

**CITY OF PONTIAC
POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
February 23, 2017**

A regular meeting of the Board of Trustees was held on Thursday, February 23, 2017, at BeneSys, Inc., Third Floor Conference Room, Troy, Michigan.

Craig Storum, Chairman (via phone)
Lon Britton, Vice-Chairman (via phone)
Nevrus Nazarko, Secretary
Deirdre Waterman, Mayor

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

Trustees Absent

Matt Nye (excused)

Chairman Storum declared that a quorum was present and called the meeting to order at 11:19 a.m.

AGENDA CHANGES

Agenda changes are as follows:

- New Business add
- 1. Jose Garcia
- Unfinished Business add
- 1. City invoice

CONSENT AGENDA

- A. Minutes of Regular Meeting – December 8, 2016
- B. Financial Reports
 - 1. Financial Reports – October, November and December 2016
 - 2. Bills for Ratification as of January and February 2017
- C. Remove from Rolls:
 - 1. White, Mary, DOD 11-08-2016
 - 2. Batchelor, James, DOD 02-09-17
 - 3. Walker, Alford, DOD 02-02-17
- D. Final Benefit Calculations:
 - 1. Michael Grier, PFFU, 10-01-2016, \$1,039.10
 - 2. Mistretta, Peter, PPOA, 06-01-2017, In Progress
 - 3. Troy, Stevens, PPSA, 09-01-2017, In Progress
 - 4. Kendrick, Jody, PPOA, 10-01-2017, In Progress
 - 5. Mistretta, Peter, PPOA, 06-01-2017, In Progress
 - 6. Troy, Steven, PPSA, 09-01-2017, In Progress
 - 7. Kendrick, Jody, PPOA, 10-01-207, In Progress

RESOLUTION 17-01 By Nazarko, Supported by Mayor Waterman
Resolved, That the items on the Consent Agenda for February 23, 2017, be approved.

Yeas: 4 - Nays: 0

CONSULTANTS

A. The Nyhart Company

The Actuarial Valuation Report of December 31, 2015 was presented with the changes requested.

RESOLUTION 17-02 By Nazarko, Supported by Britton
Resolved, That the Actuarial Valuation Report of December 31, 2015, be approved as presented with revisions.

Yeas: 4 - Nays: 0

B. AndCo.

Christopher Kuhn of AndCo discussed the name change from the Bogdahn Group to AndCo. He then reviewed the Fund's status as of December 31, 2016 as well as reviewed the Investment Performance for the fourth quarter of 2016.

Mr. Kuhn reviewed the Fund's Investment Performance Review for period ended December 31, 2016. In addition, he reviewed the Mid Cap Core Equity Manager Analysis as of September 30, 2016.

Mr. Kuhn then discussed the Asset/Manager Summary and recommends that he contacts LSIA for a better fee.

RESOLUTION 17-03 By Storum, Supported by Britton
Resolved, to approve and authorize Mr. Nazarko to sign once Mr. Kuhn has negotiated terms.

Yeas: 4 - Nays: 0

RESOLUTION 17-04 By Mayor Waterman, Supported by Nazarko
Resolved, to approve Mr. Kuhn to transfer the last of WHV holding to LSIA.

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:

Ken Ayres – Exhibit A

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

Patricia McNeary Overpayment

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

Martice Berry Denial of Request for Vested Benefit – Exhibit B

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

Dispute of IRS Penalty Increase – Exhibit C

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.

Nyhart – Revised 12/31/15 Valuation Report

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

Bill Glency – Request by Conservator for Change of Address – Exhibit D

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

Pension Supplement Payable to Dual GERS/PFRS members – Exhibit E

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

Correspondence to Pre-1996 Retirees regarding \$400 monthly benefits – Exhibit G

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

Robbins Gellers December 30, 2016 Portfolio Monitoring Report – Exhibit H

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

4th Quarter 2016 On the Record with Robbins Gellers – Exhibit I

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

IRS 2017 Standard Mileage Rates – Exhibit J

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

Reimbursement of Trustee Expenses - December 2016 Benefits Magazine – Exhibit K

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

Judge Oks \$4.2 million Northern Trust Settlement with Michigan Pension Systems, Chicago Tribune, January 13, 2017 – Exhibit L

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

FOIA – Exhibit M

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.

Martice Berry Denial of Request for Vested Benefit – Exhibit B

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

UNFINISHED BUSINESS

A. Outstanding Disputes

The outstanding disputes were discussed in detail and a resolution was set.

RESOLUTION 17-05 By Nazarko, Supported by Mayor Waterman
Resolved, based on approval from Fund Counsel to pay the outstanding disputes \$400 per month beginning September 2016.

Yeas: 4 - Nays: 0

NEW BUSINESS

A. September 2016 OPEB Invoice.

RESOLUTION 17-06 By Nazarko, Supported by Mayor Waterman
Resolved, to pay the September 2016 OPEB Invoice.

Yeas: 4 - Nays: 0

B. 2015 Summary Annual Report – Pension

RESOLUTION 17-07 By Nazarko, Supported by Storum
Resolved, that the Summary Annual Report for 2015 be approved pending revision to include 27 year, one year declining, amortization period, and posted to the website.

Yeas: 4 – Nays: 0

C. October 27, 2016 revised minutes.

Mr. Henzi discussed some items that were omitted on the minutes from the October 27, 2016 meeting minutes. Mr. Henzi provided a revised copy for approval.

RESOLUTION 17-08 By Nazarko, Supported by Britton
Resolved, that the revised October 27, 2016 meeting minutes be approved as presented and posted to the website.

Yeas: 4 – Nays: 0

D. Disposition Authorization Form

RESOLUTION 17-09 By Mayor Waterman, Supported by Britton
Resolved, that the Disposition Authorization Form be approved and signed as presented.

Yeas: 4 – Nays: 0

E. Garcia, Jose

Discussion regarding Mr. Jose Garcia eligibility, additional research is needed to be discussed further at the next meeting on Thursday March 30, 2017.

CORRESPONDENCE

Correspondence from investment managers was presented for review, no action required.

RESOLUTION 17-10 By Nazarko, Supported by Storum

Resolved, that the mileage and lost wages for the Trustees be allowed to be submitted and approved electronically.

Yeas: 4 – Nays: 0

NEXT MEETING DATE: March 30, 2017

ADJOURNMENT

It was proposed by Trustee Nazarko and supported by Trustee Britton that the meeting be adjourned at 1:17 p.m.

RESOLUTION 17-11 by Nazarko, Supported by Britton

Further Resolved, That the meeting be adjourned at 1:17 p.m.

Yeas: 3 – 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 23, 2017.

Nevrus Nazarko, Secretary
As recorded by BeneSys