

**CITY OF PONTIAC
POLICE AND FIRE RETIREE PREFUNDED
GROUP HEALTH & INSURANCE PLAN
BOARD OF TRUSTEES VEBA 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

Lon Britton (via phone)
Craig Storum
Matt Nye, Chairman
Deirdre Waterman, Mayor (arrived @ 10:12am)

Others Present

Matt Henzi, Sullivan, Ward, Asher & Patton
Chris Kuhn, AndCo.
Duane Menter, BeneSys, Inc.
Violet Gjorgjevski, BeneSys, Inc.

Chairman Nye declared that a quorum was present and called the meeting to order at 9:04 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting - October 25, 2018
- B. Financial Reports
 - 1. Financial Reports - August 2018
 - 2. Bills for Ratification - October -November 2018

RESOLUTION 18-37 By Britton, Supported by Storum
Resolved, That 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 summer was good for the equity market as well as it posted strong results for the second consecutive quarter, driven by strong economic growth and higher corporate earnings. The full impact of the tax cuts is being noticed as the GDP continues to hum along. 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.

REPORTS

- A. Chairman
- B. Secretary
- C. Trustee Committees
- D. Legal, Attorney’s Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi
- E. Members / Retirees

ATTORNEY’S REPORT

Lawsuit Against City of Pontiac for Annual Contributions for Fiscal Year Ending June 30, 2012 - Exhibit B

Attorney Henzi addressed this matter for the Board in the Attorney Report. Attorney Henzi reported that he requested, through the City’s lawyers, that the City consent to entry of judgment. The City’s attorneys responded advising that the City does not have the resources to satisfy the judgment. The Board directed Legal to proceed with filing a motion for entry of judgment.

RESOLUTION 18-38 By Britton, Supported by Storum
Resolved, that Legal is to proceed with filing a motion, be approved.

Yeas: 3 - Nays: 0

CPREA v City of Pontiac - Court Ordered Facilitation

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

UNFINISHED BUSINESS

A. Plante Moran

- 1. Management Representation Letter 12-31-17 Audit

Mr. Menter discussed the Management Representation Letter for the December 31, 2017 Audit provided by Plante Moran.

RESOLUTION 18-39 By Mayor Waterman, Supported by Storum
Resolved, to accept the Management Representation Letter for the December 31, 2017 Audit, be approved.

Yeas: 4 - Nays: 0

NEW BUSINESS

A. Delta Dental Rate Review – 2019

Mr. Menter reviewed documents received from Delta Dental in reference to the Rate Review for 2019, he noted that there is no increase for the 2019 calendar year.

RESOLUTION 18-40 By Storum, Supported by Britton
Resolved, that the Delta Dental Rate Review for 2019 be approved.

Yeas: 4 – Nays: 0

B. VEBA November and December 2018 Expenses

RESOLUTION 18-41 By Britton, Supported by Storum
Resolved, that the expenses for November and December 2018 be approved for payment.

Yeas: 4 – Nays: 0

CORRESPONDENCE

NEXT MEETING DATE: January 31, 2019

ADJOURNMENT

RESOLUTION 18-42 By Mayor Waterman, Supported by Britton
Further Resolved, that the meeting be adjourned at 10:48 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 6, 2018.

As recorded by BeneSys