

**CITY OF PONTIAC
POLICE AND FIRE RETIREE PREFUNDED
GROUP HEALTH & INSURANCE PLAN
BOARD OF TRUSTEES VEBA MEETING MINUTES
AUGUST 25, 2016**

Trustees Present

Matt Nye, Chairman
Lon Britton, Vice-Chairman, (phone-in)
Craig Storum
Nevrus Nazarko, Secretary

Others Present

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

Trustees Absent

Deirdre Waterman, Mayor

Chairman Nye declared that a quorum was present and called the meeting to order at 9:04 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Approval of Regular Meeting Minutes: July 28, 2016
- B. Financial Reports
 - 1. Financial Reports – June 30, 2016
 - 2. Bills for Ratification – July, August, 2016

RESOLUTION 16-025 By Britton, Supported by Nazarko
Resolved, That the Consent Agenda for August 25, 2016, be approved.

Yeas: 4 – Nays: 0

CONSULTANTS

- A. The Bogdahn Group

Christopher Kuhn of the Bogdahn Group reviewed the Fund's status. He commented that total Fund assets are currently just under \$38 million, which may be the highest for the year. He stated he informed Pluscios that we are liquidating the account with them. Pluscios requires seventy days' notice, so the final liquidation will occur in December. He then noted that we will be pulling funds from Broadview and LS Investments to invest in the Loomis Sayles Strategy fund. Trustee

Storum asked what affect did the bond market decline have on the fund? Mr. Kuhn stated that there was a little bit of downward pressure, but it has not affected them much.

B. Plante & Moran

Plante & Moran provided the revised December 31, 2015, audit. Attorney Henzi explained that the revisions were made because the original audit report was prepared based on health care levels of coverage as mandated by the Emergency Manager's orders. The Trustees requested, at the last meeting, that a footnote be added to recognize that, in the event the City of Pontiac emerges from receivership, the health care levels of coverage would revert to the levels mandated by collective bargaining agreements in effect as of February 2012. Attorney Henzi and Plante & Moran representatives collaborated since the last meeting to draft a footnote as requested. This footnote states that the Plan's funding level is dependent on these levels of coverage. Trustee Nazarko commented that the footnote should delete the word "pension" and merely state "liability".

RESOLUTION 16-026 By Storum, Supported by Britton
Resolved, That the revised December 31, 2015, VEBA audit be accepted.

Yeas: 4 – Nays: 0

RESOLUTION 16-027 By Storum, Supported by Nye
Resolved, That the Board move to closed session to discuss pending litigation at 9:22 a.m.

Yeas: 4 - Nays: 0

The Board moved to closed session at 9:22 a.m.
The Board returned from closed session at 9:28 a.m.

RESOLUTION 16-028 By Storum, Supported by Britton
Resolved, to approve the Minutes of the July 28, 2016, closed session.

Yeas: 4 – Nays: 0

REPORTS

- A. Chairman
- B. Secretary
- C. Trustee Committees
- D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi

ATTORNEY'S REPORT

Attorney Report – General Matters:

Raymond Wiggins – Exhibit A

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

Revision to PF VEBA Auditor's Report – Exhibit C

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

Proposed Michigan Legislation – Items of Interest

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

UNFINISHED BUSINESS

NEW BUSINESS

A. VEBA August, September, 2016 Expenses

The Board reviewed the August and September invoices received from the City. Trustee Storum asked why there are two months' invoices submitted by the City for approval. Ms. Edwards stated that she had received both months' invoices from the City this week. Trustee Nazarko stated that if there are any adjustments, they will be reflected on the October bill.

RESOLUTION 16-029 By Storum, Supported by Britton

Resolved, That payment of the August and September, 2016, Blue Cross Blue Shield invoices be approved.

Yeas: 4 – Nays: 0

CORRESPONDENCE

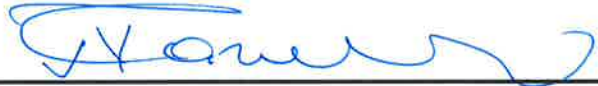
NEXT MEETING DATE: September 29, 2016

ADJOURNMENT

RESOLUTION 16-030 By Storum, Supported by Nazarko
Further Resolved, That the meeting be adjourned at 9:34 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 August 25,
2016.



Nevrus Nazarko, Secretary
As recorded by BeneSys