

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
MARCH 28, 2013**

A regular meeting of the Board of Trustees was held on Thursday, March 28, 2013 at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan. The meeting was called to order at 11:33 a.m.

Trustees Present

Lon Britton
John Naglick, Secretary
Craig Storum, Chairman
Matthew Nye, Vice Chairman

Others Present

Chris Kuhn, Gray & Company
Matthew Henzi, Sullivan, Ward, Asher & Patton
Chuck Wytrychowski, BeneSys, Inc.
Darris Garoufalis, BeneSys, Inc., *(excused)*
Liz Edwards, BeneSys, Inc.
Fred Joiner, Retiree

Trustees Absent

Leon Jukowski, Mayor *(excused)*

The meeting was called to order at 11:33 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Approval of Minutes of Regular Meeting: February 28, 2013
- B. Communications
- C. Financial Reports
 - 1. Financial Reports – January 31, 2013
 - 2. Bills for Ratification as of January 31, 2013
- D. Remove from Rolls as of February 28, 2013:
 - 1. Vernon Roberts, (deceased 2-17-2013), spouse Marianne is beneficiary and annuitant
- E. Final Benefit Calculations:

1. Dale Waldo – PPOA	# 2699	\$1,223.13
2. Antonio Macias – PFFU	# 2668	\$4,655.85 (around \$850 due back to Fund from Member)
3. Dion Wade – PFFU	# 2672	\$3,976.50
4. Dessir Burroughs – PPOA	# 2653	\$2,899.34

RESOLUTION 13-012 By Britton, Supported by Naglick
Resolved, That the Consent Agenda for March 28, 2013, be approved.

Yeas: 4 - Nays: 0

CONSULTANTS

- A. Gray & Company
 - a. Flash Performance – February 28, 2013
 - b. Asset Summary – March 22, 2013
 - c. Fixed Income Review – March, 2013
 - d. Large Cap Review – March, 2013
 - e. Large Cap Index Manager Search Update, March, 2013

Re: Gray & Company – Performance Review

Mr. Kuhn reviewed the first quarter performance for 2013, for the month ending February 28, 2013, and for the month through March 22, 2013. He noted that he funds are mostly doing well, up \$3,000,000 in total, and that fixed income is up around ½%.

We are okay to stay with Artio Global Investors for now after the merger with Aberdeen Asset Management. Artio is now in fixed income rather than REIT which gives us more room in the Basket Clause. We will determine what to transfer into the cash account on a quarterly basis. 35% of funds are invested in fixed income at this time. The Trustees asked Mr. Kuhn to continue on the investor search with Bloomfield Capital, global fixed and core plus funds for the VEBA, and core loans and Bloomfield Capital for pension, some to be presented at the April meeting, and some at the May meeting.

Mr. Kuhn then discussed the Large Cap comparison and the Firm and Strategy Profile. He noted that Comerica is off, that State Street and Rhumblin have no securities lending. He suggested transferring funds from the Northern Trust Index Fund to Loomis Sayles, Rhumblin Growth, and Rhumblin Value Funds.

RESOLUTION 13-013 By Britton, Supported by Naglick

Resolved, That the Fund transfer 18% of assets in the Northern Trust Index Fund to the Rhumblin Growth Fund, and the Rhumblin Value Fund, and 9% to the Loomis Sayles Fund.

Yeas: 4 - Nays: 0

RESOLUTION 13-014 By Britton, Supported by Naglick

Resolved, That the Board move to closed session to discuss pending litigation at 12:51 p.m.

Yeas: 4 - Nays: 0

The Board moved to closed session at 12:51 p.m.

Mr. Kuhn and Mr. Joiner left at 12:51 p.m.

The Board returned from closed session at 1:24 p.m.

RESOLUTION 13-015 By Britton, Supported by Naglick
Resolved, That the Board not recognize LaJuan Craft as an employee effective January 1, 2013, and to recalculate the City's offer to her.

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

Legal: Attorney Henzi discussed the status of the grievance filed by David Agar, a retiree. Attorney Henzi has asked the City to provide additional information with respect to the grievance. Mr. Agar has signed the agreement.

Attorney Henzi discussed the Michigan Public Pension Tax Act, Public Act 38, and its ramifications. He stated that he will draft a letter to send to current retirees, and BeneSys will coordinate the mailing.

Attorney Henzi discussed the City of Pontiac's Executive Order Number S-249 which abolishes the City's past practice of paying retirees a stipend for opting out of the City's health insurance program, and Executive Order Number S-250 which abolishes the City's past practice of paying unused sick leave to deferred retirees upon applying for retirement. He stated that he will draft a letter to send to current retirees, and BeneSys will coordinate the mailing.

UNFINISHED BUSINESS

SCHEDULING OF NEXT MEETING

Regular Meeting – Thursday, April 25, 2013 – BeneSys Inc., 700 Tower Dr., Suite 300, Troy, MI 48098 at 10:00 a.m. (Tentative)

ADJOURNMENT

RESOLUTION 13-016 By Naglick, Supported by Britton
Resolved, That the meeting be adjourned at 1:40 p.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 March 28, 2013.



John Naglick, Secretary
As recorded by BeneSys