

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
MAY 31, 2018**

A regular meeting of the Board of Trustees was held on Thursday, May 31, 2018, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Trustees Present

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

Others Present

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

Trustees Absent

Deirdre Waterman, Mayor (excused)

Chairman Storum declared that a quorum was present and called the meeting to order at 11:28 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – February 22, 2018
- B. Financial Reports
 - 1. Financial Reports - January - March 2018
 - 2. Bills for Ratification – March, April & May 2018
- C. Remove from Rolls:
 - 1. Bridgewater, John DOD 03/03/2018 28 - 29
 - 2. Goodwin, Marion, DOD 02/21/2018
 - 3. Hilborn, Patricia (George), DOD 03/06/2018
 - 4. Kolb, Gerald, DOD 03/06/2018
 - 5. Koch, Robert, DOD 03/24/2018
 - 6. Martinez, Magdalena, DOD 02/23/2018
 - 7. Pointer, Kathlene (Jerry), DOD 03/16/2018
 - 8. Betts, Darence, DOD 04/23/2018
- D. Final Benefit Calculations:
 - 1. Wood, John, PPOA, 05-01-2018; \$892.28

RESOLUTION 18-07 By Britton, Supported by Nye
Resolved, That the items on the Consent Agenda for May 31, 2018, be approved.

Yeas: 3 - Nays: 0

CONSULTANTS

A. AndCo.

Christopher Kuhn of AndCo. reviewed the Fund's Asset/Manager Summary as of May 22, 2018 and does not have any recommendations at this time. Mr. Kuhn then reviewed the Investment Performance Review for the period ending March 31, 2018 and stated that the fund is doing well and keeping up with the expectations. He continued with the Compliance Checklist and reported that the managers are maintaining compliance.

REPORTS

A. Chairman

B. Secretary

C. Trustees Committees

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

ATTORNEY'S REPORT

Attorney Report – General Matters:

James Tate Calculation of Earnings while on Disability - Exhibit A

Attorney Henzi addressed this matter for the Board in the Attorney Report. After legal counsel completed the investigation it was determined that an analysis is not necessary as the City no longer directly employs its police department.

RESOLUTION 18-08 By Britton, Supported by Nye

Resolved, that the five remaining duty disability retirees are granted a hardship exception from the requirement to report annual income on the basis there is no police or fire position for any of the disability retirees to return to in light of the City's outsourcing of police and fire services. Further, the exception is granted due to other extenuating circumstances, principally to save on administrative costs in monitoring the program.

Yeas: 3 - Nays: 0

The Trustees directed legal to send a letter advising each of the duty disability retirees of this resolution.

Frances Deneen COLA Request - Exhibit B

Attorney Henzi addressed this matter for the Board in the Attorney Report. Attorney Henzi advised that this Participant's daughter sent correspondence and associated documentation evidencing that she holds power of attorney for the Participant. The power of attorney requested that the Retirement System send the Participant's annual COLA payment by way of paper check in lieu of direct deposit.

RESOLUTION 18-09 By Nye, Supported by Britton

Resolved, that the Retirement System shall honor the request. BeneSys is hereby directed to remit Ms. Frances Deneen's annual COLA payment by way of paper check, mailed to the address of the power of attorney.

Yeas: 3 - Nays: 0

Loren Kelley Request for Pop-Up Benefit - Exhibit C

Attorney Henzi addressed this matter for the Board in the Attorney Report. There was consensus among the Trustees that there was no benefit for the Participant to "pop-up" to since the Participant has always received the highest possible benefit, by way of his retirement election, since his retirement.

Duty Disability Retirees - Exhibit D

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

Jeffrey Hawkins Domestic Relations Order - Exhibit E

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

Owen O'Berry, Jr. Domestic Relations Order - Exhibit F

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

Wood Request for Clarification regarding Surviving Spouse Benefit - Exhibit G

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

RESOLUTION 18-10 By Nye, Supported by Britton

RESOLVED, that the Board has reviewed recent requests from participants on the issue of whether a surviving spouse who is less than age 55 shall have a pension benefit suspended until reaching age 55. The Board reviewed the applicable Collective Bargaining Agreements and Ordinance. The Board interprets the applicable CBAs to mean that, as of the date any participant reached eligibility (age and service), from that date forward his surviving spouse is entitled to a benefit regardless of age. Further, the Trustees believe that the evidence reflects that this interpretation has always been the past practice of the Retirement System. As such, a surviving spouse less than age 55 will not have a benefit suspended based on not being age 55. Lastly, the Trustees direct BeneSys to advise participants that a surviving spouse will not have a benefit suspended based on being less than age 55.

Yeas: 3 - Nays: 0

Darlene Fowlkes Request for Analysis of Eligibility - Exhibit H

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

Bain Capital Direct Lending Massachusetts Tax Withholding Election Form - Exhibit I

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

April 13, 2018 FOIA Request - Exhibit J

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

Tortoise Buyout Letter - Exhibit K

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

Political Contribution and Fee Disclosure Statements - Exhibit L

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

Alidade Executed Amendment to Limited Partnership Agreement - Exhibit M

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

Alidade Production of Records - Exhibit N

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

Fund Auditor Request for Information - Exhibit O

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

Courtland Executed Consent to Merger - Exhibit P

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

Metropolitan Real Estate Partners Secondaries and Co-Investments Fund Amended Limited Partnership Agreement - Exhibit Q

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

RESOLUTION 18-11 By Britton, Supported by Nye

Resolved, that the amendments to the two Metropolitan Limited Partnership Agreements are approved for execution by the Chairman.

Yeas: 3 - Nays: 0

Motley Rice 1st Quarter Portfolio Monitoring Report - Exhibit R

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

Bernstein Litowitz 1st Quarter 2018 Monitoring Report - Exhibit S

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

Robbins Geller February 23, March 30, and April 27, 2018 Monitoring Reports - Exhibit T

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

PFFU Surviving Spouse Remarriage Provision - Exhibit U

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

Dispute of IRS Penalty Increase

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

Application for IRS Letter of Determination - PFRS

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

UNFINISHED BUSINESS

NEW BUSINESS

A. 2017 Audit

Plante Moran provided a list of Open Items to complete the Audit. Ms. Gjorgjevski explained that she will continue to work on providing the requested items however, some of the requests seem to be redundant and require time to complete. The auditors were here for a full week and continued to send emails requesting information.

B. City of Pontiac Contribution Check

A check received from the City for 2017 Pension Contribution was presented for review.

C. Resignation of Nevrus Nazarko

Mayor Deirdre Waterman provided a formal notice to the Trustees regarding Mr. Nazarko's resignation.

D. Daniel Miracle – Buyout Offer

Mr. Menter discussed a request received for a buyout offer, Mr. Miracle was questioning why he did not receive the buyout letter and if he would be able to participate in the buyout at this time. The Trustees directed BeneSys to provide documentation to legal for review and, if Mr. Miracle qualifies for the Buyout Offer, BeneSys is to send him the appropriate correspondence, which allows him an equal amount of time in which to respond as other Participants were given.

E. Mark Hillborn

There was discussion whether this Participant's disability benefit converted to a normal retirement benefit at age 55. The Trustees directed legal and BeneSys to investigate given the Participant's failure to remit documents sent by BeneSys. Legal is to specifically investigate whether any documents are necessary and, if so, BeneSys shall provide a deadline by which the Participant must return the executed documents.

F. 2018 Managers Meeting – June 20th through 22nd, 2018

The Managers Meeting was postponed to August 23 & 24, 2018 due to scheduling conflicts.

G. Limited Partnership Agreements of Metropolitan Real Estate

Discussed during Legal Report.

H. Bain Capital Direct Lending 2015 – Mass. Tax Withholding Election

Discussed during Legal Report.

CORRESPONDENCE

A. Metropolitan Real Estate Distribution Notice 04/04/18

B. Metropolitan Real Estate Distribution Notice 04/17/18

C. Metropolitan Real Estate Distribution Notice 04/17/18

D. Metropolitan Real Estate Distribution Notice 04/24/18

E. Metropolitan Real Estate VI Equity Management Quarterly Report 03/31/18

F. Metropolitan Real Estate VI Equity Management Statement 03/31/18

G. Metropolitan Real Estate VII Equity Management Quarterly Report 03/31/18

H. Metropolitan Real Estate VII Equity Management Statement 03/31/18

I. Garcia Hamilton & Associates Transaction Summary– March 2018

- J. Global Alternative Investments
- K. Clarivest Summary as of 03/31/18
- L. Clarivest Summary as of 04/30/18
- M. Burgundy Funds EAFE Portfolio Statement – 03/31/18
- N. Burgundy Asset Management Quarterly Report – March 31, 2018
- O. Franklin Templeton Performance Summary – 03/31/2018
- P. Tortoise Direct Opportunities Fund Statement of Capital through 12/31/17
- Q. Tortoise Direct Opportunities Fund Statement of Capital through 03/31/18
- R. LSIA - Summary of Material Changes

NEXT MEETING DATE: June 28, 2018

ADJOURNMENT

It was proposed by Trustee Britton and supported by Trustee Nye that the meeting be adjourned at 12:50 p.m.

RESOLUTION 18-12 by Trustee Britton, Supported by Nye
Further Resolved, That the meeting be adjourned at 12:50 p.m.

Yeas: 3 – 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 May 31, 2018.

As recorded by BeneSys