

## **Taylor Police & Fire Retirement Board November 14, 2012 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 14, 2012.**

**Present:** Chairman and Trustee Nicolas Hill, Trustee Dan Bzura, Trustee Lynn Cleary (via phone), Trustee Russ McNamee and Trustee Gerry Taylor

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

**Chair Nicolas Hill called the meeting to order at 4:32 P.M.**

**Motion by Bzura, supported by McNamee.**

Resolved: To approve the minutes of the regular meeting of the Board held October 10, 2012 and the minutes of the special meeting held October 15, 2012.

*Unanimously approved.*

11.93-12

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

Resolved: To receive and file the following financial correspondence:

1. Employee contributions received from the City of Taylor for the Police & Fire Retirement System for September 2012 and October 2012 in the amount of \$58,916.36 and \$56,247.92 respectively.
2. Distribution from Oaktree Capital Management, L.P. dated October 12, 2012 in the amount of \$117,162.

*Unanimously approved.*

11.94-12

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

Resolved: To receive and file the following correspondence.

1. The October 2012 Police & Fire Retirees Medicare Reimbursement Report. Note one change this reporting period.
2. City of Taylor Police & Fire Retirement System Disability Retirement Procedure.
3. Memo dated November 14, 2012 from the office of VanOverbeke Michaud & Timmony P.C.

*Unanimously approved.*

11.95 -12

**Motion by Taylor, supported by McNamee.**

Resolved: To approve the following correspondence.

1. Disability Retirement Application dated October 22, 2012 received from Mr. Herb Proctor.

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2. Resolution acknowledging receipt of Disability Retirement Application from Mr. Herb Proctor.

*Unanimously approved.*

11.96-12

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

Resolved: To pay the following bills:

1. Payment to Linda Kemp, Plan Administrator, for services during the period ending October 14, 2012 through November 11, 2012 in the amount of \$3,480.
2. Payment to VanOverbeke Michaud & Timmony P.C. for legal services rendered to the Board of Trustees for the period of July 1, 2012 through September 30, 2012 in the amount of \$3,132.50.
3. Payment to Rodwan Consulting Company for normal actuarial and consulting services rendered to the City of Taylor P&F Retirement System for the quarter ended September 30, 2012, pursuant to the Actuarial Services Agreement in the amount of \$1,950.

*Unanimously approved.*

11.97-12

- **Mr. Jack Timmony**, discussed with the Board of Trustees the HEART Act federal legislation (adds a provision to the Internal Revenue Code), which ensures that the non-duty death benefits of Retirement System members who are also military members who are called to active military duty and killed in action will be honored and paid by treating the affected individual(s) as having retired the day before death occurred. In response to a question, Mr. Timmony said the Act does not grant any additional benefits beyond those already provided in the Plan so no PA 728 supplemental actuarial analysis is required. Mr. Timmony recommended the Board adopt a resolution which he prepared, distributed, and discussed with the Board evidencing compliance with the Act.
- Mr. Timmony also advised the Board that a 30 day extension had been granted to Mr. Costella's attorney regarding the filing of his appeal brief which the attorney requested and which Mr. Timmony discussed with the Board Chair before responding to the attorney's request.

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

Resolved: To adopt the HEART Act – Internal Revenue Code Compliance resolution as prepared and recommended by legal counsel.

*Unanimously approved.*

11.98-12

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- **Chris Kuhn of Gray & Company** provided the Board with copies of the third quarterly report and discussed market review, inflation indicator, historical federal fund rate, yield curve and an equity market update was given. An Executive Summary Table was also provided and discussed. A brief discussion took place regarding the growth of the P&F Retirement fund. Mr. Kuhn advised the Board that the fund remains stable. Mr. Kuhn made a recommendation to transfer funds to the Administrative account to provide liquidity for upcoming benefit payments and expenses.

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

Resolved: To transfer \$500,000 from the NewSouth All Cap Equity Account to the Administrative Account on or before Friday, November 30, 2012 and to redeem shares of the Small Cap Core Fund in the amount of \$500,000 and transfer the proceeds to the Administrative account on or before November 30, 2012 as recommended by Chris Kuhn, Investment Consultant.

*Unanimously approved.*

11.99-12

- **Kirk VanDagens of PNC Bank** provided his quarterly report and economic review. The Board was advised that the economic status is picking up; car sales are up as are home sales. Jobs are still slow to recover. Mr. VanDagens also advised the Board that the Focused Equity portfolio is up and running and the agreement issues have been resolved.

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

Resolved: To adjourn meeting at 5:15 P.M.

*Unanimously approved.*

11.100-12

**The next meeting of the Board of Trustees of the Police & Fire Retirement System will be held Wednesday, December 12, 2012.**