

**CITY OF PONTIAC  
POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF TRUSTEES MEETING MINUTES  
DECEMBER 6, 2018**

A regular meeting of the Board of Trustees was held on Thursday, December 6, 2018, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

**Trustees Present**

Craig Storum, Chairman  
Lon Britton, Vice-Chairman (via phone)  
Matt Nye  
Deirdre Waterman, Mayor

**Others Present**

Matt Henzi, Sullivan, Ward, Asher & Patton  
Chris Kuhn, AndCo Consulting  
Duane Menter, BeneSys, Inc.  
Violet Gjorgjevski, BeneSys, Inc.  
Danielle Winegardner, Nyhart (via phone)

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*Chairman Storum declared that a quorum was present and called the meeting to order at 10:49 a.m.*

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting – October 25, 2018
- B. Financial Reports
  - 1. Financial Reports – August and September 2018
  - 2. Bills for Ratification – November 2018
- C. Pension Report
  - 1. Upcoming Retirees:
    - a. Jefferson, Charles, PPOA 11/01/2018

**RESOLUTION 18-26** By Nye, Supported by Mayor Waterman  
Resolved, That the items on the Consent Agenda for December 6, 2018, be approved.

Yeas: 4 - Nays: 0

**CONSULTANTS**

**A. AndCo. Consulting**

1. Investment Performance Review – Ending September 30, 2018  
Chris Kuhn from AndCo was present and reviewed the Investment Performance for the Third Quarter of 2018 ending September 30. He noted that the US equity market posted strong results for the second consecutive quarter, driven by strong economic growth and higher corporate earnings. Large cap stocks generated the strongest results, followed by mid-caps and small-caps. Mr. Kuhn continued noting that the markets were led by growth-oriented sectors – information technology, health care, and consumer discretionary. Further that the international markets did not fully participate in the US rally, weighed down by slowing growth in China, political uncertainty in Europe and a strengthening dollar. In addition, the fixed income market was flat during the quarter; Treasuries suffered minor losses while lower credit quality issues delivered positive results. The Federal Reserve hiked interest rates for the third time this year in September and the yield curve shifted upward; at quarter end the Fed Funds Rate was 2.00% – 2.25%.

2. Asset / Manager Summary, November 29, 2018

Mr. Kuhn reviewed the Asset/Manager Summary and advised that the fund is doing well and does not have any recommendations at this time.

3. Plan Portfolio Review

Mr. Kuhn reviewed the current allocation under the current economic conditions. He also reviewed the manager structure of each class and noted that he does not recommend any changes at this time.

B. Nyhart

1. Draft 12-31-17 Valuation Report

Danielle Winegardner of Nyhart was on the phone to discuss the Draft Actuarial Valuation Report of December 31, 2017 during discussion some changes were requested. Ms. Winegardner to make the requested changes and provide a final copy.

2. Draft GASB 67 & 68 Report

Ms. Winegardner reviewed the Draft GASB 67 & 68 Report with the Board.

3. Analysis of \$400 Monthly Supplement from 09/01/18 to 08/30/19

The Analysis was reviewed and discussed.

4. Board Summary of the December 31, 2017 Actuarial Valuation

The summary of the December 31, 2017 Actuarial Valuation was reviewed.

**RESOLUTION 18-27** By Nye, Supported by Britton

Resolved, That the Draft December 31, 2017 Valuation Report be accepted with the changes discussed.

Yeas: 4 - Nays: 0

**REPORTS**

A. Chairman

B. Secretary

C. Trustees Committees

D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi

E. Members / Retirees

**ATTORNEY'S REPORT**

Chubb Insurance Company — Reimbursement for fee in Jeff Hawkins v. City of Pontiac Police & Fire Retirement System - (Exhibit A)

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Duty Disability Retirees Conversion to Normal Retirement — Mark Hillborn - (Exhibit B)

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Bloomfield Capital Fund V — VEBA - (Exhibit C)

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Bloomfield Capital Fund V — PFRS - (Exhibit D)

Attorney Henzi provide a copy (Exhibit D) of the fully executed document.

Summary Annual Report 2017

Attorney Henzi advised the Board that he will provide the Summary Annual Report for 2017 and the next meeting.

PFFU Surviving Spouse Remarriage Provision - (Exhibit E)

Attorney Henzi addressed this issue for the Board in the Attorney Report.

**RESOLUTION 18-28** By Britton, Supported by Nye

Resolved, That all spouses of the PPSA and PPOA collecting a Surviving Spouse Pension be notified of the Surviving Spouse Remarriage Provision, allowing remarriage. Legal to draft the letter.

Yeas: 4 - Nays: 0

Plante Moran PFRS Audit — Follow-up regarding Wells Fargo/Neuberger Berman - (Exhibit F)

Attorney Henzi addressed this issue for the Board in the Attorney Report.

Bank of Nova Scotia, New York Agency, et al. (U.S. Treasuries) Securities Litigation (Hagens Berman)

Attorney Henzi addressed this issue for the Board in the Attorney Report.

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**CORRESPONDENCE**

- A. Mark Hilborn – Tabled for next meeting, additional documents and information required.
- B. Tonya White – Letter sent regarding Redeposit Policy – Partial Plan Termination.
- C. Jaclyn Wilton – Tabled for next meeting, additional documents and information required.
- D. Alidade Distribution Notice 11-13-18 – provided copy for file.

**NEXT MEETING DATE:** January 31, 2019

**ADJOURNMENT**

**RESOLUTION 18-29** by Trustee Nye, Supported by Britton

Further Resolved, That the meeting be adjourned at 1:04 a.m.

Yeas: 4 – Nays: 0

I certify that the foregoing are the true and correct minutes of the meeting of the Police and Fire Retirement System held on December 6, 2018.

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*As recorded by BeneSys*