

**CITY OF PONTIAC
POLICE AND FIRE RETIREE PREFUNDED
GROUP HEALTH & INSURANCE PLAN
BOARD OF TRUSTEES VEBA MEETING MINUTES
OCTOBER 31, 2013**

Trustees Present

Matt Nye, Chairman
Lon Britton
Nevrus Nazarko, Secretary
Craig Storum

Others Present

Matt Henzi, Sullivan, Ward, Asher & Patton
Chris Kuhn, Gray & Company
Chuck Wytrychowski, BeneSys, Inc.
Liz Edwards, BeneSys, Inc.

Trustees Absent

Leon Jukowski, Mayor

The meeting was called to order at 8:34 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Approval of Regular Meeting Minutes: September 26, 2013
- B. Financial Reports
 - 1. Financial Reports – August 31, 2013
 - 2. Bills for Ratification – September 30, 2013

RESOLUTION 13-050 By Britton, Supported by Storum
Resolved, That the Consent Agenda for October 31, 2013, be approved.

Yeas: 4 – Nays: 0

CONSULTANTS

A. Gray & Company

Mr. Kuhn reviewed the fund status. He discussed the Summary Table as of October 25, 2013. He recommends a transfer of funds from Franklin Templeton.

There was discussion on the revised Investment Policy Statement draft. Mr. Kuhn asked if we want to include a target allocation for real estate. He stated that he incorporated language from the Pension Fund's Statement into this draft. Trustee Britton asked if there should be language included with respect to the investment consultant as far as hiring, retaining, placing on watch. Attorney Henzi will draft language for this.

RESOLUTION 13-051 By Britton, Supported by Storum

Resolved, That discussion of the Investment Policy Statement be tabled until Attorney Henzi drafts language with respect to monitoring the investment consultant.

Yeas: 4 – Nays: 0

Mr. Kuhn discussed Bloomfield Capital. He asked if the trustees want to add it to the VEBA fund. This will be discussed at the Pension meeting.

Mr. Kuhn then discussed an article written in an Atlanta, Georgia, newspaper about Mr. Gray. He stated that Mr. Gray would come and discuss the situation with the Board if they wish. He reinforced that Gray & Company continues to work on the Fund's behalf with its interests the primary concern.

REPORTS

A. Chairman

B. Secretary

C. Trustee Committees

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

Attorney Report – General Matters:

Attorney Henzi explained that once a Finance Director has been appointed by the City, then the individual is automatically a member of the VEBA and Pension Board of Trustees, and the Secretary of the funds.

RESOLUTION 13-052 By Nazarko, Supported by Storum

Resolved, That the Board move to closed session to discuss pending litigation at 8:52 a.m.

Yeas: 4 - Nays: 0

The Board moved to closed session at 8:52 a.m.

The Board returned from closed session at 9:28 a.m.

RESOLUTION 13-053 By Britton, Supported by Storum

Resolved, That the Board approve the September 26, 2013, closed session minutes.

Yeas: 4 – Nays: 0

Attorney Henzi presented a letter / fee disclosure / political contribution disclosure statement to be mailed to each investment manager every December pursuant to the Public Employee Retirement System Investment Act, Michigan Public Act 314.

Attorney Henzi then discussed an amendment to the VEBA Ordinance to allow pre-August 22, 1996, Police and Fire Retirees to be included in the VEBA effective September 1, 2013.

UNFINISHED BUSINESS

- A. Non-Veba Retiree Medical Coverage; letter from City to Retirees with Respect to Enrollment: BeneSys mailed the explanatory letter on October 22. There is still confusion with respect to information retirees received from Blue Cross Blue Shield for the January 1, 2014, Medicare Advantage enrollment. It was recommended that BeneSys coordinate the draft and mailing of a second letter to Medicare retirees as soon as possible.

RESOLUTION 13-054 By Britton, Supported by Storum

Resolved, That BeneSys draft and mail another letter to retirees with Medicare Advantage policies to inform them of the change to the GlidePath policy and the need to enroll with Blue Cross Blue Shield no later than December 1 for coverage to continue January 1, 2014.

Yeas: 4 – Nays: 0

NEW BUSINESS

- A. Ex Parte Order Granting Temporary Restraining Order, September 30, 2013
- B. Letter from Gordon A. Gregory, Attorney for Edwin Manley: Attorney Henzi has called the attorney and the matter is resolved.

NEXT MEETING DATE: December 5, 2013

ADJOURNMENT

RESOLUTION 13-055 By Britton, Supported by Storum
Further Resolved, That the meeting be adjourned at 9:54 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 October 31,
2013.



Nevrus Nazarko, Secretary
As recorded by BeneSys