

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES 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

Craig Storum, Chairman
Lon Britton, Vice-Chairman (via phone)
Matt Nye
Nevrus Nazarko, Secretary (excused @ 12:51p.m.)

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 12:06 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – December 11, 2017
- B. Financial Reports
 - 1. Financial Reports - October - December 2017
 - 2. Bills for Ratification - January 2018
- C. Remove from Rolls:
 - 1. Davenport, Juanita, DOD 12/09/2017
 - 2. Fowlkes, Matthew, DOD 01/25/2018
 - 3. Martin, Jessie Jr., DOD 02/03/2018
- D. Final Benefit Calculations:
 - 1. McDougal, Paul, PPOA, 07/01/2018, Pending
 - 2. Jefferson, Charles, PPOA, 11/01/2018, Pending
 - 3. Lee, Brian, PPOA, 11/01/2018, Pending
 - 4. Olsen, William, PPOA, 11/01/2018, Pending
 - 5. Martin, Maurice, PPOA, 12/01/2018, Pending

RESOLUTION 18-01 By Britton, Supported by Nazarko
Resolved, That the items on the Consent Agenda for February 22, 2018, be approved.

Yeas: 4 - Nays: 0

CONSULTANTS

A. AndCo.

Christopher Kuhn of AndCo. reviewed the Fund's Asset/Manager Summary as of February 15, 2018 and does not have any recommendations at this time. Mr. Kuhn then reviewed the Investment Performance Review for the period ending December 31, 2017 and stated that the fund is doing well.

Mr. Kuhn discussed correspondence with the Board from Alidade Capital Fund IV, L.P. This Fund requested the Board to approve an amendment to the investment agreement to extend the final closing date from April 30, 2018 to June 30, 2018. Mr. Kuhn recommended executing the agreement.

RESOLUTION 18-02 By Nye, Supported by Nazarko

Resolved, That, based on the recommendation of the investment consultant, the Board agrees to amend the Alidade investment agreement as proposed; further, that the chairman is authorized to execute the documents necessary to effectuate the amendment.

Yeas: 4 - Nays: 0

Mr. Kuhn discussed correspondence with the Board from Courtland regarding its merger with StepStone. This Fund requested the Board to approve an amendment to the investment agreement to permit the merger as presented. Mr. Kuhn recommended executing the agreement.

RESOLUTION 18-03 By Britton, Supported by Nye

Resolved, That, based on the recommendation of the investment consultant, the Board agrees to amend the Courtland investment agreement as proposed; further, that the chairman is authorized to execute the documents necessary to effectuate the amendment.

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

ATTORNEY'S REPORT

Attorney Report – General Matters:

James Tate Calculation of Earnings while on Disability - Exhibit A

Attorney Henzi addressed this issue for the Board in the Attorney Report. The Board directed legal counsel to investigate whether the ordinance requires an analysis of Mr. Tate's earnings in light of the fact the City no longer directly employs its police department. The Board also directed BeneSys to review whether there are other disability retirees and whether this earnings analysis is completed.

Kevin Garrison Income Withholding Order - Exhibit B

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

Brian Wright Request for Benefit Information - Exhibit C

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

Jeffrey Hawkins Domestic Relations Order - (Exhibit D)

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

RESOLUTION 18-04 By Britton, Supported by Nye
Resolved, to accept the Domestic Relations Order, be approved.

Yeas: 3 - Nays: 0

Owen O'Berry, Jr. Domestic Relations Order - (Exhibit E)

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

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

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

RESOLUTION 18-05 By Britton, Supported by Nye
Resolved, based on the updated valuation Mr. Berry is eligible for VEBA coverage for February 22, 2018, be approved.

Yeas: 3 - Nays: 0

Alidade Requested Amendment to Limited Partnership Agreement - (Exhibit G)

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

PFFU Surviving Spouse Remarriage Provision - (Exhibit H)

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

Dispute of IRS Penalty Increase

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

Application for IRS Letter of Determination — PFRS

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

UNFINISHED BUSINESS

NEW BUSINESS

A. James Tate – Earnings

Discussed in Attorney's Report

B. Frances Deneen – COLA payment

Discussion regarding letter received from member requesting that the Trustees pay her COLA benefit monthly, in pro-rated fashion. Attorney Henzi was directed to write a letter denying the member's request for the reason there is no ordinance or CBA language permitting this action.

CORRESPONDENCE

- A. Tortoise Credit Strategies - Buy-Out
A correspondence from Tortoise Credit Strategies was presented for review by the Board
- B. Real Estate International Partnership Fund I, LP – Consent to Merger
Correspondence reviewed from Real Estate International Partnership Fund I for the Board to approve the signature of the Investment Advisor Agreement.
- C. Tortoise Direct Opportunities Fund - Preliminary Information
Correspondence provided for review by the Board regarding preliminary information from Tortoise Direct Opportunities Fund.
- D. Northern Trust Class Action Litigation Settlement
Settlement information provided for reference from Northern Trust.
- E. Burgundy Quarterly Report – Ending 12/31/17
Quarterly Report ending December 31, 2017 from Burgundy was provided for reference.
- F. Franklin Templeton Performance Summary – Ending 12/31/17 & 01/31/18
Performance Summary ending December 31, 2017 and January 31, 2018 were provided for reference.
- G. Garcia Hamilton & Associates – Ending 12/31/17 & 01/31/18
Transaction Summary ending December 31, 2017 and January 31, 2018 were provided for reference.
- H. LS Investment Advisors – ending 12/31/17
Portfolio for period September 30, 2017 through December 31, 2017 was provided for reference.
- I. LS Investment Advisors – Midcap ending 12/31/17
Portfolio for period September 30, 2017 through December 31, 2017 was provided for reference.
- J. Northern Trust Account Transaction Summary 12/31/18
An Account Transaction Summary was provided for reference.
- K. Metropolitan Real Estate Distribution Notice 01/31/18
A January distribution notice was provided for reference.
- L. Burgundy Market Value Summary – 01/31/18
Performance Summary for month ended January 31, 2018 was provided for reference.

NEXT MEETING DATE: March 22, 2018

ADJOURNMENT

It was proposed by Trustee Nazarko and supported by Trustee Britton that the meeting be adjourned at 1:22 p.m.

RESOLUTION 18-06 by Trustee Nazarko, Supported by Britton
Further Resolved, That the meeting be adjourned at 1:22 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 February 22, 2018.

Nevrus Nazarko, Secretary
As recorded by BeneSys