

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
OCTOBER 31, 2013**

A regular meeting of the Board of Trustees was held on Thursday, October 31, 2013, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan. The meeting was called to order at 9:54 a.m.

Trustees Present

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

Others Present

Matt Henzi, Sullivan, Ward, Asher & Patton
Chris Kuhn, Gray & Company
Chuck Wytrychowski, BeneSys, Inc.
Liz Edwards, BeneSys, Inc.

Trustees Absent

Leon Jukowski, Mayor

AGENDA CHANGES

CONSENT AGENDA

- A. Minutes of Regular Meeting – September 26, 2013
- B. Financial Reports
 - 1. Financial Reports – August 31, 2013
 - 2. Bills for Ratification as of September 30, 2013
- C. Remove from Rolls as of September 30, 2013: N / A
- D. Final Benefit Calculations: N / A
- E. Alternate Payee, QDRO: Ruth Habrecht, dependent of Eugene McNabb, effective 10-01-2013, \$525 / month
- F. Refund Reimbursement Check, Gabriel Roeder Smith & Company, \$567.00, October 8, 2013

RESOLUTION 13-063 By Nye, Supported by Nazarko
Resolved, That the items on the Consent Agenda for October 31, 2013, be approved.

Yeas: 4 - Nays: 0

CONSULTANTS

- A. Gray & Company
 - a. Summary Table – October 25, 2013
 - b. Investment Policy Statement Draft, October, 2013

Gray & Company – Performance Review

Mr. Kuhn discussed current Fund positions. He noted that the Fund is overweight in equities and cash by about 3%, and is underweight in real estate and fixed income. Trustee Nye asked when are we going to Core Plus? Mr. Kuhn stated we will put Ambassador on-line soon and will terminate Northern Trust. Trustee Britton noted that it is not a huge sum of money. Chairman Storum asked if we are putting funds with Bloomfield Advisors in this fund or the VEBA? Mr. Kuhn stated we could perhaps put in \$500,000. This will be tabled on put on the December 5 meeting agenda.

RESOLUTION 13-064 By Britton, Supported by Storum
Resolved, That the Fund transfer \$2,000,000 to Bloomfield Advisors.

Yeas: 3 - Nays: 0 – Abstain: Nazarko

Mr. Kuhn reviewed the Investment Policy Statement draft. Additional language will be included in it. Review is tabled until the draft is updated with the additional provisions.

Secretary Nazarko asked why Northern Trust showed a large decrease. Mr. Kuhn explained that during the financial crisis, securities lending funds decreased and we replaced this with Rhumblin and LS Investments. Attorney Henzi noted that this Board is part of a Class Action lawsuit against Northern Trust on the issue of securities lending without full disclosure.

REPORTS

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

Attorney Report – General Matters:

Attorney Henzi presented a draft of the Summary Annual Report for the December 31, 2012, plan year. It will be revised and will be ready for approval at the December 5 meeting. It will then be posted on the City's website.

Attorney Henzi discussed a letter sent to Michigan's Unemployment Insurance Agency with respect to inactivity in the payroll for PFRS employees in 2010 and 2013 due initially to furlough days and now to employment being through GERS.

UNFINISHED BUSINESS

- A. Annual Summary of Plan Benefits Mailing: Attorney Henzi will have ready for the December 5 meeting. BeneSys will coordinate the mailing.

NEW BUSINESS

- A. COLA Payments Summary: Ms. Edwards gave an update on the status of the COLA payments, and the anticipated check issue date. Trustee Britton noted that there were discussions over past years of doing COLA adjustments on an annualized basis and spreading the adjustment over each check, but the Trustees received too much pushback from retirees on this, so they left it unchanged.
- B. Warren Rodgers, Contributions Refund Request: there is no documentation to support the fact that he ever received a contribution payout.

SCHEDULING OF NEXT MEETING

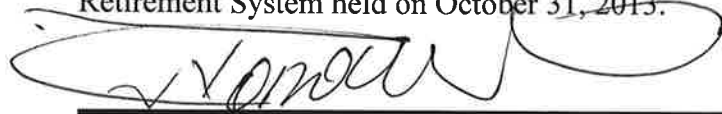
Regular Meeting – Thursday, December 5, 2013 – BeneSys Inc., 700 Tower Dr., Suite 300, Troy, MI 48098 at 10:00 a.m. (Tentative)

ADJOURNMENT

RESOLUTION 13-065 By Britton, Supported by Nazarko Resolved, That the meeting be adjourned at 10:42 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 31, 2013.



Nevrus Nazarko, Secretary
As recorded by BeneSys