

**CITY OF PONTIAC
POLICE AND FIRE RETIREE PREFUNDED
GROUP HEALTH & INSURANCE PLAN
BOARD OF TRUSTEES VEBA MEETING MINUTES
FEBRUARY 22, 2018**

A regular meeting of the Board of Trustees was held on Thursday, February 22, 2018, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Trustees Present

Lon Britton (via phone)
Craig Storum
Nevrus Nazarko, Secretary
Matt Nye, Chairman

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 Nye declared that a quorum was present and called the meeting to order at 10:04 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Approval of Regular Meeting Minutes: December 11, 2017
- B. Financial Reports
 - 1. Financial Reports – October - December 2017
 - 2. Bills for Ratification – January 2018

RESOLUTION 18-01 By Storum, Supported by Nazarko

Resolved, That the Consent Agenda for February 22, 2018, be approved.

Yeas: 4 – Nays: 0

CONSULTANTS

- A. AndCo.

Mr. Kuhn of AndCo. discussed the Firm Update included in his report and wanted to thank the Board for the continued business. He continued by reviewing the Investment Performance Review as of December 31, 2017 which has been a mirror image of 2016 with the Large Cap Growth performing better in 2017. Mr. Kuhn moved to the Asset/Market Summary, he commented that the VEBA is doing well and advised that the Bloomfield Cap III is near the end of recycle period. Mr. Kuhn made a recommendation to rebalance assets to comply with target allocations. Mr. Kuhn also reported that

Tortoise issued a letter requesting approval of its buy out of ownership interests. Mr. Kuhn did not object to the buyout. The trustees directed Mr. Kuhn to watch the Tortoise investment performance. The Board directed legal to review the buyout proposal.

RESOLUTION 18-02 By Nazarko, Supported by Storum

Resolved, based on the recommendation by Mr. Kuhn of AndCo. to rebalance assets to comply with the target allocation be approved to withdraw \$1.5 Million from LSIA and \$500,000.00 from Broadview; further to distribute funds in the amount of \$1 Million to Templeton and \$1 Million to cash reserve.

Yeas: 4 – Nays: 0

B. Nyhart

Mr. Gomez from Nyhart provided an updated Settlement evaluation report as of February 15, 2018, the report was revised to clarify eligibility for PF VEBA membership.

The Trustees directed BeneSys to advise Nyhart to prepare its 2018 PF Veba actuarial valuation report using two calculations – one calculation using the current benefits provided, and a second calculation using the benefits negotiated in the CPREA v. Pontiac lawsuit settlement agreement.

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

Attorney Report – General Matters:

Owen O'Berry, Jr. Determination of PF VEBA Eligibility (Exhibit F)

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

The Board moved to closed session at 11:08 a.m.

RESOLUTION 18-03 By Storum, Supported by Nazarko

Resolved, to approve the Board move to a closed session to discuss pending litigation and an attorney client privileged opinion.

Yeas: 4 – Nays: 0

The Board returned from closed session at 11:38 p.m.

RESOLUTION 18-04 By Nazarko, Supported by Storum

Resolved, to approve the closed session meeting minutes from the December 11, 2017 meeting.

Yeas: 4 – Nays: 0

UNFINISHED BUSINESS

NEW BUSINESS

A. Owen O’Berry – VEBA Eligibility

Mr. O’Berry has reached out to verify his eligibility with the VEBA. It has been confirmed that Mr. O’Berry is eligible for the VEBA, Chairman Nye has contacted him to advise he is eligible and he has been sent enrollment information but as of today’s meeting, February 22, 2018, he has not enrolled.

B. VEBA January & February Expenses

RESOLUTION 18-05 By Storum, Supported by Nazarko

Resolved, That the expenses for January and February 2018, be approved for payment.

Yeas: 4 – Nays: 0

CORRESPONDENCE

A. Town Hall December 11, 2017 Press Release Letter

A copy of the Press Release Letter from the Town Hall meeting in December 2017 was provided for reference.

B. LSIA Portfolio Summary 09/30/17 to 12/31/17

A summary for LSIA from September 30, 2017 through December 31, 2017 was provided for review.

C. Franklin Templeton Summary ending 12/31/17 & 01/31/18

A summary for the months ending December 31, 2017 and January 31, 2018 from Franklin Templeton were provided for review.

NEXT MEETING DATE: March 22, 2018.

ADJOURNMENT

RESOLUTION 18-06 By Storum, Supported by Nazarko

Further Resolved, That the meeting be adjourned at 11:40 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 February 22, 2018.

Nevrus Nazarko, Secretary
As recorded by BeneSys