

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held at Taylor Police Station located at 23515 Goddard Road, Taylor, MI at 4:15 P.M. on Thursday, September 8, 2022.

Present: Chairman and Trustee Nicolas Hill, Trustee Gerry Taylor, Trustee Jason Couture, Trustee Michelle Tocco.

Also Present:

Jack Timmony, VanOverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, CAIA, Senior Investment Consultant, AndCo; Sheila Gorski-Schulte, Human Resource Director for the City of Taylor, Robi Mitra, Sturbridge Capital, Managing Director, Salam, Chaudhary, Sturbridge Capital, CEO.

Excused: Trustee Al Young

Trustee and Chair Nicolas Taylor, called the meeting to order at 4:20 P.M.

Motion by Couture, supported by Taylor.

Resolved: To approve the minutes of the regular meeting of the City of Taylor Police & Fire Retirement System held August 11, 2022.

Unanimously approved.

09.50-22

Motion by Taylor, supported by Tocco.

Resolved: To approve the following financial correspondence.

1. Distribution notice received from Bloomfield Capital dated August 17, 2022 with a distribution amount of \$176,969.75.
2. Redemption notice dated August 24, 2022 received from TA Realty with a redemption in the amount of \$6,000,000.00
3. Letter dated August 16, 2022 to Ms. Christine Burns Patti of Newsouth Capital Management requesting a partial rebalancing of the City of Taylor Police & Fire Retirement System's assets in the amount of 2M.
4. Letter dated August 16, 2022 to Ms. Sara Boles of PNC Bank authorizing the partial rebalancing of assets in the amount of 2M from Newsouth Capital to the City of Taylor Police & Fire Retirement System's cash account.
5. Trust to trust transfer dated August 22, 2022 in the amount of \$2M, approved by Trustee Tocco.
6. End of month transfer from the commingled account to the administrative account in the amount of \$246,938.58 approved by Trustee Tocco.

Unanimously approved

09.51-22

Motion by Couture, supported by Taylor.

Resolved: To receive and file the following correspondence:

1. Correspondence dated August 16, 2022 to Christine Burns Patti of Newsouth Capital Management advising Newsouth is being placed on “watch” due to short term under performance of the all-cap portfolio.
2. Email dated August 20, 2022 received from Chris Gibson of Brown Advisory advising he is leaving Brown.

Unanimously approved.

09.52-22

Motion by Taylor, supported by Couture.

Resolved: To approve the following Correspondence.

Actuarial Services Agreement by and between the Board of Trustees of the City of Taylor Police and Fire Retirement System and Foster & Foster Consulting Actuaries, Inc.

Unanimously approved.

09.53-22

Motion by Taylor, supported by Tocco.

Resolved: To approve the following payment of bills.

1. Payment to Linda Kemp for the period of August 14, 2022, through September 4, 2022, in the amount of \$1,770, \$15.98 for monthly Zoom subscription for a total of \$1,785.98.

Unanimously approved.

09.54-22

Mr. Timmony discussed the Foster & Foster agreement stating the fees will remain the same for the next three years. The Board was also advised Mr. Aaron Castle will be attending more of our Board meetings in the future.

Salam Chaudhary from Sturbridge provided the Board with an overview of Sturbridge secondary private equities. Sturbridge is a leading global buyer of pooled private equity vehicles; they purchase diversified, cash generative private equity portfolios at a significant discount to net asset value. They have unique access to less competitive secondaries. They currently have 11 employees; hoping to add 4/5 additional employees within the next year. Fees are 1.25% on the initial commitment, and fees come down as the portfolio liquidates.

Mr. Chris Kuhn had favorable comments regarding the Sturbridge strategy. Mr. Kuhn pointed out, however that, that if Mr. Chaudhary is unable to manage the fund, the firm does not have the team to continue to manage the strategy. The fees are slightly higher, but within reason. Timing

of their ability to provide statements is incredibly slow. Mr. Kuhn would recommend an investment of no more than two and a half million dollars if the Board decides to invest with them. Mr. Timmony advised the Board his office is currently negotiating on behalf of another retirement plan client with Sturbridge and there are some significant sticking points. It was recommended by Mr. Timmony the Board may want to wait until those negotiations are completed their contract.

It was noted at this meeting Brown and Newsouth are currently underperforming. Mr. Kuhn provided the Board with a brief asset/manager summary as of September 2022, stating it's been a rough year. The third quarter is projected to be positive.

Chair Hill and Trustee Taylor asked if it might be a good idea to start moving funds, so the portfolio doesn't experience bigger losses. Possibly putting extra funds into the cash account for a short time. A suggestion was made to raise enough cash to cover monthly benefit payments through the end of the year. Mr. Kuhn recommended transferring \$2M from Newsouth, \$2M from Alger and \$2M from PNC Mid Cap to the cash account to provide liquidity for benefit payments through the end of the year.

Motion by Taylor, Supported by Tocco.

Resolved: To authorize Investment Consultant Chris Kuhn to transfer \$2M form Newsouth, \$2M from Alger and \$2M from PNC Mid Cap to the cash account to provide liquidity for benefit payments through the end of the year.

Motion by Couture, supported by Taylor.

Resolved to: Receive and file report as presented by Investment Consultant Chris Kuhn.
Unanimously approved.

09.55-22

Chair Hill Open Business: None

Motion by , supported by .

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

09.56-22

The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Thursday, October 13, 2022 at 4:15 P.M. Meeting will be held at the Police Station second floor conference room.