

The regular meeting of the City of Taylor Police & Fire Retirement System Board was held at the Taylor Police Department 23515 Goddard Road (second floor conference room), Taylor Michigan, on Thursday, November 13, 2019.

Present: Chairman Nick Hill, Trustee Gerald Taylor, Trustee Kriebel, Trustee Jason Couture and Michelle Tocco.

Also Present: Jack Timmony, Vanoverbeke Michaud & Timmony P.C., Legal Counsel; Chris Kuhn, FA, CAIA, AndCo, Investment Consultant; Ms. Sheila Gorski-Schulte, City of Taylor Human Resource Director.

Excused:

Trustee and Chairman Nicolas Hill called the meeting to order at 4: P.M.

Motion by Taylor, supported by Couture.

Resolved: To approve the minutes of the regular meetings of the City of Taylor Police & Fire Retirement System held November 13, 2019.

Unanimously approved.

11.76-19

Motion by Taylor, supported by Couture.

Resolved: To receive and file the following financial correspondence:

1. Letter dated October 23, 2019 to Ms. Sara Boles of PNC Bank requesting the facilitation of a transfer of funds.
2. PNC Mutual Trading Instructions to transfer \$5,500,000.00 dated October 23, 2019.
3. PNC Mutual Fund Trading Instructions to transfer \$5,500,000.00 to Champlain dated October 23, 2019.
4. Employee contributions received from the City of Taylor for the month of August 2019 in the amount of \$83,651.50.
5. Distribution notice dated November 6, 2019 received from Intercontinental in the amount of \$133,207.89, which is a pro rata gross share of an overall distribution of \$50,3332,164.29. The fund withheld \$26,189.40 for asset management fees resulting in a net distribution of \$107,018.49.
6. Distribution notice dated November 7, 2019 received from Metropolitan Real Estate with a distribution date of November 8, 2019.

Unanimously approved.

11.77-19

Motion by Kriebel, supported by Taylor.

Resolved: To receive and file the following correspondence:

1. Retirement letter dated October 17, 2019 received from Det./Cpl. Ken May with a retirement date effective January 30, 2020.
2. The June 30, 2019 Actuary report as provided by Rodwan.

Unanimously approved.

11.78-19

Motion by Taylor, supported by Kriebel.

Resolved: To approve the following correspondence:

1. The certification and payment of monthly benefits to Ted Michowski.

Unanimously approved.

11.79-19

Motion by Kriebel, supported by Tocco.

Resolved: To approve the following payment of bills:

1. Payment to Linda Kemp, Plan Administrator for the period of October 13, 2019 through November 10, 2019 in the amount of \$2,178.75.
2. Payment to Vanoverbeke Michaud & Timmony P.C. for legal services rendered to the City of Taylor Police & Fire Retirement System for the period of July 1, 2019 through September 30, 2019 in the amount of \$1,976.40.
3. Payment to Brown Advisory for investment services for the period of July 1, 2019 through September 30, 2019 in the amount of \$24,127.41.
4. Payment to Newsouth Capital Management, Inc. for management fees for the period of July 1, 2019 through September 30, 2019 in the amount of \$24,138.
5. Payment to PNC Institutional Asset Management for asset-based fees for the period of July 1, 2019 through September 30, 2019 in the amount of \$26,978.26.
6. Payment to MAPERS for annual membership dues in the amount of \$200.

Unanimously approved.

11.80-19

Late Arrival Items:

Motion by Couture, supported by Kriebel:

Resolved: To pay the following:

1. Payment to Brandywine for investment fees for the period of July 1, 2019 through September 30, 2019 in the amount of \$9,317.34

Unanimously approved.

11.81-19

Motion by Kriebel, supported by Tocco.

Resolved: To receive and file the following:

1. The December 2019 Medicare report. Note five (5) changes this reporting period.

Unanimously approved.

11.82-19

Mr. Timmony was prepared at this meeting to address the issue regarding unpaid employee contributions by fire fighters as a result of receiving money from an arbitration award in which the City of Taylor did not withhold employee contributions. Those fire

fighters involved received a letter from the Police & Fire Retirement Board outlining the amount of money they received, and the amount owed to the retirement fund in employee contributions, further the letter had a deadline in which the funds were to be paid. The question now is will the Board allow those involved to pay those contributions so the money received can be used as part of their FAC calculation for their retirement benefit? Mr. Timmony pointed out a similar situation involving two police officers who owed the fund money and were permitted to pay beyond the original deadline, however they were charged interest from the date of the deadline to the time payment was received. Chair Hill suggested a new policy be written to address such issues going forward or to have any type of arbitration awards include a deadline date. Mr. Timmony recommended allowing payment to be made with interest. It was noted at this meeting a letter will be sent notifying the fire fighters of the Board's decision to allow the payment of employee contributions. A second letter will be sent after the Plan Administrator gathers the necessary data to be forwarded to Mr. Kuhn so he may calculate the interest. Upon receiving that information, the second letter will be sent advising them of the amount owed with interest plus any associated fees (i.e., cost to calculate interest and the Plan Administrator's time involved in preparing the communications). It was further agreed the members will be given thirty (30) days in which to make payment.

Motion by Taylor, supported by Couture.

Resolved: To send letters to those fire fighters involved in this matter advising them the Board has agreed to allow the payment of unpaid employee contributions plus interest at the current actuarial assumed interest rate together with associated costs incurred in calculating amounts owed and prepaing the letters.

Unanimously approved.

11.83-19

Mr. Kuhn provided an investment performance review ending September 30, 2019 stating this period was a bit of a roller coaster, however in late August a recovery path began, and surprisingly fixed income did very well. A review of the compliance check list was given. It was noted Alger had a rough year and Brown did very well and Newsouth is a bit behind. A portfolio review was given as well as a review of individual managers. Intercontinental outperformed this quarter. WCM has done very well and Metropolitan has performed very well since inception. It was noted at this meeting there is no need to transfer funds to the Administrative account at this time.

Motion by Couture, supported by Kriebel.

Resolved: To receive and file investment reports as presented by Investment Consultant Chris Kuhn.

Unanimously approved.

11.84-19

Kirk VanDagens advised the Board his office has been working with Globe Tax on the tax identification number issue and hopes to have it resolved very soon. A letter was provided to Board members advising that along with the announcement that PNC entered

into a definitive agreement to sell components of its business to Federated Investors, Inc. they have also decided that PCA and PNC have determined that PCA's Municipal Fixed Income and Advantage Equity investment management teams will transition from PCA to its affiliate PNC. Mr. VanDagens provided a review/update on gross rates of return and attribution analysis. A review of fixed income, quarterly allocation, and year to date fixed income update.

Motion by Kriebel, supported by Couture.

Resolved: To receive and file performance as presented by Mr. VanDagens.

Unanimously approved.

11.85-19

Chair Hill advised the Board the printer in the pension needs replacement.

Motion by Taylor, supported by Kriebel.

Resolved: To authorize the purchase of a new printer for the pension office in an amount not to exceed \$600.00

Unanimously approved.

11.86-19

Trustee Kriebel inquired as to the status of the experience study previously requested from Rodwan. Linda Kemp will follow up with Sandra Rodwan and report back to the Board.

Motion by Couture, supported by Kriebel.

Resolved: To adjourn this meeting at 4:55 P.M.

Unanimously approved.

11.87-19

The next regular meeting of the City of Taylor Police and Fire Retirement System Board of Trustees is scheduled for Thursday, December 12, 2019 at 4:00 P.M.

