

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
DECEMBER 11, 2017**

A regular meeting of the Board of Trustees was held on Monday, December 11, 2017, at City Council Chambers at Pontiac City Hall, Pontiac, Michigan.

Trustees Present

Craig Storum, Chairman
Lon Britton, Vice-Chairman
Deirdre Waterman, Mayor
Matt Nye
Nevrus Nazarko, Secretary

Others Present

Matt Henzi, Sullivan, Ward, Asher & Patton
Duane Menter, BeneSys, Inc.
Violet Gjorgjevski, BeneSys, Inc.

Chairman Storum declared that a quorum was present and called the meeting to order at 2:19 p.m.

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – September 28, 2017
- B. Financial Reports
 - 1. Financial Reports – August & September 2017
 - 2. Bills for Ratification as of December 2017
- C. Remove from Rolls:
 - 1. Martinez, August, DOD 10-10-2017
 - 2. Jarvis, Bruce, DOD 11-13-2017
 - 3. Johnston, Phyllis, DOD 09-05-2017
- D. Final Benefit Calculations:
 - 1. Kendrick, Jody, PPOA, 10-01-2017, \$2,437.48

RESOLUTION 17-44 By Britton, Supported by Mayor Waterman

Resolved, That the items on the Consent Agenda for December 11, 2017, be approved.

Yeas: 5 - Nays: 0

CONSULTANTS

A. AndCo.

Mr. Kuhn of AndCo. provided the Asset/Market Summary as of December 1, 2017, Performance Review as of June 30, 2017 and the Investment Performance Review as of September 30, 2017 for the Board to review. Mr. Kuhn was not available to attend the meeting, he will have details on the investment performance at the next meeting on January 25, 2018.

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:

Dispute of IRS Penalty Increase - Exhibit A

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

Wood v. Wood EDRO - Exhibit B

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

RESOLUTION 17-45 By Britton, Supported by Nye

RESOLVED, that the Board of Trustees hereby determines that the domestic relations order entered by the Genesee County Circuit Court on August 8, 2017 in Wood v. Wood, Case No. 16-318855-DM, affecting the Retirement System benefits of the participant, Bryan Michael Wood, and the alternate payee, Mary Elizabeth Wood, is an Eligible Domestic Relations Order under 1991 PA 46; and

RESOLVED, that a copy of this resolution and said Eligible Domestic Relations Order be included in the pension file of the participant for administration of all Retirement System benefits consistent therewith; and

RESOLVED, that the appropriate EDRO Ruling be forwarded to the participant and alternate payee.

Yeas: 5 – Nays: 0

Tamar Daves v. Michael Daves — Interpretation of Divorce Judgment(Exhibit C)

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

Haynes Friend of the Court Withholding Order(Exhibit D)

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

PFFU Surviving Spouse Remarriage Provision (Exhibit E)

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.

Proposed Michigan Legislation — Items of Interest

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

Walter Moore Request for Legal Opinion(Exhibit F)

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

Shawn Birch PPOA Member(Exhibit G)

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

FOIA Request from Prequin(Exhibit H)

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

The Affordable Care Act is Still Alive and Well(Exhibit I)

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

Senate, House Panels OK Controversial Retirement Bills(Exhibit J)

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

IRS Guidance regarding Missing Participants with Unpaid Required Minimum Distributions (Exhibit K)

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

PFRS Audit(Exhibit L)

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

Portfolio Monitoring Reports

- Hagens Berman October 16, 2017 (Exhibit M)
- Robbins Geller October 27 and November 24, 2017 (Exhibit N)
- MotleyRice Third Quarter 2017 (Exhibit O)
- Bernstein Litowitz Third Quarter 2017 (Exhibit P)

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

2018 Meeting Calendar(Exhibit Q)

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

Attorney Report – Litigation Matters:

September 28, 2017 Closed Session Minutes(Exhibit A)

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

Lawsuit Against City of Pontiac for Annual Contributions for Fiscal Year Ending June 30, 2012

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

CPREA v City of Pontiac - Court Ordered Facilitation(Exhibit B and C)

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

Bank of Nova Scotia, New York Agency, et al. (U.S. Treasuries) Securities Litigation (Hagens Berman)(Exhibit ll)

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

Avon Products — Potential New Securities Litigation Matter (Robbins Geller
Attorney Henzi addressed this issue for the Board in the Attorney Report.

Albany Molecular Research, Inc. (Bernstein Litowitz
Attorney Henzi addressed this issue for the Board in the Attorney Report.

RESOLUTION 17-46 By Britton, Supported by Nye

Resolved, based on the recommendation of counsel, the Retirement System will enter into a retainer agreement with the Bernstein Litowitz law firm to seek lead plaintiff status in this matter. Further, to authorize the Chairman to execute the documents necessary to effectuate this motion.

Yeas: 5 – Nays: 0

UNFINISHED BUSINESS

A. Timing of COLA payments

Trustee Britton address the timing of the COLA payments, he stated that BeneSys was asked to issue the payments on the second Wednesday of November regardless of the timing of the Pension checks being issued. BeneSys has been issuing the payments on November 13th in the past but they now have the COLA payments set up to pay on the second Wednesday of November as requested. The receipts of the COLA payments will receive two separate transactions in the month of November, the COLA payment and their Pension.

RESOLUTION 17-47 By Britton, Supported by Nye

Resolved, to have BeneSys issue the COLA payments on the second Wednesday of November every year rather than the 13th of November.

Yeas: 5 – Nays: 0

NEW BUSINESS

A. Shawn Birch – Reciprocal Act

Discussed in Attorneys Report

B. Updated Signature Form from Loomis Sayles

Loomis Sayles requested an updated Signature Form for the Pension Fund, form was signed by Trustees for execution with Loomis Sayles.

CORRESPONDENCE

NEXT MEETING DATE: January 25, 2018

RESOLUTION 17-48 By Mayor Waterman, Supported by Nazarko

Resolved, to accept the 2018 meeting calendar.

Yeas: 5 – Nays: 0

ADJOURNMENT

It was proposed by Trustee Britton and supported by Trustee Mayor Waterman that the meeting be adjourned at 3:07 p.m.

RESOLUTION 17-49 by Trustee Britton, Supported by Mayor Waterman
Further Resolved, That the meeting be adjourned at 12:30 p.m.

Yeas: 5 – 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 December 11, 2017.

Nevrus Nazarko, Secretary
As recorded by BeneSys