

**CITY OF PONTIAC  
POLICE AND FIRE RETIREE PREFUNDED  
GROUP HEALTH & INSURANCE PLAN  
BOARD OF TRUSTEES VEBA MEETING MINUTES  
December 5, 2019**

A regular meeting of the Board of Trustees was held on Thursday, December 5, 2019 at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

**Trustees Present**

Lon Britton  
Craig Storum  
Matt Nye, Chairman  
Deirdre Waterman, Mayor

**Others Present**

Matt Henzi, AsherKelly  
Chris Kuhn, AndCo.  
Duane Menter, BeneSys, Inc.  
Violet Gjorgjevski, BeneSys, Inc.  
Dean Carlson, BeneSys, Inc.

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*Chairman Nye declared that a quorum was present and called the meeting to order at 10:05 a.m.*

**PUBLIC COMMENT**

**AGENDA CHANGES**

**CONSENT AGENDA**

- A. Minutes of Regular Meeting - September 04, 2019
- B. Minutes of Special Meeting - October 29, 2019
- C. Financial Reports
  - 1. Financial Reports - June - September 2019
  - 2. Bills for Ratification through November 2019

**RESOLUTION 19-67** By Storum, Supported by Mayor Waterman  
Resolved, That the Consent Agenda for December 05, 2019 be approved.

Yeas: 4 - Nays: 0

**CONSULTANTS**

- A. AndCo.

Christopher Kuhn of AndCo. provided a Market Update as of September 30, 2019. He discussed that the broad asset class returns were mixed during the 3rd quarter with more conservative segments faring better during this period. The Federal Reserve and slowing global economic growth played major roles in the market's performance. Equities advanced in July in anticipation of rate cuts from the Fed. However, the U.S. central bank indicated additional stimulus was not anticipated, causing investors to fear a recession in coming quarters; the stock market sold off and the yield curve inverted further. As evidence of the slowing global economy mounted, the Fed suggested more accommodative policies would be forthcoming. Stocks rallied and interest rates rose to finish the quarter. Large cap posted positive results, but small caps and international markets ended in negative territory. Fixed income provided the strongest returns. Over the past 12 months core fixed income is up over 10%, handily beating all major equity indices, some of which are down over this period.

Mr. Kuhn continued and discussed the Asset/Manager Summary as of November 26, 2019. Mr. Kuhn advised that he does not have any recommendations at this time. Although he did point out that some of the funds sitting in the VEBA cash account should be moved and put to work since the monthly BCBS premiums are on hold until July 2020.

Mr. Kuhn also provided an Amended and Restated Certificate of Creation of Series A from Bloomfield Capital for signature. Mr. Kuhn advised the Board that AndCo. supports the extension and recommends the Board to approve and sign the documents as presented.

**RESOLUTION 19-68** By Storum, Supported by Britton.

Resolved, That the Bloomfield Capital Amended and Restated Certificate of Creation of Series A be approved for signature by Chairman Nye.

Yeas: 4 - Nays: 0

## **REPORTS**

- A. Chairman
- B. Secretary
- C. Trustee Committees
- D. Legal, Attorney's Report, AsherKelly, Matt Henzi
- E. Members / Retirees

## **ATTORNEY'S REPORT**

**RESOLUTION 19-69** By Storum, Supported by Britton

Resolved, to ratify the signed documents regarding the process of transferring client information and files to AsherKelly from Sullivan, Ward, Asher & Patton, P.C.

Yeas: 4 - Nays: 0

*The Board moved to closed session at 10:41 a.m.*

**RESOLUTION 19-70** By Storum, Supported by Britton

*Resolved, to approve the Board move to a closed session to discuss pending litigation matters, including the lawsuit against City of Pontiac for Annual Contributions for fiscal year ending June 30, 2012, the CPREA v. City of Pontiac Settlement Agreement, Bank of Nova Scotia New York Agency, et al. securities litigation, Mattel, Inc. and Grubhub, Inc.*

- *Roll call vote: M. Nye – yes*
  - L. Britton – yes*
  - C. Storum – yes*
  - Mayor D. Waterman - yes*

*The Board returned from closed session at 11:00 a.m*

**RESOLUTION 19-71** By Britton, Supported by Mayor Waterman

Resolved, to execute the necessary documents to pursue a litigation demand against Mattel, Inc..

Yeas: 4 - Nays: 0

**RESOLUTION 19-72** By Britton, Supported by Mayor Waterman

Resolved, to execute the necessary documents to seek lead plaintiff status against Grubhub, Inc

Yeas: 4 - Nays: 0

**RESOLUTION 19-73** By Storum, Supported by Britton

Resolved, to approve the Closed Session minutes from October 29, 2019.

Yeas: 4 - Nays: 0

## **UNFINISHED BUSINESS**

### **A. Audit**

- a. December 31, 2018 Financial Statements
- b. December 31, 2018 End of Audit Letter
- c. Management Representation Letter

**RESOLUTION 19-74** By Britton, Supported by Storum

Resolved, to approve and accept the December 31, 2018 Financial Statements, End of Audit Letter and Management Representation Letter.

Yeas: 4 - Nays: 0

### **B. Vital Form – Draft**

BeneSys provided a draft of the Vital Form, the form is to collect the most current demographic information. The Board requested that Legal draft a cover letter to be included with the form and mail after the first of the year.

**RESOLUTION 19-75** By Storum, Supported by Britton

Resolved, that the cover letter and Vital form be sent after the first of the year.

Yeas: 4 - Nays: 0

## **NEW BUSINESS**

### **A. VEBA February through November 2019 Expenses**

The February through November 2019 Expenses were presented to the Board for review. BeneSys has been instructed to keep track of Expenses.

### **B. PF VEBA vs City Settlement Agreement**

This was discussed during the Legal Report

### **C. Comerica Authorized Signers – VEBA**

Comerica provided an Authorized Signers list to be updated. The Board advised that Chairman Nye, Darris Garoufalis, Duane Menter, Jason Tomlinson and Violet Gjorgjevski of BeneSys be listed as signers on the account.

**RESOLUTION 19-76** by Trustee Stourm, Supported by Britton

Resolved, That Chairman Nye, Darris Garoufalis, Duane Menter, Jason Tomlinson and Violet Gjorgjevski of BeneSys be listed as signers on the account.

Yeas: 4 - Nays: 0

**D. Dental Renewal – Rate Increase**

BeneSys was instructed to draft a letter to those who participant in the dental that a rate increase will be applied effective January 1, 2020.

**E. 2020 Meeting Notice – Draft**

BeneSys provided a draft 2020 Meeting Calendar Notice for approval.

**RESOLUTION 19-77** by Trustee Mayor Waterman, Supported by Stourm Resolved, That the 2020 Meeting Calendar Notice be accepted.

Yeas: 4 - Nays: 0

**CORRESPONDENCE**

**NEXT MEETING DATE:** February 27, 2020 at 10:00 a.m.

**ADJOURNMENT**

**RESOLUTION 19-78** By Stourm, Supported by Mayor Waterman Further Resolved, that the meeting be adjourned at 11:33 a.m.

Yeas: 4 - Nays: 0

I certify that the foregoing are the true minutes of the Police & Fire Retirement Pre-funded Group Health and Insurance Plan “VEBA Trust” on December 05, 2019.

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*As recorded by BeneSys*