns & risks, individual strategies, allocation, effective duration, average quality, bench marks of potential managers, and return analysis were also part of the discussion. It was suggested that a conference call or a meeting be arranged with Reams for a future meeting.

Mr. Kuhn recommends transferring \$100,000 to the Administrative Account to provide liquidity for upcoming benefit payments.

Motion by Taylor, supported by Bzura.

Resolved: To transfer \$100,000 from TBD Focused Equity Account to the Administrative Account to provide liquidity for upcoming benefit payments.

Unanimously approved.

9.98-13

Motion by Taylor, supported by McNamee.

Resolved: To authorize Investment Manager to transfer 1M from small cap and 1M from fixed income to Reams upon legal approval of investment contracts.

Unanimously approved.

9.99-13

Chair Hill discussed with the members of the Board the revised actuary report regarding cost for retiree Robert Tompos to purchase service credit time as allowable in his Personal Services Contract. Mr. Tompos was present during this discussion and acknowledged his payment for service credit time will be forthcoming. When payment is received the Plan Administrator will work with the actuary and provide a re-calculation of benefit for Mr. Tompos.

The Board was provided with the actuary's final duty disability calculation of pension benefits for Mr. Proctor.

Motion by Cleary, Supported by Taylor.

Resolved: To approve the certified calculation and payment of monthly benefits to Mr. Proctor.

Unanimously approved.

9.100-13

Chair Hill requested the August 2013 employee contributions be taken under open business as they were provided after the agenda had been prepared.

Taylor Police & Fire Retirement Board September 11, 2013 Meeting Minutes

Motion by McNamee, supported by Bzura.

Resolved: To approve employee contributions received from the City of Taylor for the Police & Fire Retirement System for August 2013 in the amount of \$61,130.12.

Unanimously approved.

9.101-13

Chair Hill also advised the Board that an increase in monthly benefit to Mr. Scott had been provided effective August 1st as outlined in the settlement agreement. Plan Administrator was advised to provide the actuary with details related to how this increase is to be paid and to request a separate line item on the annual actuarial valuation report for this item.

Motion by McNamee, supported by Taylor.

Resolved: To enter into closed door session for discussion related to Wayne County Circuit Court LC NO. 11-015152-AS at 5:31 P.M.

Roll call:

Trustee Taylor	Yes
Trustee Bzura	Yes
Trustee McNamee	Yes
Trustee Cleary	Yes
Trustee Hill	Yes

Unanimously approved.

9.102-13

Motion by Taylor, supported by McNamee.

Resolved: To authorize Mr. Timmony to request a stay in the Wayne County Circuit Case LC NO. 11-015152-AS and to submit an appeal to the Michigan Supreme Court regarding same.

Roll call:

Trustee Taylor:	Yes
Trustee Bzura:	Yes
Trustee McNamee	Yes
Trustee Cleary	No
Trustee Hill	Yes

Motion carried.

9.104-13

Motion by McNamee supported by Cleary.

Resolved: To adjourn meeting at 6:35 P.M.

Unanimously approved.

09.0105-13

**Taylor Police & Fire Retirement Board
September 11, 2013 Meeting Minutes**

The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held Wednesday October 9, 2013.