

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
OCTOBER 25, 2018**

A regular meeting of the Board of Trustees was held on Thursday, October 25, 2018, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Trustees Present

Craig Storum, Chairman
Lon Britton, Vice-Chairman (via phone)
Matt Nye
Deirdre Waterman, Mayor

Others Present

Matt Henzi, Sullivan, Ward, Asher & Patton
Duane Menter, BeneSys, Inc.
Violet Gjorgjevski, BeneSys, Inc.
Ann Schreier, BeneSys, Inc.
Michelle Watterworth, Plante Moran
Joe Kowalski, Plante Moran
Spencer Tawa, Plante Moran (via phone)

Chairman Storum declared that a quorum was present and called the meeting to order at 10:19 a.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – August 22, 2018
- B. Financial Reports
 - 1. Financial Reports – April to June 2018
 - 2. Bills for Ratification – July to October 2018
- C. Remove from Rolls:
 - 1. Gray, Susan DOD 09/02/2018

RESOLUTION 18-19 By Britton, Supported by Nye
Resolved, That the items on the Consent Agenda for October 25, 2018, be approved.

Yeas: 4 - Nays: 0

CONSULTANTS

Nyhart – Mr. Gjorgjevski failed to send a meeting request to have Nyhart call in to discuss the 12-31-17 Valuation Report, GASB 67 & 68 Report and the Summary of the December 31, 2017 Actuarial Valuation. Mr. Gjorgjevski to send an invitation for the December 6, 2018 meeting.

REPORTS

- A. Chairman
- B. Secretary
- C. Trustees Committees

Mayor Waterman presented Ms. Gjorgjevski with a check in the amount of \$204.46 from the USA Treasury Department dated 09/26/18.

- D. Legal, Attorney's Report, Sullivan, Ward, Asher & Patton, P.C., Matthew Henzi
- E. Members / Retirees

ATTORNEY'S REPORT

Duty Disability Retirees Conversion to Normal Retirement - Mark Hilborn - (Exhibit A)

Attorney Henzi requested that BeneSys Pension Coordinator Ann Schreier be present to provide an update on Mr. Mark Hilborn. Ms. Schreier explained that Mr. Hilborn has not responded to several letters/forms sent to convert from Duty Disability to regular pension.

RESOLUTION 18-20 By Mayor Waterman, Supported by Nye

Resolved, that Mr. Hilborn's disability retirement be converted to normal retirement and a letter be sent stating that he has been converted and until the proper documents are received his payments will be stopped. Further, that the letter sent by BeneSys will recoup the overpayment for a period of 3 years, as calculated by BeneSys, be approved.

Yeas: 4 - Nays: 0

Jaclyn Wilton Request for Determination of Eligibility as Deferred Vested Member - (Exhibit B)

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

RESOLUTION 18-21 By Nye, Supported by Britton

Resolved, that Ms. Wilton is deemed eligible as a deferred vested member and that BeneSys is to send a Buyout offer letter, be approved.

Yeas: 4 - Nays: 0

Tonya White - Request for Determination of Eligibility as Deferred Vested Member - (Exhibit C)

Attorney Henzi addressed this issue for the Board in the Attorney Report. The Board also directed legal and BeneSys to look at other resignations from 2005-2012 and investigate the reason for resignation so that the Board may consider whether to deem those persons eligible if the resignation was involuntary. The Trustees want to make sure that all participants under this fact scenario are treated the same.

RESOLUTION 18-22 By Nye, Supported by Britton

Resolved, that Ms. White is deemed eligible as a deferred vested member and that BeneSys is to send a Buyout offer letter, be approved.

Yeas: 4 - Nays: 0

October 16, 2018 FOIA - (Exhibit D)

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

Bloomfield Capital Fund V - (Exhibit E)

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

RESOLUTION 18-23 By Mayor Waterman, Supported by Nye Resolved, that the Board is going to invest in Bloomfield Capital #5 as recommended by Investment Consultant, Mr. Chris Kuhn. Authorization has been given for the Chair to execute the required documents, be approved.

Yeas: 4 - Nays: 0

UNFINISHED BUSINESS

A. Northern Trust Tax Documentation
Attorney Henzi advised that this has been filed.

NEW BUSINESS

A. Plante Moran
Mr. Kowalski from Plante Moran was present to review the December 31, 2017 audit report. Mr. Kowalski reviewed the Independent Auditor's Report and further noted that the fund has a positive Net Financial Position as of December 31, 2017. Plante Moran confirmed that the audit report is based on a level of benefits provided, not those that are contracted. Plante Moran will forward the audit reports to the Michigan Department of Treasury.

Plante Moran advised that there was a discrepancy with Northern Trust record keeping regarding the Neuberger Berman investment. Specifically, Plante Moran advised that Northern Trust does not include this investment holding in its statements. Further, that Wells Fargo/Neuberger Berman statements show the investment but cannot evidence the money is in the account. Attorney Henzi was directed to follow-up with Julie Moll of Wells Fargo to investigate the discrepancy. This discrepancy did not alter Plante Moran's audit report.

B. COLA Payments
Ms. Gjorgjevski advised the Board that the COLA payments are on schedule to be deposited/cut on November 14, 2018.

C. Nyhart Report
Trustee Britton reviewed Slide 13 from the Nyhart Actuarial Report and questioned why the average age of disability participants is 67. Legal counsel directed to inquire with Nyhart for an answer.

CORRESPONDENCE

NEXT MEETING DATE: December 6, 2018

Ms. Gjorgjevski also provided the 2019 Meeting Schedule for review. The Trustees have moved to a bi-monthly meeting schedule beginning in January, the VEBA meeting will begin at 10:00 a.m. and the Pension meeting will begin at 11:00 a.m.

RESOLUTION 18-24 By Britton, Supported by Mayor Waterman

Resolved, that the Board meetings will be held bi-monthly beginning January 2018. The meetings will begin at 10 a.m. with the VEBA.

Yeas: 4 – Nays: 0

ADJOURNMENT

RESOLUTION 18-25 by Trustee Nye, Supported by Mayor Waterman

Further Resolved, That the meeting be adjourned at 11:16 a.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 October 25, 2018.

As recorded by BeneSys