

**CITY OF PONTIAC
POLICE AND FIRE RETIREE PREFUNDED
GROUP HEALTH & INSURANCE PLAN
BOARD OF TRUSTEES VEBA MEETING MINUTES
JANUARY 15, 2015**

Trustees Present

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

Others Present

Matt Henzi, Sullivan, Ward, Asher & Patton
Chris Kuhn, The Bogdahn Group
Liz Edwards, BeneSys, Inc.

Trustees Absent

Deirdre Waterman, Mayor

Chairman Nye declared that a quorum was present and called the meeting to order at 8:50 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Approval of Regular Meeting Minutes: December 9, 2014
- B. Financial Reports
 - 1. Financial Reports – November 30, 2014
 - 2. Bills for Ratification – December, 2014, January, 2015

RESOLUTION 15-001 By Storum, Supported by Britton
Resolved, That the Consent Agenda for January 15, 2015, be approved.

Yeas: 4 – Nays: 0

CONSULTANTS

- A. The Bogdahn Group

Mr. Kuhn stated that Gray & Company should have the historical information to us by tomorrow. He commented on the Fund in general, and noted that Mid-Caps are up approximately 13%, Small Caps are up approximately 5%, Fixed Income are up almost 6%, and International are all negative. He then reviewed the letter from Richard Spurgeon from the Bogdahn Group, dated December 22, 2014. He also reviewed the January 12, 2015, Internal Announcement from the Bogdahn Group which describes a change in the ownership structure. They are looking forward to the next generation of service, with broader ownership over the next year.

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:

IRS Request for Form 990

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

Correspondence to Gray & Company – Exhibit C

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

Bogdahn Group Investment Agreement – Exhibit D

Attorney Henzi presented the Investment Consulting Agreement for services by the Bogdahn Group, and recommended a motion be approved for Trustee Storum to sign the Agreement.

RESOLUTION 15-002 By Britton, Supported by Nye

Resolved, That the Board authorize Trustee Storum to execute the Investment Consulting Agreement between the Bogdahn Group and both the Pontiac Police and Fire Retiree Prefunded Group Health & Insurance Plan "VEBA" and the Retirement System Fund.

Yeas: 4 - Nays: 0

IRS 2015 Standard Mileage Rates – Exhibit F

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

Correspondence to Delta Dental and VSP Vision Care re Coverage – Exhibit G

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

RESOLUTION 15-003 By Britton, Supported by Storum

Resolved, That the Board move to closed session to discuss pending litigation at 9:00 a.m.

Yeas: 4 - Nays: 0

The Board moved to closed session at 9:00 a.m.

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

RESOLUTION 15-004 By Nazarko, Supported by Storum
Resolved, That the Board approve the December 9, 2014, closed session minutes.

Yeas: 4 – Nays: 0

Mr. Kuhn returned to the meeting.

Trustee Britton asked Mr. Kuhn if there were any updates with respect to Wells Fargo. Mr. Kuhn stated he would discuss this during the Pension Fund meeting.

UNFINISHED BUSINESS

A. Participant Website

The participant website is in progress.

B. Self-Pay Reconciliation

Ms. Edwards stated that the self-pay reconciliation is in progress.

C. Delta Dental / VSP Vision Enrollments

Ms. Edwards stated that the enrollment files have been sent to both Delta Dental and VSP, and deductions will begin with the January 2015 pension checks this month.

NEW BUSINESS

A. VEBA January 2015 Expenses

The Board reviewed the January invoices received from the City.

RESOLUTION 15-005 By Nazarko, Supported by Storum

Resolved, That payment of the January, 2015, Blue Cross Blue Shield invoices be approved.

Yeas: 4 – Nays: 0

B. Gray & Company December, 2014, Invoice

The Board reviewed the December invoice received from Gray & Company.

RESOLUTION 15-006 By Nazarko, Supported by Storum

Resolved, That payment of the December, 2014, Gray & Company invoice be approved.

Yeas: 4 – Nays: 0

CORRESPONDENCE

- A. Pluscios Management Third Quarter 2014 Review, December 11, 2014
- B. Bradford & Marzec, Oil Supply Shock of 2014, December 15, 2014
- C. Bradford & Marzec, Investment Outlook and Portfolio Strategy, December 31, 2014
- D. Bradford & Marzec, Monthly Market Update, January, 2015
- E. Bradford & Marzec, Firm Update Announcement, January 9, 2015

NEXT MEETING DATE: February 26, 2015

ADJOURNMENT

RESOLUTION 15-007 By Storum, Supported by Nazarko
Further Resolved, That the meeting be adjourned at 9:40 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 January 15,
2015.



Nevrus Nazarko, Secretary
As recorded by BeneSys